

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)

**BCom DEGREE EXAMINATION DECEMBER 2018**  
(Fifth Semester)

Branch - **COMMERCE (RETAIL MARKETING)**

**BANKING LAW & PRACTICE**

Time : Three Hours

Maximum : 75 Marks

**SECTION-A (20 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define Banking.
- 2 What do you understand by the term KYC?
- 3 Why do business people prefer a current account?
- 4 Can a fixed deposit be claimed before maturity?
- 5 What is called as indigenous bankers?
- 6 What are the objectives of Regional Rural Banks?
- 7 What is Liquidity?
- 8 What is Hypothecation?
- 9 What do you mean by e-Banking?
- 10 Expand NEFT.

**SECTION - B (25 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5x5= 25)

- 11 a What is a letter of introduction? Why is it required at the time of opening a new account.  
OR  
b' What precautions should a banker generally take while opening an account in the name of (i) a minor (ii) a married woman?
- 12 a Explain the characteristics of a Negotiable instrument.  
OR  
b Give a specimen of a cheque and discuss its features.
- 13 a Give the specimen for 'Sans Recourse' and 'Sans Frais' endorsements.  
OR  
b Discuss in detail the statutory protection granted to a collecting banker in India.
- 14 a Explain the characteristics of a Mortgage.  
OR  
b Discuss fully the various kinds of Mortgage.
- 15 a Write the advantages of Internet Banking.  
OR  
b Explain NEFT and RTGS.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3x10 = 30)

- 16 Discuss the general relationship between banker and customer.
- 17 Elaborate the functions of Reserve Bank of India.
- 18 Explain the different kinds of crossing with examples and bring out its significance.
- 19 Examine the principles that guide a banker in granting loans and advances.