

- N.B. : (1) All questions are compulsory.
 (2) Figures to the right indicate marks.
 (3) Give reasons / case-law wherever necessary.

1. Answer in not more than two sentences:-

- What is an "ambiguous instrument"?
- What are the demand and time liabilities of a bank?
- What is an "electronic cheque".
- What is the definition of "Rupee Coin" under the RBI Act, 1934
- Return of unclaimed deposits under the Banking Regulation Act, 1949.
- What is the definition of 'banking' under the Banking Regulation Act, 1949?
- Who is a 'managing agent' under the Banking Regulation Act, 1949?
- Deposit of amount of debt due, on filing appeal under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993.
- Who is an 'Acceptor for honour' under the Negotiable Instruments Act, 1881.
- When the day on which a Promissory Note is at maturity is a public holiday, when shall the instrument deemed to be due?

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2. Write short notes on any four:-

- Inchoate stamped instruments.
- Negotiation back.
- Restrictions imposed by RBI on the issue of Demand Bills and Notes.
- The securities and Exchange Board of India
- Licensing of banks under the Banking Regulation Act, 1949.
- Debt Recovery Tribunal.

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

- Analyse the following under relevant provisions of the Banking Regulation Act, 1949.
 - A banking company commences its business and its paid up capital is less than one half of its subscribed capital.
 - 'A' approached the bank for a loan of Rs 20 crores for his business. He is ready furnish the security and one of the directors of the bank is ready to become the guarantor can 'A' get a loan.

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TURN OVER

iii. RBI issues a circular to all commercial Banks that they shall not charge that 10 % p.a. on their agricultural lone. The district court of Pune passes a decree against ABN Bank that the rate of interest (14%p.a.on agricultural loans) is excessive.

(b) State with reasons whether the following instruments are inland instruments or foreign instruments?

- i) A bill drawn in Mumbai on a merchant in Delhi but endorsed in Paris.
- ii) A bill drawn in Delhi on a merchant in Calicut and accepted payable in London.
- iii) A bill drawn in Brussels upon a merchant in New York payable in Mumbai.

(c) Discuss with reasons how a banker should deal with the following situations:

- i) There is a credit balance in the account of A. The banker wishes to set this off against an overdraft in the joint name of A and B.
- ii) An Income-Tax Officer approaches the bank and requests to know the balance in the account of a valuable customer. He informs the bank that this information is require to recover arrears of tax payable to the Income Tax Department.
- iii) X, a customer, has deposited jewels worth Rs. 5 lakhs for safe custody. Subsequently X becomes indebted to the bank.

4. Answer the following (any four):-

- (a) What is endorsement? Discuss the various types of endorsements and their effects under the N.I. Act, 1881.
- (b) Explain the various types of crossings and their effects on a cheque as permitted under the N.I. Act, 1881.
- (c) What is dishonour of a Negotiable Instrument? Explain the circumstances under which a bank is justified in dishonouring a cheque?
- (d) Discuss various provisions of RBI Act, 1934. and BR Act, 1949. relating to maintenance of Cash Reserve Ratio (CRR) and Statutory Liquid Ratio (SLR)
- (e) Explain the forms of business in which a banking company may engage in under the provisions of Banking Regulation Act, 1949.
- (f) Write explanatory notes on Bankers Book Evidence Act, 1891