

(3 Hours)

[Total Marks : 100

1. Answer the following :—

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- (a) What is endorsement of a Negotiable Instrument ?
- (b) What is 'Noting' ? Who does it ?
- (c) What is 'Bank Rate' as per RBI Act ?
- (d) What is qualification for appointment as 'Presiding officer' of a Tribunal under Recovery of Debts due to Bank and Financial Institution Act, 1993 ?
- (e) Define Drawer, Drawee and Payee of a Bill of Exchange ?
- (f) What is 'Legal Proceedings under Bankers' Books Evidence Act ?
- (g) Who is 'holder' as defined under Negotiable Instruments Act ?
- (h) What is a 'Scheduled Bank' ?
- (i) What is an "ambiguous instrument" ?
- (j) What are the liabilities of 'issue Department' of Reserve Bank ?

2. Write short notes on any **four** of the following :—

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- (a) RBI as a Banker and Advisor to the Government
- (b) Holder in Due Course
- (c) Noting and Protesting
- (d) Debt Recovery Tribunal
- (e) Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
- (f) SEBI.

3. Answer the following by giving reasons (any **two**) :—

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- (a) Analyse the following under Banking Regulation Act, 1949 —
 - (i) A banking company commences its business as its paid up capital is less than one half of its subscribed capital.
 - (ii) 'A' approached the bank for a loan of ₹ 10 crores for his business. He is ready and willing to furnish the security and one of the directors of the bank is ready to become the guarantor can 'A' get a loan ?
 - (iii) A banking company transferred to the reserve fund a sum equivalent to 15% of its balance of profit.
- (b) 'A' signs instruments in the following term. State giving reasons whether they are promissory note or not —
 - (i) "I promise to pay on demand ₹ 500 to B at my convenience."
 - (ii) "I do acknowledge myself to be indebted to 'B' ₹ 10,000/- to be paid on demand for value received."
 - (iii) "I promise to pay 'B' ₹ 10,000/- out of money due to me from 'C' as soon as 'C' pays."

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(c) Analyse the validity of the following under the relevant provisions of Banking Regulation Act, 1949 —

- (i) RBI issues a circular to all commercial Banks that they shall not charge interest over and above 18% p.a. on their Housing advances.
- (ii) The district court of Pune passed a decree against Dena Bank that the rate of interest charged by it from one of its customers is excessive.
- (iii) Mr. Ravi Seeks a loan of ₹ 50 crores for his business. He is willing to furnish security one of the directors of the bank is willing to sign as his guarantor. Can the loan be granted ?

4. Answer the following (any four) :—

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- (a) What is crossing of a cheque ? Explain various provisions relating to crossed cheques in Negotiable Instruments Act.
 - (b) Compare and contrast Promisory note, Bill of Exchange and a cheque.
 - (c) Discuss the provisions of RBI Act relating to management of Reserve Bank, composition of the central Board, as terms of office of the directors.
 - (d) Explain the form of business in which a banking company may engage under the provisions of Banking Regulation Act, 1949.
 - (e) What is endorsement ? Discuss the various types of endorsement under Negotiable Instruments Act.
 - (f) What is credit control ? What are the methods of credit control used by RBI ?
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