

Seat No: _____

Enrolment No: _____

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com (Hons), Winter 2017 – 18 Examination

Semester: 3
Subject Code: 16102201
Subject Name: Legal aspects of Banking

Date: 18-12-2017
Time: 10:30 AM to 01:00PM
Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.

(A) Multiple choice type questions. (Each of one mark) (06)

1. The banker customer relationship in case of safe custody of goods is that of _____

- | | |
|--------------------|------------------------|
| a. Bailee-bailor | b. Trustee-beneficiary |
| c. Agent-Principal | d. Lessor – lessee |

2. A minor whose guardian has been appointed by court attains majority on completion of _____ years of age:

- | | | | |
|-------|-------|-------|------------------|
| a. 18 | b. 21 | c. 25 | d. None of these |
|-------|-------|-------|------------------|

3. What is the maximum number of HUFs which can become partners in a partnership firm?

- | | | | |
|------|------|-------|---|
| a. 2 | b. 3 | c. 10 | d. HUFs cannot become partner in a partnership firm |
|------|------|-------|---|

4. What happens if a crossed cheque is presented for payment?

- a. It can be paid only through a banker
- b. It cannot be paid at all
- c. It can be paid across the counter in another bank
- d. None of the above

5. What does crossing of cheques make them?

- a. Invalid document
- b. Ineligible to endorse to a person other than the payee
- c. Remain the same
- d. Ineligible to get cash across the bank counter

6. Mr. A & Mrs. A want to open a joint account, the KYC requirement will be complied for _____

- a. Mr. A only
- b. For the first named person
- c. For both
- d. For the person operating the a/c

(B) Definitions / One-liners / Terms. (Each of one mark) (06)

1. Banker.
2. Customer
3. Particular lien
4. Bank draft
5. Currency chest
6. Telegraphic Transfer

Q.2 Numerical / Short Note Questions. (Each of 04 mark) (12)

- A. Explain the legal relationship between banker and customer.
- B. Write a note on 'Magnetic Ink Character Recognition (MICR) and Clearing System'.
- C. What are the advantages and disadvantages of credit cards

Q.3 Answer the following. (Any Three) (18)

- A. State the basic rights for bank customers laid down by RBI.
- B. What are the duties and responsibilities of a collecting banker?
- C. Explain the principles of sound lending.
- D. What are the types of deposit schemes available in banks?

Q.4 Answer the following. (Any two) (18)

- A. State the different types of cheques.
- B. What are the legal provisions regarding modes of creating charge on the asset in favour of the bank?
- C. What are the types of Endorsements?