2025/12

SET A

BBA LLB
THIRD SEMESTER
BANKING LAW
BBLB - 306H$_1$ BL

[USE OMR FOR OBJECTIVE PART]

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

Time: 30 min. **Marks: 20**

(Objective)

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

1. The first Presidency Bank established in India was:
   a. Bank of Bombay
   b. Bank of Madras
   c. Bank of Bengal
   d. Imperial Bank of India

2. The process of nationalisation of major commercial banks in India took place in:
   a. 1949 and 1955
   b. 1969 and 1980
   c. 1975 and 1991
   d. 2000 and 2004

3. Co-operative banks in India primarily operate under the control of:
   a. RBI only
   b. SEBI
   c. Ministry of Finance
   d. NABARD and RBI

4. Which body has the power to issue banking licences in India?
   a. SEBI
   b. RBI
   c. Ministry of Finance
   d. NABARD

5. The BRA 1949 came into force on:
   a. 16 March 1949
   b. 1 January 1949
   c. 1 July 1949
   d. 1 April 1949

6. Which of the following is NOT a feature of BRA 1949?
   a. Inspection of banks by RBI
   b. Regulation of bank amalgamation
   c. Governs chit funds and moneylenders
   d. Regulates employment of bank officials

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

8. Which authority can impose penalties under BRA 1949?

a. Registrar of Companies
b. Reserve Bank of India
c. SEBI
d. NCLT

9. When the banker holds valuables in a safe-deposit locker, the relationship is:

a. Bailor and Bailee
b. Trustee and Beneficiary
c. Lessor and Lessee
d. Pledger and Pledgee

10. Banker's duty to honour cheques is subject to:

a. Sufficient funds and proper authentication
b. Customer's oral permission
c. Bank's discretion
d. RBI approval

11. The right of a banker to adjust a customer's debit balance against a credit balance is known as:

a. Lien.
b. Set-off
c. Pledge
d. Assignment

12. A bank's failure to honour a valid cheque without justification amounts to:

a. Deficiency in service
b. Breach of trust
c. Criminal negligence.
d. Civil wrong only

13. The essential feature of a negotiable instrument is:

a. Transferability
b. Right to sue in one's own name
c. Presumption of consideration
d. All of the above

14. The parties to a bill of exchange are:

a. Drawer and Payee
b. Drawee and Acceptor
c. Drawer, Drawee (Acceptor) and Payee
d. Maker and Payee

15. When only the signature appears without naming the endorsee, it is called:

a. Full endorsement
b Blank endorsement
c. Conditional endorsement
d Restrictive endorsement

16. If maturity falls on a public holiday, payment is due on:

a. Preceding business day
b. Next working day
c. Same day
d. Any later date

17. "Don't put all your eggs in one basket" relates to which principle of lending?

a. Safety
b. Liquidity
c. Diversification
d. Security

18. In a hypothecation, the possession of goods:

a. Remains with the borrower
b. Is transferred to the bank
c. Remains with both jointly
d. Lies with a third party

19. The SARFAESI Act 2002 empowers banks to:

a. Waive loans
b. Recover debts without court intervention
c. Provide agricultural subsidies
d. Nationalize assets

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. Write an essay on the indigenous banking practices in India. Write a brief note on different kinds of banks. **5+5= 10**

2. What do you mean by bank? Synthesis the statutory definitions of banking and business of banking provided under BRA, 1949. **3+7=10**

3. Explain the rules relating to restrictions of banking practices as laid down under sections 8 and 10 of the Banking Regulation Act, 1949. **10**

4. Write an essay on the different nature of relationship between Banker and its customer with reference to statutory provisions. **10**

5. Write an essay on the provisions of penalties and punishments provided under the Banking Regulations Act, 1949. **10**

6. Explain the status of bank customer as consumer and the rights available under the Consumer Protection Act, 2019 with the help leading cases. **10**

7. Explain the essential features of negotiable instrument. Explain the concept of Bill of Exchange with reference to its statutory definition. **5+5=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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