



SN – 407

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V Semester B.B.M. Examination, November/December 2013
(Prior to 2013-14) (Repeaters)
Paper – 5.3 : LAW AND PRACTICE OF BANKING
Business Management

Time : 3 Hours

Max. Marks : 90

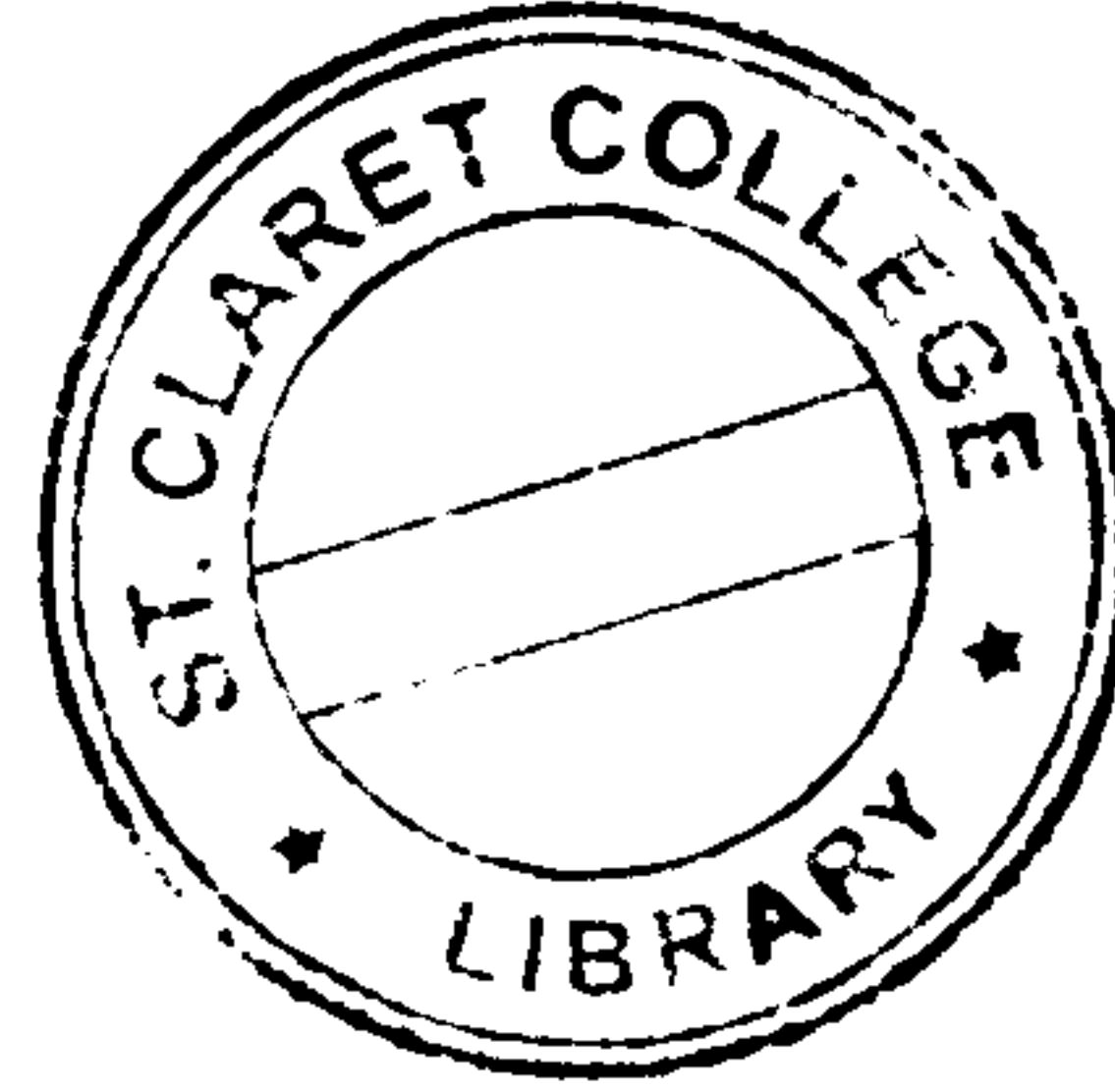
Instruction : Answers should be written in **English** only.

SECTION – A

1. Answer **any ten** of the following sub-questions. **Each** sub-question carries **two** marks.

(10×2=20)

- Give the definition of Banker.
- What is traveller's cheque ?
- Who is an Executor ?
- Who is a minor ?
- What is Right of Set-off ?
- What is debit card ?
- What are standing instructions ?
- What is current account ?
- What is forged endorsement ?
- What is mutilated cheque ?
- What do you mean by NPA ?
- What is a Negotiable Instrument ?



SECTION – B

Answer **any five** questions. **Each** question carries **five** marks.

(5×5=25)

- State the salient features of cheque.
- Differentiate between Bank debt and Ordinary debt.
- State when a banker can disclose the secrecy of customer's account.

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5. Write a note on cash credit.
6. Briefly explain the different types of letter of credit.
7. Give a note on Clayton's case.
8. Explain the parties to a negotiable instrument.
9. What do you mean by payment in due course ? Explain its essential features.

SECTION – C

Answer **any three** questions. **Each** question carries **fifteen** marks. **(3×15=45)**

10. Explain the special relationship between banker and customer.
 11. Who is a collecting banker ? Explain the statutory protection given to him.
 12. State the precautions to be taken by a banker while opening and operating an account in the name of :
 - a) Minor
 - b) Married women
 - c) TRUST.
 13. Explain the different types of bank advances.
 14. What are the merits and demerits of giving advances against Life Insurance Policies ? What precautions should be taken by a banker while granting loan against LIC policies ?
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