



SN – 394

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**V Semester B.B.M. Examination, Nov./Dec. 2013**  
**(2013-14 and Onwards)**  
**BUSINESS MANAGEMENT**  
**5.3 : Law and Practice of Banking**

Time : 3 Hours

Max. Marks : 100

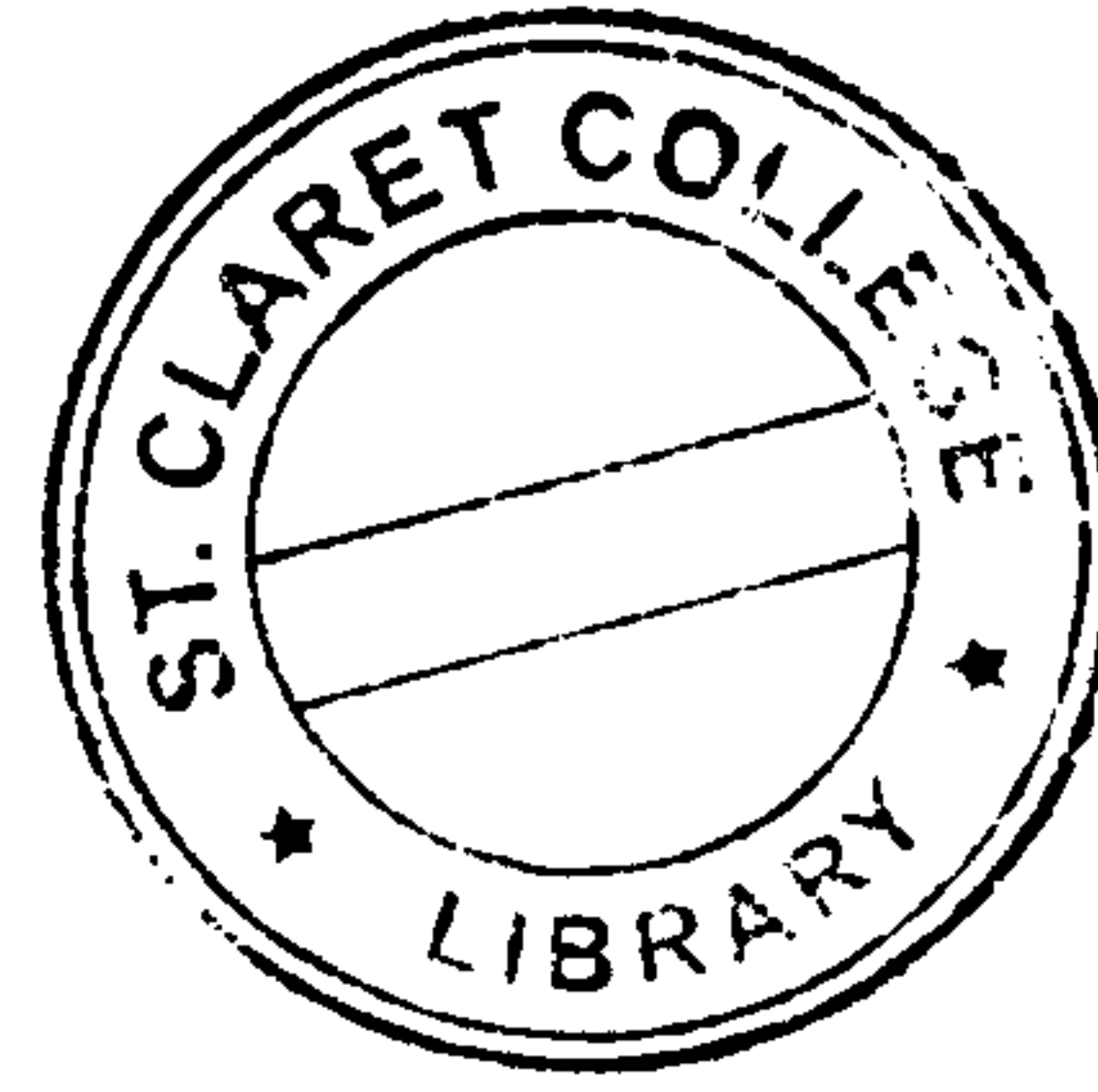
**Instruction :** Answers should be written in **English** only.

SECTION – A

Answer **any eight** of the following sub-questions. **Each** sub-question carries **two** marks :

(8×2=16)

1. a) Define banking.
- b) State the rule in Clayton's case.
- c) What is a stale cheque ?
- d) Who is a collecting banker ?
- e) What is meant by general endorsement ?
- f) What is a Garnishee order ?
- g) What is ATM ?
- h) What is meant by standing instructions ?
- i) What are secured advances ?
- j) Define pledge.



SECTION – B

Answer **any three** of the following questions. **Each** question carries **eight** marks :

(3×8=24)

2. Explain the features of debtor-creditor relationship between banker and customer.
3. Explain briefly subsidiary services rendered by a banker to customers.
4. What are the precautions to be taken by the banker while opening an account of a minor ?
5. Explain the features of a cheque.
6. Define hypothecation. Explain the features of hypothecation.

P.T.O.



## SECTION – C

Answer **any four** of the following questions. **Each** question carries **fifteen** marks :

**(4×15=60)**

7. Who is a collecting banker ? Explain the statutory protection to a collecting banker.
  8. What is meant by dishonour of cheques ? Explain the circumstances in which cheques are dishonoured.
  9. Explain the types of bank loans and advances.
  10. What are the precautions to be taken by a banker in opening and operating the accounts of public limited companies ?
  11. Define mortgage. Explain the types of mortgage.
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