



SAIVA BHANU KSHATRIYA COLLEGE
(Aruppukottai Nadargal Uravinmurai Pothu Abi Viruthi Trustuku Pathiyapattathu)
ARUPPUKOTTAI
DEPARTMENT OF COMMERCE
QUESTION BANK

Name of the Department :	Commerce	UG / PG :	UG
Semester (UG - III & V; PG - III) :	III	Subject Code :	CCRJC31
Name of the Subject :	Banking Theory Law and Practice		

Section A

Unit:1

1. The relationship between a banker and a customer is that of -----
a)debtor and creditor b)trustee and beneficiary
c)agent and principal d)all the above
2. Which bank have given the instructions to the commercial banks regarding the immediate credit of outstation cheques?
a)Reserve Bank of India b)Central Bank
c)World Bank d)All of the above
3. In executing the standing instructions, there exists a relationship of.....
a)debtor and creditor b)Trustee and Beneficiary
c.Bailee and Bailor d)Agent and Principal
4. In executing the standing instructions, there exists a relationship of.....
a)debtor and creditor b)Trustee and Beneficiary
c)Bailee and Bailor d)Agent and Principal
5. To constitute a person as a customer.....
a)There must be frequency of transactions b)There must be a dealing of a banking nature
c) There must be some sort of an account
d)There must be a single transactions of any nature

Unit:2

6. Cheque is a..... instrument
a) Credit instrument b) Debit instrument
c) Negotiable instrument d) None of the above
7. Dishonour of cheque by a banker without any justifiable reason is called
a)Valid dishonour of cheques b)Unmindful dishonour of cheques
c)Negligence dishonour of cheques d)Wrongful dishonour of cheques
8. It is a ----- obligation of a banker to honour the cheques of the customer drawn against current account.
a)Mutual b) Statutory
c) Non statutory d)All of the above
9. Which is the most secure way of payment through cheque?
a) Bearer cheque b) Open cheque
c) Crossed cheque d) None of above
10. Section 14 of the Negotiable Instrument Act, 1881 considers which of the following instruments as 'negotiable instruments'?
a)cheque b)bill of exchange
c)promissory note d)all the above



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Unit:3

11. The banker who makes payment of a negotiable instrument is called---
- a) collecting banker b) paying banker
c) drawing banker d) all the above
12. A collecting banker is given the statutory protection only when he acts as ____.
- a). a holder b). an agent
c). a holder for value. d). a holder in due course.
13. Name the person to whom the amount of the cheque is payable?
- a) Drawer. b) Payee.
c) Drawee. d) Acceptor
14. A Collecting banker is given the statutory protection only when he acts as...
- a) A banker b) A holder for value
c) A holder in due course d) An agent
15. The paying banker who makes cash payment of a cross cheque at the counter shall be liable for the loss of
- a) Drawer of the cheque b) True owner of the cheque
c) Collecting banker d) the First endorser

Unit:4

16. Services rendered by a banker not only to his customers, but also to the general public are called as
- a) Principal services b) Agency services
c) General utility services d) Social services
17. Timely repayment of loans results -----
- a) Good reputation b) No tension
c) Easily availability of loan in future d) All of above
18. KYC means
- a) Know your customer b) Know your character
c) Both of above d) None of above
19. Defaulter of loan means
- a) Not paying loan instalments b) Bad reputation
c) Illegal activities d) None of above
20. Education Loans
- a) Cover tuition fee & expenses b) Are repayable after completion of course
c) Granted for studies in India & abroad d) All of above

Unit:5

21. RTGS system works _____ days in a year
- a). 365. b). 362
c). 300. d). 305.
22. ATM means
- a) Any Time Money b) Auto Truck of Mahindra
c) Automated Teller Machine d) None of above
23. Expansion of ECS _____.



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- a). Electronic Clearing system b) Electronic centered system.
c). Electronic cross systems d). Electronic conversion systems.
24. Expand the term SWIFT.
(a) Society for Worldwide International Financial Telecommunications
(b) Society for Worldwide Interbank Financial Telecommunications
(c) Society for Worldwide International Financial Transfers
(d) Society for Worldwide Interbank Fiscal Transactions
25. ATMs are primarily used for performing the _____ functions.
a). infrastructure b). computer-based
c). banking d). hospitalized

Section B

Unit:1

26. Define banker and customer.
27. What are the benefits of recurring deposits.
28. Describe no frills account.
29. Explain the fixed deposit.
30. Detail the transaction in which bailor and bailee relationship exists between banker and customer.

Unit:2

31. Explain the cheque and its advantages.
32. Why crossing of a cheque is important?
33. Differentiate between the cheque crossing and endorsement.
34. State the rules to be followed while crossing a cheque.
35. Describe the situation in which double crossing is made.

Unit:3

36. Who is a collecting banker?
37. Elucidate the paying banker and his duties.
38. Describe payment -in -due -course.
39. Define the concept of negligence.
40. Explain the holder- in-due-course.

Unit:4

41. Explain the significance of bank lending.
42. Define secured loan.
43. What are differences between secured and unsecured loans?
44. Describe the lending against land & building.
45. How lending and advances are made against life policies?

Unit:5

46. Detail the internet banking and its advantages.
47. Write short notes on home banking.
48. Explain the EFT and ECS.
49. What is E-Purse? and State the transactions for which it is used.



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50. What are the cards issued by banks?

Section C

Unit:1

51. Describe the general and special relationship between the banker and the customer.

52. What are the types of deposits in a bank?

Unit:2

53. State the types of endorsement.

54. Detail general crossing and special crossing.

Unit:3

55. What are the fundamental duties of a paying banker?

56. Discuss the statutory protections provided for bank deposits.

Unit:4

57. Discuss the various principles of lending.

58. State the types of advances

Unit:5

59. Describe the significance of mobile banking in India.

60. Elucidate the growth of on-line banking in India.