



**KERALA AGRICULTURAL UNIVERSITY**  
**B.Sc. (Hons.) C & B 2016 Admission**  
**III Semester Final Examination-January-2018**  
**Banking Law and Practice (2+1)**

Bank.2103

**Marks: 50**  
**Time: 2 hours**

**I Fill in the blanks: (10x1=10)**

- 1 The banker is called as a.....debtor when he accepts deposits from the customers
- 2 Bankers lien is a.....lien and similar to .....
- 3 Honouring of cheques is a.....obligation of the banker.
- 4 .....Section of RBI Act and.....section of BR Act deals with cash reserves of commercial banks.
- 5 The“duration theory” regarding banker - customer relationship is associated with.....(author)
- 6 ..... Bill of exchange is drawn without consideration.
- 7 Through.....endorsement an order instrument can be converted in to a bearer instrument.
- 8 Garnishee order is issued in two parts namely..... and .....
- 9 The two capacities of collecting banker are..... and .....
- 10 In the case of ..... Mortgage, the right to foreclosure only is available to the mortgagee.

**II Answer any FIVE of the following (5x2=10)**

- 1 What is “noting” of a bill. Why it is not required for cheque.
- 2 Compare legal mortgage and equitable mortgage
- 3 Define banker and customer.
- 4 Write the significance of crossing of cheques.
- 5 Define bill of exchange and cheque.
- 6 What are the Rules for licensing of banks as per BR. Act.
- 7 State the differences between cash credit and overdraft

**III Answer any FIVE of the following. (5x4=20)**

- 1 Explain the procedure and modes of winding up of banking companies.
- 2 Briefly write the special relationship between the banker and customer.
- 3 Distinguish bill of exchange and cheque
- 4 Write the prohibited business of banking companies as per BR Act.
- 5 Explain the precautions to be observed by a banker while advancing against stock exchange securities.
- 6 What are the usual procedures followed by the banks for opening an account in the name of a joint stock company.
- 7 Briefly state the powers of RBI under the BR Act to control banking companies.

**IV Write an essay on any one of the following (1x10=10)**

- 1 Explain the legal status of collecting and paying banker and precautions to be observed to obtain statutory protection.
- 2 Discuss the essential features of a mortgage showing the different types of mortgages and the general precautions to be taken by the bank while advancing against it.

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