

FACULTY OF LAW

301504

L.L.B (3 YDC) III - Year VI - Semester Examination, May/June, 2011

Subject : LAW

Paper - VII

Optional - II (a) Law of Banking

Time : 3 Hours]

[Max. Marks : 80

PART - A

Answer *any five* of the following :

5x6=30

1. NABARD
2. Reserve Bank of India
3. Garnishee order
4. Banker's Rights
5. Cheques
6. Dividend warrants
7. Forgery
8. Letters of credit

PART - B

Answer *any two* questions :

2x15=30

9. " The relation between banker and customer is primarily that of a debtor and creditor ". Explain the above statement with suitable examples.
10. Define a cheque and discuss the various kinds of cheques.
11. Discuss the statutory protection provided to collecting bankers under the Negotiable Instruments Act.
12. Critically examine the rights and liabilities of a surety.

Contd...2

PART - C

Answer *any two* questions :

2x10=20

13. An open bearer cheque for Rs. 20,000/- favouring Z company is presented for cash payment at the counter by an unknown person. Can the cheque be honoured? Examine the legal position.
14. A pays into his bank a cheque drawn on another banker payable to B and crossed "Not Negotiable". Should A's bank take such a cheque inspite of such a crossing. Explain the legal position.
15. X a customer has deposited Jewels worth Rs. 50,000/- for safe custody. Later he becomes a debtor to the bank. Explain the legal right of the banker.
16. A branch of a bank receives a garnishee order attaching all sums owed by the bank to a customer X. At the time of the receipt of the order X has a joint account in the names of X and Y with a balance of Rs. 10,000/- and a current account in the name of X as executor to an estate of the late Mr Z with a balance of Rs. 20,000/-. How will the banker exercise his legal powers. Explain.

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