REV-01
BLB/25/30

2025/11

SET A

BA LLB
NINTH SEMESTER
BANKING LAW
BLB – 903OP$_3$

[USE OMR FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Objective **Marks: 20**

Time: 30 min.

Choose the correct answer from the following: ***1×20=20***

1. The earliest form of indigenous banking in India was primarily carried on by:
   a. European trading companies
   b. Chartered banks
   c. Chettiars and Marwaris
   d. Reserve Bank of India

2. The Imperial Bank of India was formed in 1921 by amalgamating:
   a. State Bank of India and Bank of Bombay
   b. Three Presidency Banks
   c. Reserve Bank of India and Bank of Madras
   d. Punjab National Bank and Allahabad Bank

3. The Banking Regulation Act, 1949 primarily regulates:
   a. Commercial banks
   b. Stock exchanges
   c. Non-banking financial companies
   d. Insurance companies

4. The Banking Ombudsman Scheme is issued under the authority of:
   a. Banking Regulation Act, 1949
   b. Payment and Settlement Systems Act, 2007
   c. Companies Act, 2013
   d. RBI Act, 1934

5. The Banking Regulation Act, 1949 was originally passed as:
   a. Banking Control Act, 1949
   b. Indian Banking Companies Act, 1949
   c. Indian Banks Act, 1949
   d. Reserve Bank of India Act, 1949

6. Section 5(b) of the Banking Regulation Act, 1949 defines:
   a. Business of banking
   b. Demand liabilities
   c. Banking
   d. Approved securities

7. Under Section 7 of BRA, 1949, no company other than a banking company can use:
   a. The word "Investment" in its name
   b. The words "Bank", "Banker" or "Banking" in its name
   c. The words "Reserve Bank" in its name
   d. The term "Financial institution" in its name

8. The regulatory powers of the Reserve Bank of India over banks derive primarily from:
   a. RBI Act, 1934 and BRA, 1949
   b. Contract Act, 1872
   c. SEBI Act, 1992
   d. 1949Companies Act, 2013

9. The relationship between a banker and a customer is primarily that of:
   a. Principal and Agent
   b. Debtor and Creditor
   c. Bailor and Bailee
   d. All of the above

10. The obligation of secrecy of the banker was recognised in:
   a. Tournier v. National Provincial Bank (1924)
   b. Marzetti v. Williams (1830)
   c. Foley v. Hill (1848)
   d. Joachimson v. Swiss Bank Corporation (1921)

11. The banker's general lien is described under:
   a. Section 148, Indian Contract Act, 1872
   b. Section 171, Indian Contract Act, 1872
   c. Section 130, Transfer of Property Act, 1882
   d. Section 45, Banking Regulation Act, 1949

12. Banking practice falls under the term "service" as defined in:
   a. Negotiable Instruments Act, 1881
   b. Consumer Protection Act, 2019
   c. Banking Regulation Act, 1949
   d. RBI Act, 1934

13. The term *Negotiable Instrument* is defined under which section of the Negotiable Instruments Act, 1881?
   a. Section 3
   b. Section 18
   c. Section 14
   d. Section 13

14. A *Promissory Note* under Section 4 must contain—
   a. A conditional promise to pay
   b. An unconditional promise to pay
   c. A promise to deliver goods
   d. A promise to pay in installments

15. *Holder in due course* is defined under which section?
   a. Section 7
   b. Section 8
   c. Section 9
   d. Section 10

16. Which of the following is *not* a traditional principle of good lending?
   a. Safety
   b. Liquidity
   c. Profitability
   d. Speculation

17. The term "pledge" is defined under which section of the Indian Contract Act, 1872?
   a. Section 172
   b. Section 148
   c. Section 171
   d. Section 176

18. The SARFAESI Act, 2002 empowers banks to:
   a. Waive loans
   b. Recover debts without court intervention
   c. Provide agricultural subsidies
   d. Nationalize assets

19. Legal validity of electronic records in India is recognized under:

a. Indian Contract Act, 1872
b. Information Technology Act, 2000
c. Banking Regulation Act
d. RBI Act, 1934

20. **ATM frauds** are primarily dealt with under:

a. IT Act 2000 and BNS provisions on cheating and forgery
b. Contract Act only
c. Companies Act
d. Negotiable Instruments Act

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Descriptive

Time : 2 hrs. 30 min. **Marks : 50**

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

1. Discuss about the legal framework for the regulation of banking business in India. How do the government and its agencies exercise control over banking business? **7+3= 10**

2. Write an essay on the history of the indigenous banking practices in India. Give a brief account of the regulatory history of banking business in India. **7+3=10**

3. Analyse the statutory definition of "banking". Write an essay on the rules and restrictions of banking practice as laid down under section 7, 8 and 10 of the Banking Regulation Act, 1949. **3+7=10**

4. Explain the different natures of the relationship of Banker and its customer with reference to statutory provisions and case laws on the subject. **10**

5. Write a brief note on the statutory basis of considering the bank customer as a "consumer". Explain some important judicial pronouncements which upheld "banking" as service. **4+6=10**

6. What do you mean by negotiable instrument in banking practices? Explain the essential common features of negotiable instrument. **4+6=10**

7. Write an essay on securities for advances and their different kinds with their respective merits and demerits. **10**

8. Write an essay on the recent trends of Banking practices in India in the era of information technology. **10**

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