

- B. : (1) Attempt any **three** questions from Question Nos. 1 to 7.
(2) Question No. 8 is **compulsory**.
(3) **All** questions carry equal marks.
(4) Your answers be **supported** by **relevant** decided **case-law** wherever **necessary**.

1. Briefly discuss the provisions of Banking Regulation Act, 1949 relating to :—
 - (a) Licensing of Banking Companies.
 - (b) Maintenance of Cash Reserves and Liquid Assets.
 - (c) Reconstruction and reorganisation of Banks.
2. (a) Explain the meaning of term 'Bank' and state the various functions of a bank.
(b) When Banker-Customer relationship starts? What are the various relationships that can exist between Banker and his customer?
3. (a) Review the Social Controls by Government of India over the Banking in India.
(b) Explain how RBI exercises its powers to control 'Inflation'.
4. (a) State the rights of Bankers to claim lien over the securities and right of set off.
(b) What procedure the Banker should follow when 'Garnishee order' is issued to him?
5. (a) Define 'Bill of Exchange' under NI Act, 1881 and point out distinction between a Bill of Exchange and cheque.
(b) What is 'Crossing' of a cheque? State the kinds of crossing and message sent through each of them.
6. (a) Define a 'holder in due course'.
(b) Critically evaluate the protections available to paying Banker under NI Act, 1881.
7. (a) In what cases 'Bill of Exchange' is required to be presented for acceptance?
(b) Discuss the rules relating to presentment for acceptance and presentment for payment of Bills of Exchange.

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Solve any **three** of the following problems giving reasons thereof :—

- (a) One M/s. HA Exporters, a partnership firm maintains a current account at a branch of your Bank. The news afloat in the market that their office has been raided by the Enforcement Directorate in the morning. At 11.30 am. your Bank's branch has received an order from the Enforcement Directorate instructing to stop payment in the said account. Account shows a credit balance of ₹ 75,000/-.
- At about 11.45 am. a cheque of ₹ 15,000/- is presented for payment in the above account.

What advise you will give to the branch manager ?

- (b) Your Bank had opened a current account for Mr. Gandhi. The account is operated by his wife Mrs. Padmini under an authority given by Mr. Gandhi. Subsequently, he executes a power of attorney to another person, conferring, inter alia, power to operate on his Banking account.

Does the power of attorney cancels the authority of Mrs. Padmini to operate on his current account ?

- (c) One Mr. Joseph, aged about 17 years, maintains a Savings Bank account with a Bank. He wants to give an authority in favour of his brother, who is a major, to operate his account.

Whether, Bank should accede to the request of Mr. Joseph.

- (d) An attachment order for ₹ 15,000/- is received on a overdraft account of M/s. X. The limit sanctioned of O. D. is ₹ 50,000/- and the balance is ₹ 35,000/- (Debit). Whether, Bank can debit the account for ₹ 15,000/- for the attachment received in compliance there of ?