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Class - B VOC Sem. II (B&FS)
Subject - Legal & Regulatory Aspects of
Banking
Paper - BVC-205

Time Allowed : 3 Hours

Maximum Marks : 50

SECTION-A

1 Attempt any 10 questions. Each question carries 1 mark.

- (i) What assets are held by RBI for issuing currency notes ?
- (ii) What do you mean by repo rate & reverse repo rate ? Who decides it & for what purpose ?
- (iii) What do you mean by CRR? Why is it maintained? What is present CRR ?
- (iv) What is cheque?
- (v) Define negotiation?
- (vi) What is an Allonge?
- (vii) Can a cheque bearing 'Not Negotiable' crossing negotiated?
- (viii) What is an anti-dated cheque? Can it be paid?
- (ix) What is a stale cheque? When does a cheque become stale in india?
- (x) Who can open crossing of a cheque?
- (xi) Who can cross a cheque?

- (xii) For wrongful dishonour of a cheque, the paying banker is liable to the drawer or payee of the cheque?

SECTION-B

Attempt any 2 questions. Each question carries 10 marks.

2. Explain fully the privileges granted to a holder in due course under Negotiable Instruments Act.
3. What is payment in due course? Does the paying bank get any protection under Negotiable Instruments Act, if he pay the cheque in due course? If so, under what sections? Explain fully the protection granted to paying banker for paying bearer cheques with endorsements, order cheque with endorsement, cheques with material alteration and crossed cheques, quoting relevant sections of Negotiable Instruments Act.
4. What is difference between holder and holder in due course? What are the rights of a holder?
5. Describe the different kinds of endorsements, bringing out clearly the legal and practical significance of each.

SECTION-C

Attempt any 2 questions. Each question carries 10 marks.

6. What is material alteration? Is the forgery of drawer's signature a material alteration? Does the banker get any protection if he pays a cheque bearing forged signature of the drawer.

7. Enumerate the conditions which must be satisfied before statutory protection is available to a collecting banker in India.
8. State the penalties as laid down in section 138-142, as inserted in the Negotiable Instruments Act by the Banking and Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988. What are the conditions to be fulfilled for constituting the offence in accordance with these sections. What are the safeguards provided in these sections to ensure that genuine and honest customers are not harassed or put to inconvenience.
9. What is Bill of Exchange? How DP bill differs from DA bills? Explain in detail the extent to which the lending banker is secured, while granting advances against various types of bills of exchange.
