

HONS.08/04/19

**B.A LL.B., (Hons.) DEGREE EIGHTH SEMESTER EXAMINATION,  
MAY 2019  
BANKING LAW**

**Time: 3 Hours**

**Maximum Marks:50**

- I. (Answer ANY FOUR of the following. Each question carries FOUR marks)
1. Sir John Paget' definition of banker
  2. NABARD
  3. Universal Banking
  4. Banker's right of set off
  5. Securitization under SARFAESI
  6. Payment in due course
- II. (Answer ANY TWO of the following. Each question carries SEVEN marks)
- a) Examine the following situations and state whether the banker would be entitled to a general lien? Give reasons
    1. X deposits a box containing gold ornaments for safe custody and later avails a loan. He makes a default in repayment.
    2. A, B & Co. a firm is indebted to the bank. 'B' a partner has a huge credit balance in his current account
  - b) A cheque drawn on National bank Ltd. payable to the Union Bank account A/B or order is cashed and placed to the credit of C/D. Discuss the liability of the banks?
  - c)The banking account of a private company is operated upon by any two directors in terms of a resolution set forth in the customary mandate provided at the opening of the account. There are three directors- 'A' and 'B' who are husband and wife and their minor son 'C'. 'A' falls ill and resolution is passed conferring any Director to deal with any matter connected to the Company's bank account.

Should the Bank honor the cheques signed by 'C' alone? Discuss the legal position.

**III. (Answer ANY TWO of the following. Each question carries TEN marks)**

- 1) Outline the precautions a banker must take while dealing with special classes of customers such as minors, lunatics, and legal persons?
- 2) Explain the terms 'paying banker and collecting banker' What are the implied duties and statutory protections of paying banker?
- 3) Outline the relevance of DRT Act and SARFAESI Act for banking sector? What are the different modes of recovery of NPAs under the SARFAESI Act?