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UN – 393

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

1. 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 ?
- l) What is meant by special crossing of a cheque ?



P.T.O.



SECTION – B

Answer **any five** of the following questions. **Each** correct answer carries **5** marks : **(5×5=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 **15** marks :

(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.