

**BA LLB  
THIRD SEMESTER  
BANKING LAW  
BLB – 306 H<sub>1</sub>**

(USE OMR SHEET 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 was the second bank in India with limited liability?
  - a. Punjab National Bank
  - b. Imperial Bank of India
  - c. New Bank of India
  - d. State Bank of India
2. Punjab National Bank was established in-
  - a. 1881
  - b. 1894
  - c. 1913
  - d. 1917
3. Which movement encouraged the formation of commercial banks?
  - a. Swadeshi movement
  - b. Quit India Movement
  - c. Non Cooperation Movement
  - d. Civil Disobedience Movement
4. In which year the Banking Regulation Act was passed?
  - a. 1955
  - b. 1935
  - c. 1956
  - d. 1949
5. Imperial Bank of India was nationalized in-
  - a. 1949
  - b. 1948
  - c. 1955
  - d. 1935
6. Which bank was amalgamated to the State Bank of India?
  - a. New Bank of India
  - b. Imperial Bank of India
  - c. Indian Bank
  - d. United Bank of India
7. Which bank was united with the Punjab National Bank in 1993?
  - a. Oudh Commercial Bank
  - b. Imperial Bank of India
  - c. New Bank of India
  - d. Punjab and Sind Bank
8. Which among the following is not a public sector bank?
  - a. Allahabad Bank
  - b. City Union Bank
  - c. UCO Bank
  - d. Vijaya Bank
9. Which is the largest commercial bank of the country?
  - a. Bank of India
  - b. Canara Bank
  - c. State Bank of India
  - d. Union Bank of India

10. The subsidiary banks attached to the State Bank are:
- (i) State Bank of Bikaner and Jaipur
  - (ii) State Bank of Hyderabad
  - (iii) State Bank of Indore
  - (iv) State Bank of Mysore
  - (v) State Bank of Patiala
  - (vi) State Bank of Saurashtra
  - (vii) State Bank of Travancore
- a. only (i), (v), and (vi)
  - b. only (ii), (iii), (iv), and (vii)
  - c. only (iii)
  - d. All the above
11. When did the nationalization of major banks happen?
- a. June, 1951
  - b. June, 1961
  - c. July, 1969
  - d. June, 1969
12. The Reserve Bank of India was established on-
- a. April 1, 1935
  - b. July 12, 1982
  - c. May 26, 2006
  - d. September 30, 2005
13. Which of the following is true about the functions performed by RBI -
- (i) It is the Bank of Issue
  - (ii) It acts as banker to the Government
  - (iii) It is the banker of other banks
  - (iv) It regulates the flow of credit
- a. Both (i) and (ii)
  - b. Both (ii) and (iii)
  - c. Both (iii) and (iv)
  - d. All the Above
14. Which among the following is incorrect?
- a. RBI is the Bank of Issue
  - b. RBI acts as Banker to the Government
  - c. RBI is Banker's Bank
  - d. RBI does not regulate the flow of credit -
15. Which of the following is true about the restrictions on RBI?
- (i) It is not to compete with the commercial banks.
  - (ii) It is not allowed to pay interest on its deposits.
  - (iii) It cannot engage directly or indirectly in trade.
  - (iv) It cannot acquire or advance loans against immovable property.
  - (v) It is prohibited from purchasing its own shares or the shares of any other bank or any company or granting loans on such security.
- a. only (i), (ii), (iii), and (iv)
  - b. only (v)
  - c. All the above
  - d. None of the above
16. Cheque is a-
- a. promissory note
  - b. bill of exchange
  - c. both (a) and (b) above
  - d. None of the above
17. In a promissory note, the amount of money payable
- a. must be certain
  - b. may be certain or uncertain
  - c. is usually uncertain
  - d. none of the above

18. When presentment for payment is to be made under section 65 of the NI Act?
- a. Presentment for payment can be made at any reasonable time
  - b. Presentment for payment must be made during the usual hours of business and, if at a banker's, within banking hours
  - c. There is no such stipulation on the time for presentment
  - d. none of the above
19. Which section of Negotiable Instrument Act defines Promissory Note?
- a. Section 4
  - b. Section 6
  - c. Section 7
  - d. Section 8
20. Which section of Negotiable Instrument Act defines Bill of Exchange?
- a. Section 4
  - b. Section 5
  - c. Section 9
  - d. Section 14

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**(Descriptive)**

Time : 2 hrs. 30 min.

Marks : 50

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

1. Discuss the historical development of banking business in India 10
2. Discuss the various functions of commercial banks 10
3. Define the terms 'Banker' and 'Customer'. What are the general and special relationships between a banker and customer? 4+6=10
4. State the various powers and functions of Reserve Bank of India 10
5. Critically analyze the different kinds of accounts. 10
6. Discuss the recent trends in the banking system in India with particular reference to 'Electronic Banking.' 10
7. Define 'Promissory Note. Discuss the essential features of Promissory Note. 3+7=10
8. Define the term 'Negotiable Instrument'. Discuss the various kinds of Negotiable Instruments as provided under the *Negotiable Instrument Act, 1881* 3+7=10

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