

D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE

DEPARTMENT OF COMMERCE (AIDED)

QUESTION BANK

BANKING LAW & PRACTICE

CLASS - II BCOM – IV SEMESTER

UNIT – I

Banker and Customer

SECTION-A (2 Marks questions)

1. What is lien?
2. Write note on garnishee order.
3. What do you understand by the term customer?
4. What is duration theory in relation to the definition of a customer?
5. Define banker?
6. Who is a minor?
7. What is a fixed deposit?
8. What do you understand by the term nomination facility?
9. What is a pass book?
10. What is pay-in-slip?
11. What particulars are to be given in a pay-in-slip?
12. Define cheque.
13. Who is holder in due course?
14. What is bill of exchange?
15. What do you understand by the term crossing of a cheque.
16. Define negotiable instrument?
17. What is material alteration?
18. Who is a paying banker?
19. What is a open cheque?

20. State any two conditions for payment in due course.
21. What is mutilated cheque?
22. What is conversion?
23. What do you understand by the term holder for value.
24. What is stale cheque?
25. What do you understand by the term collecting banker.
26. When a banker act as an agent for collection?

SECTION-B (5 Mark questions)

1. "A banker is bound to honor his customer's cheque". To what extent is this true? Discuss.
2. Write notes on 1) Period of limitations 2) Clayton's case
3. What are the conditions necessary to constitute a customer of a bank?
4. How does a banker act as a debtor and creditor for a customer?
5. Distinguish between saving account and current account.
6. Under what circumstances the account of a customer is closed?
7. What are the effects of wrong entries in pass book?
8. What are the rules relating to opening up of an account in a bank?
9. What is an endorsement? What are its purpose?
10. What are the features of negotiable instruments?
11. Distinguish between holder and holder in due course.
12. Explain payment in due course.
13. Distinguish between Bill of exchange and promissory note.
14. Distinguish between Bill of exchange and cheque.
15. Distinguish between cheque and promissory note.
16. Explain the conditions that the banker should consider before honouring a cheque.

17. Explain the protections available to the paying banker.
18. What are the duties and responsibilities of a paying banker.
19. What do you mean by material alteration? Discuss.
20. What is the capacity of the collecting banker while collecting the instrument on behalf of the customers?
21. Briefly explain the protection available to the collecting banker under Section 131 of the Negotiable Instrument Act.

SECTION-C (10 Mark questions)

1. Discuss the general relationship that exists between a banker and his customer.
2. Explain in detail the duties of a banker.
3. Explain in detail the rights of a banker.
4. Who are considered to be special types of customers? What precautions a banker should take while opening account in favour of any four special types of customers?
5. Explain various types of deposit accounts that could be opened in a bank?
6. Explain the effects of entries in a pass book, when it favours the customer and banker.
7. Explain and illustrate the different kinds of endorsements.
8. Explain in detail the various forms of crossing
9. Discuss the liability of the paying banker on a crossed cheque.
10. Explain the various rights available to the banker to refuse the payment of cheques.
11. Discuss the circumstances under which the paying banker could dishonour the cheque of a customer.
12. Explain in detail the duties of a collecting banker.