



# BRAINWARE UNIVERSITY

Course – B.COM

**Function of Banks (Deposits) (BCM103)**

(Semester – 1)

**Time Allotted: 3 hours**

**Full Marks: 70**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

## Group – A

(Multiple Choice Type Questions)

10 x 1=10

1. *Choose the correct alternative from the following*

i) The credit card having a magnetic stripe or a computer chip in which value is stored is called

- a) stored value card
- b) pre-paid card
- c) value added card
- d) any of the above

ii) Which of the following crossing is not defined in N.I.Act

- a) Account Payee crossing
- b) Special Crossing
- c) General crossing
- d) None of the above

iii) NECS stands for

- a) National Electronic Clearing System
- b) National Electronic Clearing Service
- c) National Electrical Cleaning System
- d) None of the above

iv) A minor can be allowed to open a Savings Bank Account, where he

- a) His age is below 10 years
- b) Could sign in English/Hindi& Bengali and age is 16 years
- c) Could sign in Bengali only and his age is 10 years and above
- d) Both b & c

- v) Who among the following will sign the account opening form for opening a current account of a Partnership Firm where a minor aged 17 years has been admitted into the firm for benefits?
- All the three and father of the minor
  - All the three and natural guardian of the minor
  - All the three and minor himself
  - All the three partners only
- vi) Narsimhan Committee is related to
- Reforms in the banking sector
  - Bank nationalization
  - Computerization in Banking
  - None of the above
- vii) Your branch receives a cheque of Rs.500 written in figure and Rs.5 Lac in words. Under section 18 of N.I.Act, the bank
- Is required to return the cheque, as the mandate is not clear
  - Is required to pay the cheque in words
  - Is required to pay the amount in figures
  - Is required to the lower of the amount written in words or figure
- viii) A endorsed a cheque in favour of B and B endorsed it to C who just signs on the back of the cheque. The cheque is stolen by D, who endorsed the cheque in favour of Ashok (an old creditor of D) for valid consideration. Ashok took the payment of the cheque. In this case Ashok is liable to whom
- liable to the bank
  - liable to the drawer
  - liable to all the parties
  - Ashok is not liable to any one among A, B &C since he is holder in due course.
- ix) Auto sweep facility can be used
- Locker
  - Cash Management Services
  - ATM
  - Internet Banking
- x) CBS facilitates introduction of ATMs, e Banking, tele-banking, mobile banking etc. that are collectively called
- multi-faced service
  - multi-city services
  - multiple delivery channels
  - all the above

### Group – B

(Short Answer Type Questions)

(Answer any *three* from the following)

3 x 5 = 15

2. What is the protection of a paying banker in case of payment of an endorsed cheque?

3. A banker has obligation to a customer to maintain secrecy in the affairs of customers account but when a banker is justified to disclose the affairs of customers account despite this obligation?
4. What are the liability of Directors and partners for a Dishonored Cheque after introduction of section 138 in N.I.Act?
5. Write short notes on the following [2+3]  
 (a) Power of Attorney  
 (b) Garnishee Order
6. What is 'Crossing of a cheque? What are the different types of crossing? [2+3]

### Group – C

(Long Answer Type Questions)  
 (Answer any *three* from the following)

3 x 15 = 45

7. What are the features of 'Non Resident External Rupee (NRE) account? How does it differ from 'FCNRB' account? [8+7]
8. What is the Banker-Customer relationship in case of a locker? What are the RBI guidelines in respect of a locker? How Bank will handle a situation in case of (a) Loss of key for sole and joint account (b) Locker left open after operation. [3+4+4+4]
9. (a) What was the speedy remedy available to a payee or endorsee i.e, beneficiary of a cheque if it is bounced before 01.04.1989? What are the provisions introduced in N.I.Act 1881 for speedy remedy in the case of bouncing of cheques on 01.04.1989? [2+3]  
 (b) Who is liable to be prosecuted as per newly introduced provision? [2]  
 (c) What are the pre-requisites for prosecution? [3]  
 (d) What is the maximum punishment given by the court if offence against the drawer is proved? [2]  
 (e) Whether Court can take cognizance if the complaint is made after one month? [3]
10. (a) What are the provisions introduced in N.I.Act 1881 with effect from 01.04.1989 for speedy remedy in the case of bouncing of cheques?  
 (b) Who is liable to be prosecuted?  
 (c) What are the pre-requisites for prosecution?  
 (d) What is the jurisdiction of trial i.e place of trial an offence under section 138 as amended in N.I (Amendment) Act 2015? [6+2+2+5]
11. What is 'Money Laundering'? What are the essential elements of 'Money Laundering'? What is the legal set-up in India for considering Money Laundering an offence? [2+5+8]