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21 (7) BKLW 7.4

2020

(Held in 2021)

BANKING LAW

Paper : 7.4

Full Marks : 56

Time : 2½ hours

The figures in the margin indicate full marks for the questions.

GROUP-A

(Marks 28)

1. Choose the correct answer from the following : 1×7=7
 - (a) The note issue system in India is based on (Gold deposit system/Minimum Reserve System)
 - (b) In which schedule are the scheduled banks of India listed in the RBI Act, 1934 ? (1st Schedule/2nd Schedule)
 - (c) KYC means _____. (know your creditor/know your customer)

Contd.

(d) Chain Banking is another form of _____.
(Group banking/Unit banking)

(e) Pledge is a kind of bailment.
(True/False)

(f) The banker is exempted from producing the account books before the police.
(True/False)

(g) Non schedule banks need not maintain reserves.
(True/False)

2. Answer the following : 2+2+3=7

(a) What is Demand Deposit ?

(b) What do you understand by Travellers Cheque ?

(c) Write a note on the role of RBI as Banker to the Government.

3. Comment on Banker's obligation to maintain the secrecy of the customer's account. 7

Or

Explain the precautions to be taken by the Banker while opening a new account by Joint Stock Company and Minor. 7

4. What are the various steps involved in case of amalgamation of two banks ? 7

Or

What is Negotiable Instrument ? How Negotiable Instruments are different from Transferable Instrument ? 2+5=7

GROUP-B

(Marks 28)

5. (a) 'A' draws a bill of exchange payable to himself on 'B'. Who accepts the bill without consideration just to accommodate 'A'. Subsequently, 'A' transfers the bill to 'C' for good consideration. State the rights of 'A' and 'C'. Would your answer be different if 'A' transferred the bill to 'C' after maturity.
- (b) Bablu could not present the Cheque received from his friend due to busy schedule. Period of limitation is about to expire on a day which happens to be a holiday. Advice Bablu. 8+6=14

Or

Critically examine the contribution of Regional Rural Banks in promoting rural economy. 14

6. "The Reserve Bank of India has wide powers to control and regulate the activities of banks." Explain the statement in the context of provisions contained in the Banking Regulation Act, 1949. 14

Or

What are the Penalties prescribed under the Negotiable Instrument Act, 1881 in case of dishonor of a cheque for insufficiency of funds in the account of the person issuing the cheque ? What steps the payee should take for making the drawer liable for his offence ? Support your answer with a decided case. 4+6+4=14