

(3 Hours)

[ Total Marks : 100

1. Answer the following :— 20
- What is endorsement of a Negotiable Instrument ?
  - What is 'Noting' ? Who does it ?
  - What is 'Bank Rate' as per RBI Act ?
  - What is qualification for appointment as 'Presiding officer' of a Tribunal under Recovery of Debts due to Bank and Financial Institution Act, 1993 ?
  - Define Drawer, Drawee and Payee of a Bill of Exchange ?
  - What is 'Legal Proceedings under Bankers' Books Evidence Act ?
  - Who is 'holder' as defined under Negotiable Instruments Act ?
  - What is a 'Scheduled Bank' ?
  - What is an "ambiguous instrument" ?
  - What are the liabilities of 'issue Department' of Reserve Bank ?
2. Write short notes on any **four** of the following :— 20
- RBI as a Banker and Advisor to the Government
  - Holder in Due Course
  - Noting and Protesting
  - Debt Recovery Tribunal
  - Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
  - SEBI.
3. Answer the following by giving reasons (any **two**) :— 12
- Analyse the following under Banking Regulation Act, 1949 —
    - A banking company commences its business as its paid up capital is less than one half of its subscribed capital.
    - '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 ?
    - A banking company transferred to the reserve fund a sum equivalent to 15% of its balance of profit.
  - 'A' signs instruments in the following term. State giving reasons whether they are promisory note or not —
    - "I promise to pay on demand ₹ 500 to B at my convenience."
    - "I do acknowledge myself to be indebted to 'B' ₹ 10,000/- to be paid on demand for value received."
    - "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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