



V Semester B.B.M. Degree Examination, Nov./Dec. 2017
(Repeaters) (Prior to 2014-15)
BUSINESS MANAGEMENT
5.3 : Law and Practice of Banking

Time : 3 Hours

Max. Marks : 100

Instruction : Answer 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)
- Define a customer.
 - What is general lien ?
 - Give meaning of order nisi.
 - Mention any two exception to Banker's obligation to maintain secrecy of customer's account.
 - Give meaning of payment indue course.
 - Who is collecting banker ?
 - Mention any four essentials of valid endorsement.
 - What is post-dated cheque ?
 - Who is executor ?
 - What is standing instruction ?
 - Give meaning of discounting of bill.
 - Mention any four types of letter of credit.

SECTION – B

Answer **any five** questions. **Each** question carries **five** marks. (5×5=25)

- What is Right of Set Off ? When banker can exercise if ?
- What is negotiable instrument ? State the meaning of a bill of exchange, cheque and promissory note.



4. What are the requisites of payment in due course ?
5. What are the precaution to be taken to open the account of a joint stock company ?
6. What is overdraft ? What are its features ?
7. Explain Clayton's case.
8. What are the duties of collecting banker ?

SECTION - C

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

9. What is wrongful dishonour ? What are the consequences of wrongful dishonour ?
What are the circumstances of dishonour ?
10. Who is collecting banker ? Explain the statutory protection to collecting banker ?
11. Explain different types of bank deposits.
12. What are the precautions taken by banker while opening accounts of
 - a) Hindu undivided family.
 - b) Minor.
 - c) Joint account.
13. Bring out the general relationship between banker and customer.

SECTION - D

Answer the following :

(1×10=10)

14. Define Negotiable Instrument. Briefly explain different types of negotiable instrument.
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