



SS – 596

V Semester B.B.M. Examination, November/December 2018
(Repeaters) (Prior to 2014-15)
BUSINESS MANAGEMENT
5.3 : Law and Practice of Banking

Time : 3 Hours

Max. Marks : 100

Instructions : Answers should be written in **English**.

SECTION – A

1. Answer **any ten** of the following sub-questions. **Each** sub-question carries **two** marks. (10×2=20)
- Who is a banker ?
 - What is an overdraft ?
 - What is a letter of credit ?
 - Define the term cheque.
 - Who is a collecting banker ?
 - What is an endorsement ?
 - Who is a Minor ?
 - Who is a testator ?
 - Mention the different types of deposits.
 - What is crossing of a cheque ?
 - What is promissory note ?
 - Expand the term :
 - NPA
 - ATM

SECTION – B

- Answer **any five** questions. **Each** question carries **five** marks. (5×5=25)
- Briefly explain the different types of cheques.
 - What are the circumstances under which the banker has the right to set-off customers account ?
 - Briefly explain the different types of crossing.
 - Explain the various types of letters of credit.

P.T.O.



6. What do you mean by payment in due course ? Explain its features.
7. Distinguish between loan and cash credit.
8. What are the characteristics of a negotiable instruments ?

SECTION - C

Answer **any three** questions. Each question carries **fifteen** marks. (3×15=45)

9. Explain the relation between the banker and customer.
10. Who is a paying banker ? Explain the statutory protection given to the paying banker.
11. What is lending ? Explain the various principles to be followed at the time of lending loans and advances.
12. Briefly explain the duties and responsibilities of a collecting banker.
13. State the precautions to be taken by a banker while opening and operating an account in the name of
 - a) Partnership firm
 - b) Joint Hindu Family
 - c) Minor

SECTION - D

(1×10=10)

14. Explain the procedure to be followed for opening a savings account.
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