

**PGDM IB, 2019-21**  
**Banking Law & Operations**  
**IB-411**

**Trimester – IV, End-Term Examination: September 2020**

Time allowed: 2 Hrs 30 Min  
Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write their answers using pen and A4 sheets which should be scanned and submitted on Moodle in the folder of the faculty teaching the course. Writing anything except the Roll No will be treated as use of **Unfair Means**. All other instructions should be followed meticulously.

| <b>Sections</b>    | <b>No. of Questions to attempt</b>  | <b>Marks</b> | <b>Total Marks</b> |
|--------------------|---|--------------|--------------------|
| A                  | Minimum 6 question with internal choices and CILO (Course Intended Learning Outcomes) covered to be answered with examples where applicable | 6*5          | 30                 |
| B                  | Compulsory Case Study with minimum of 2 questions   | 20           | 20                 |
| <b>Total marks</b> |   |              | <b>50</b>          |

**Section A**

Q1. Write a short overview of Indian Banking (CILO 1)

**OR**

Q1. Discuss any two legal enactments governing Indian Banking. (CILO 1)

Q2. Examine the rights and obligations of paying/ collecting bankers? (CILO 2)

**OR**

Q2. Explain & briefly discuss 3 types of Customer-Banker relationships in Banking (CILO 2)

Q3. Comment on the Credit and Operational risks a banker is exposed to? (CILO 3)

**OR**

Q3. Examine the implications of Consumer Protection Act for Bankers? (CILO 3)

Q4. Explain impact of Information Technology (IT) Act 2000/it's 2008 amendment on banking (CILO 4)

**OR**

Q4. Compare IT Act impact on banking legal cases? (CILO 4)

Q5. Has internet banking impacted paper based transactions? (CILO-5)

**OR**

Q5. Discuss the impact of Robotics, Artificial Intelligence and Block Chain Technology on Banking (CILO-5)

Q6. Compare the difference between fund and non-fund based banking? (CILO-6)

**OR**

Q6. Explain differences between Letters of Credit and Bank Guarantees? (CILO-6)

## Section B

### Case Stud(ies): all Caselets compulsory

#### Caselet 1. Are the Branch Manager's actions legally justified in the following cases:

Requiring an introduction before opening a current account.

- i) Returning and not collecting a cheque crossed to 2 banks.
- ii) Paying a cheque to B drawn in favour of A and marked "Not Negotiable".
- iii) Paying a cheque drawn on A's current account with insufficient balance by marking lien on shares held A's safe custody account.
- iv) Not paying claims of locker contents burgled on a weekend in the branch when there is no night security.

2 marks each x 5=10 marks

#### Caselet 2. As Branch Manager how will you deal with following cases ? Give reasons

- i) Your customer sends a crossed order cheque drawn by A in favor of your Bank for crediting to account of customer with you.
- ii) D presents an uncrossed cheque payable to him or bearer and refuses to endorse the cheque.
- iii) A bill dated 29.1.20 payable on month after date (without grace) remains unpaid on 29.2.20.
- iv) Smt Radha P. Patel sends for credit of her account with you a cheque drawn in favor of Smt.R.P.Patel and endorsed as Radha Patel.
- v) A firm having A,B & C as partners is sanctioned an overdraft limit of Rs.1 lac in the firm's Current Account. A communication is received by the Bank that A died on 16.8.20. On 17.8.20 2 cheques signed by A on 14.8.20 are received and are presented for payment.

2 marks each x 5=10 marks