

LLB
FIRST SEMESTER
BANKING LAW
LLB - 106 H₁ BL
[USE OMR FOR OBJECTIVE PART]

SET
A

Duration: 3 hrs.

Full Marks: 70

Time: 30 min.

(Objective)

Marks: 20

Choose the correct answer from the following:

1×20=20

1. Which of the following function is performed by banks?
 - a. Accepting deposits
 - b. Lending money
 - c. Currency exchange
 - d. All of the above
2. Which section of Banking Regulation Act, 1949 defines Banking?
 - a. Section 2 (a)
 - b. Section 2 (b)
 - c. Section 2 (c)
 - d. Section 2 (d)
3. Which of the following is not a function of RBI?
 - a. Issuance of currency notes
 - b. Acting as government's bank
 - c. Acting as custodian of foreign currency reserves
 - d. Dealing with general public directly
4. In which of the following years, RBI was nationalized?
 - a. 1947
 - b. 1950
 - c. 1949
 - d. 1952
5. Which of the following is the apex institution for financing development of agriculture and other economic activities in rural India?
 - a. NABARD
 - b. IDBI
 - c. NHB
 - d. None of the above
6. Which of the following was the first bank to have established in India?
 - a. General Bank of India
 - b. Bank of Hindustan
 - c. Oudh Commercial Banks
 - d. Imperial Bank of India
7. What are the duties of a banker?
 - a. To help clients in financial needs
 - b. To keep track of financial status of the client
 - c. To keep accurate financial record
 - d. All of the above
8. The primary relation between a banker and customer starts from the time-
 - a. When customer visits that bank
 - b. When customer visits that bank to made queries
 - c. When customer opens account
 - d. All of the above

9. Which of the following is a mode of keeping security with the bank?
 - a. Pledge and hypothecation
 - b. Mortgage and assignment
 - c. Lien
 - d. All of the above
10. Which one of the following is the most important relationship between banker and customer?
 - a. Debtor and creditor
 - b. Bailor and bailee
 - c. Agent and principal
 - d. Trustee and beneficiary
11. Dishonour of cheque by a banker without any justifiable reason is called-
 - a. Invalid dishonour of cheques
 - b. Unmindful dishonour of cheques
 - c. Negligence dishonour of cheques
 - d. Wrongful dishonour of cheques
12. In Negotiable act 1881, which section defines promissory note?
 - a. Section 1
 - b. Section 2
 - c. Section 3
 - d. Section 4
13. Who is primarily liable on a promissory note?
 - a. Holder
 - b. Drawee
 - c. Maker
 - d. Endorser
14. is a dead cheque
 - a. Post dated cheque
 - b. Stale cheque
 - c. Ante dated cheque
 - d. Pre dated cheque
15. ATMs are primarily used for performing the functions
 - a. Banking
 - b. Computer based
 - c. Infrastructure
 - d. Hospitalized
16. 'PIN' stands for
 - a. People identification number
 - b. Personal instruction number
 - c. Personal identification number
 - d. Personal information number
17. Nationalisation of 14 major commercial banks in the year of -
 - a. 1949
 - b. 1935
 - c. 1956
 - d. 1969
18. The ATM pin is Digit code number used for authenticating and authorizing the use of the ATM facility by a customer
 - a. 4
 - b. 5
 - c. 6
 - d. 8
19. Which is the first change in banking sector of India after Independence?
 - a. Nationalization of banks
 - b. Social control on banks
 - c. Establishment of SBI
 - d. Establishment of RBI
20. Electronic cash is also called as -
 - a. Hot money
 - b. Digital money
 - c. Instant money
 - d. Easy money

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(Descriptive)

Time : 2 hrs. 30 min.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

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| 1. | Briefly trace the evolution of banking institutions. | 10 |
| 2. | Define banker's customer. Explain the general relationship between the banker and customer. | 2+8=10 |
| 3. | "Banker's duty to secrecy is not absolute". Explain the statement with suitable case law. | 10 |
| 4. | Explain the functions of RBI | 10 |
| 5. | What is Negotiable Instrument? What are the kinds of Negotiable Instruments? | 5+5=10 |
| 6. | Discuss on banker's duty to honour customer's cheque | 10 |
| 7. | Narrate the rights of a banker | 10 |
| 8. | Explain the functions of Commercial banks. | 10 |

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