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V Semester B.Com. Examination, November/December 2014

(Prior to 2014-15) (Repeaters)

Paper – 5.4 : LAW AND PRACTICE OF BANKING

(100 – 2013-14 Only)

(90 – Prior to 2013-14)

Time : 3 Hours

Max. Marks : 90/100

**Instructions :** 1) Answer should be **completely** written either in **English** or in **Kannada**.

2) Section **A, B, C** – Common to **all** students.3) Section **D** – **Compulsory** for **100** marks paper.

## SECTION – A

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

(10×2=20)

1. a) Give the meaning of banking.
- b) What is garnishee order ?
- c) What is endorsement ?
- d) What is pledge ?
- e) Give the meaning of dishonour of cheque.
- f) What do you understand by double crossing ?
- g) Who is a minor ?
- h) Expand NPA.
- i) State the ruling in Clayton's case.
- j) What is factoring ?
- k) What is an executors account ?
- l) What is meant by credit card ?

P.T.O.



## SECTION – B

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

**(5×5=25)**

2. Explain the features of negotiable instruments.
3. Briefly explain the different types of advances by the banker.
4. What is mortgage ? State the types of mortgages.
5. What is hypothecation ? What are its features ?
6. State the differences between movable properties and immovable properties.
7. State any five mandatory functions of a paying banker.
8. Explain the precautions to be taken by the banker while advancing against stock exchange securities.

## SECTION – C

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

**(3×15=45)**

9. Who is a paying banker ? What are the precautions to be taken by him while honouring a cheque ?
10. Explain Banker's obligation to maintain secrecy. What are the consequences of wrongful dishonour ?
11. Explain the precautions to be taken by banker while sanctioning loan against :
  - a) Bill of exchange
  - b) Goods and documents of goods
  - c) Life insurance policy
12. Explain the precautions a banker should take while opening an amount in the name of :
  - a) Joint account
  - b) Joint stock company
13. Briefly explain the principles of lending and factors to be considered while making advances.

## SECTION – D

Answer the following question. This question carries **10** marks.

**(1×10=10)**

14. Explain the circumstances in which a banker can dishonour the cheques.