# V Semester B.Com. Examination, November/December 2015 (Prior to 2014-15) (Repeaters) COMMERCE

Paper – 5.4: Law and Practice of Banking (100-2013-14 Only) (90-Prior to 2013-14)

Time: 3 Hours

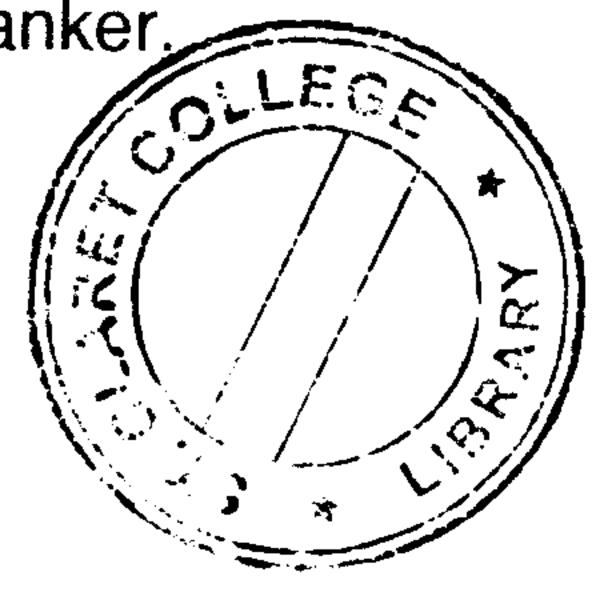
Max. Marks: 90/100

Instructions: 1) Answers should be completely written either in English or in Kannada.

- 2) Section A, B, C Common to all students.
- 3) Section D Compulsory for 100 marks paper.

### SECTION - A

- Answer any ten sub-questions from the following. Each correct answer carries
   2 marks: (10×2=20)
  - a) Give the meaning of banking.
  - b) Write any four general utility services provided by Banker.
  - c) What is meant by 'Lien'?
  - d) What do you mean by 'Cheque'?
  - e) Who is a paying banker?
  - f) Expand EFT and RTGS.
  - g) What is meant by Bank Draft?
  - h) What do you mean by Pass Book?
  - i) Give the meaning of wrongful dishonour of cheque.
  - j) State the principles of good lending by banks.
  - k) Who is Minor?
  - 1) What is meant by special crossing of a cheque?





#### SECTION - B

Answer any five of the following questions. Each correct answer carries 5 marks: (5x5=25)

- 2. State any 5 features of Debtor-Creditor relationship between Banker and Customer.
- 3. State the reasons for dishonour of a cheque.
- 4. Write the precautions to be taken by the collecting Banker.
- 5. What are the factors to be considered while making advances by a bank?
- 6. Briefly explain the characteristics of Negotiable Instruments.
- 7. Write the procedure to open a Savings Bank Account.
- 8. Briefly explain the modern services provided by a banker to his customer.

## SECTION-C

Answer any three of the following questions. Each correct answer carries

(3×15=45)

- 9. What are the essentials of a valid endorsement? Explain the types of endorsement.
- 10. Explain the types of accounts which a person can open with a bank.
- 11. Explain the precautions to be taken by a banker while granting loan against:
  - a) Bill of Lading
  - b) Stock exchange securities.
- 12. Explain the types of bank loans and advances.
- 13. Explain the duties of a paying banker before passing or dishonouring a cheque.

#### SECTION - D

Answer the following question. The correct answer carries 10 marks: (1×10=10)

14. Briefly explain the special relationship between banker and customer.