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V Semester B.Com. Examination, November/December 2013  
(Semester Scheme)  
(Prior to 2013-2014 Batch)

Paper – 5.4 : LAW AND PRACTICE OF BANKING

Time : 3 Hours

Max. Marks : 90

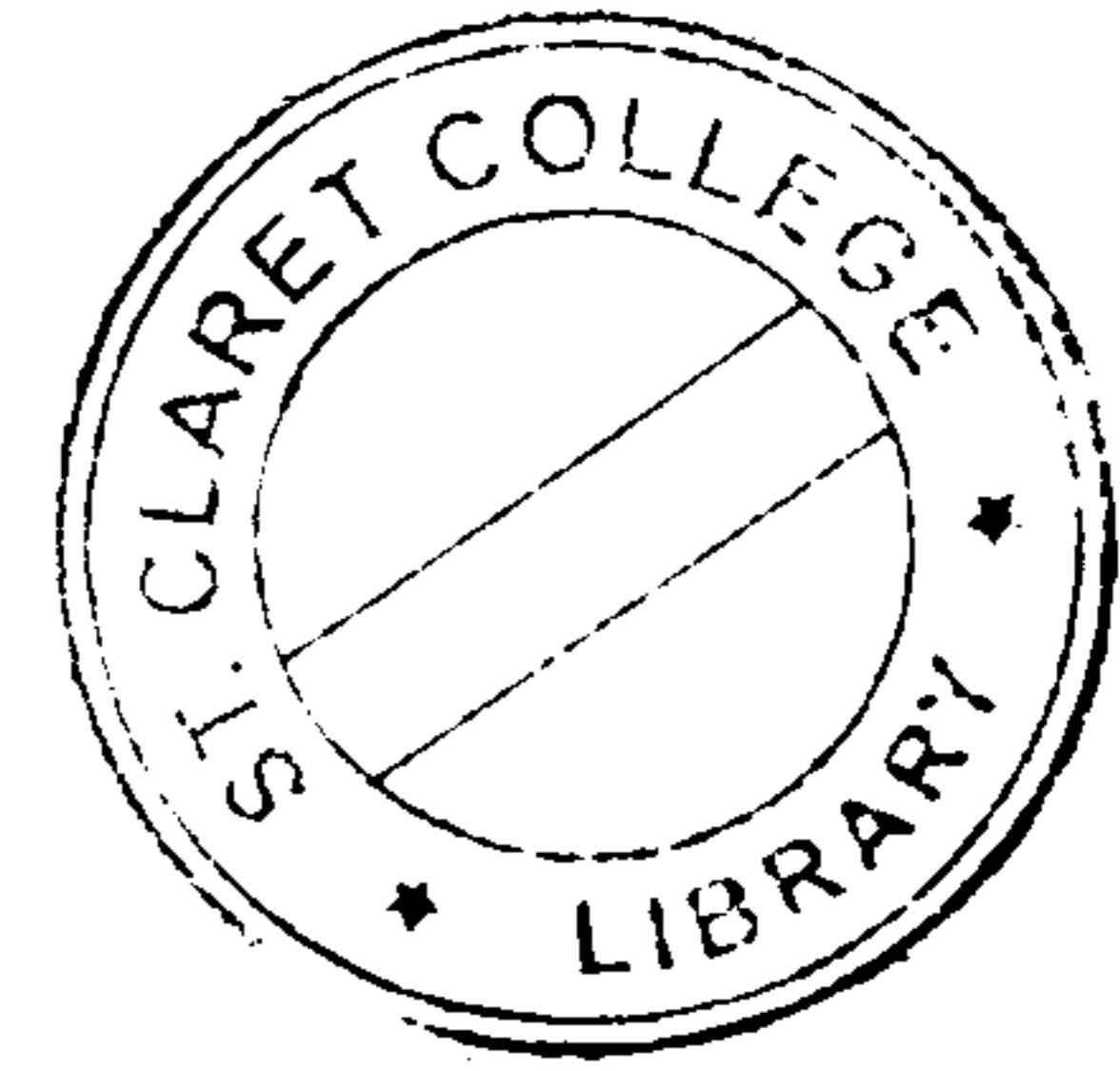
**Instruction :** Answer should be written **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any 10** sub-questions of the following. **Each** sub-question carries **2** marks.

(10×2=20)

1. a) What is Garnishee order ?
- b) What do you mean by banker's particular lien ?
- c) What is a duration theory ?
- d) What is dishonour of cheque ?
- e) What do you mean by payment in due course ?
- f) Who is an executor ?
- g) Who is a paying banker ?
- h) Give the meaning of Minor.
- i) Expand NPA.
- j) What is Cash Credit ?
- k) State the ruling in Claytons case.
- l) What is factoring ?





## SECTION – B

Answer **any 5** of the following. **Each** question carries **5** marks.

**(5×5=25)**

2. Distinguish between general crossing and special crossing.
3. Explain briefly any two types of Endorsements.
4. What are the features of Certificate of Deposits ?
5. Who is a holder for value ? Explain briefly.
6. What precautions are to be taken by a banker while opening an account of partnership firm ?
7. State the differences between Debit Card and Credit Card.
8. Explain the mandatory functions of a paying banker.
9. When the banker is justified in disclosing the state of his customer's account ?

## SECTION – C

Answer **any 3** of the following. **Each** question carries **15** marks.

**(3×15=45)**

10. Under what circumstances the paying banker dishonours the cheques of his customers ?
  11. Explain the special and general relationship between banker and customer.
  12. Explain the precautions to be taken by a banker while granting loan against :
    - a) Bill of exchange
    - b) Goods
    - c) Life Insurance Policies.
  13. Discuss the statutory protection given to the collecting banker.
  14. Explain the precautions a banker should take while opening an account in the name of :
    - a) Joint Stock Company
    - b) Joint account.
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