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Reg. No.....

Name.....

**FIVE YEAR B.A., LL.B./B.B.A., LL.B./B.Com., LL.B. (HONS.) DEGREE
EXAMINATION, JULY 2024**

Seventh Semester

F.L. 22—BANKING LAW

[2020 Admissions—Regular/2018 and 2019 Admissions—Supplementary]

Time : Three Hours

Maximum : 75 Marks

Part A

*Write short notes on any five of the following
Each question carries 3 marks.*

1. Core banking functions.
2. Government control over banks.
3. Protection of paying banker.
4. Statutory Liquidity Ratio (SLR).
5. Payment in due course.
6. Noting and Protest.

(5 × 3 = 15 marks)

Part B

*Answer any three of the following problems.
Each question carries 10 marks.*

7. Mr. 'B' has a loan account with the bank and has deposited certain gold ornaments with the bank to be kept in safe custody. The keys and control thereof are with the bank. When the loan has become overdue, the bank desires to realize the amount by selling the ornaments. Is the bank empowered to do so? Decide.
8. A banker has a claim for overdraft against 'X' who is about to dispose of most of his assets. How should the bank proceed to protect its interest? Explain.

Turn over

9. 'A' signs two instruments as follows :

(a) "Mr. B., I.O.U., Rs. 10,000."

(b) "I promise to pay 'B' Rs. 20,000 seven days after my marriage with 'C'."

Are these instruments Promissory Notes ? Discuss, explaining the essential requirements under section 4 of the NI Act.

10. 'A' draws a cheque in favour of 'B' who is a minor. 'B' endorsed the cheque in favour of 'C' who is a major. The cheque is dishonoured on the ground of Insufficiency of funds in the account of 'A'. Examine the rights of 'C' against 'A' and 'B' in light of the provisions of the Negotiable Instruments Act.

(3 × 10 = 30 marks)

Part C

Answer any two of the following questions.

Each question carries 15 marks.

11. Define 'banker' and 'customer'. A banker has different relationships in various capacities with customers. Explain the legal character of such relationships referring to important judicial decisions.
12. Discuss in detail the regulatory role and functions of the Reserve Bank of India.
13. Define the terms 'holder' and 'holder-in-due course', and explain the different rights and privileges granted to them under provisions of the Negotiable Instruments Act.

(2 × 15 = 30 marks)