

F 2776

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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, JANUARY 2023**

Seventh Semester

F.L. 22—BANKING LAW

(2018 Admissions—Regular)

Time : Three Hours

Maximum : 75 Marks

Part A

Write short notes on any five of the following.

Each question carries 3 marks.

1. Investment banking.
2. Banker's right of general lien.
3. Principles of Sound Lending.
4. Noting and Protest.
5. Statutory protection available to a collecting banker.
6. Crossing of cheques.

(5 × 3 = 15 marks)

Part B

Answer any three of the following problems.

Each question carries 10 marks.

7. Mr. 'X' is an industrialist and had accounts in PQR bank. The bank manager, in order to attract the customers, disclosed through an advertisement that Mr. 'X' is their customer and has deposit of Rupees Ten crore. Examine whether the bank manager is liable for the disclosure made.
8. 'K' has a cash credit account with the bank and has pledged certain goods with the bank to be stored by the bank in its godown with the keys and control thereof with the bank. The goods are found missing and 'K' wants to hold the bank liable for the loss. Decide.
9. 'A', by fraud, induces 'B' to make a promissory note in his favour. 'A' negotiates that promissory note to 'C', who takes it for value and in good faith. Subsequently 'C' negotiates the same to 'D', who takes it with full knowledge that the title of 'A' was defective. Discuss the status of 'D'.

Turn over

10. 'P' issued a cheque of Rs. 50,000 in favour of a private school towards the payment of school fees. The cheque was presented for encashment by school through its banker. However, the same was returned unpaid by the banker of 'P' stating the reason "Account closed". School approaches you for advice. What action can the school take? Is 'P' liable for criminal prosecution? Substantiate your answer referring to decided cases.

(3 × 10 = 30 marks)

Part C

Answer any two of the following questions.

Each question carries 15 marks.

11. What do you understand by Commercial Banks? Discuss the essential and ancillary functions of Commercial Banks.
12. "When the Reserve Bank of India (RBI) was established in 1935, our country was a backward country which lacked a well-developed commercial banking system, apart from the absence of a well-developed money market in the country. After 1949, the RBI became very active in taking steps to promote and develop banking and financial institutions so that RBI can pursue appropriate credit and monetary policies for the economic growth and development in an era of planned economic development of the country." In view of the above statement, discuss the promotional and supervisory functions performed by the RBI.
13. What do you mean by 'Holder' and 'Holder in Due Course'? Discuss the various rights and privileges enjoyed by them under the Negotiable Instruments Act.

(2 × 15 = 30 marks)