

(FOR THE CANDIDATES ADMITTED

23UEO3A3

DURING THE ACADEMIC YEAR 2023 - 2024 ONLY)

REG.NO.

N.G.M. COLLEGE (AUTONOMOUS): POLLACHI

END-OF-SEMESTER EXAMINATIONS: NOVEMBER 2024

ECONOMICS

MAXIMUM MARKS: 75

SEMESTER: III

TIME: 3 HOURS

**PART - III**

**23UEO3A3 – BANKING LAW AND PRACTICE**

**SECTION – A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.(K1)**

1. The relationship between a banker and a customer is
  - a. That of a debtor and creditor
  - b. That of a creditor and debtor
  - c. Primarily that of a debtor and a creditor
  - d. (a) and (b) together
2. Which of the following is a benefit of a Fixed Deposit?
  - a. High liquidity and no lock-in period
  - b. Fixed returns irrespective of market fluctuations
  - c. No tax on the interest earned
  - d. High risk and volatile returns
3. The banker who is designed to collect the amount of the cheque from another banker, is called
  - a. Collecting banker
  - b. Paying banker
  - c. Broker
  - d. Nominee
4. What is the primary advantage for a lender in offering advances against goods and securities?
  - a. Higher interest rates
  - b. Reduced risk due to collateral
  - c. Faster loan processing
  - d. No need for collateral
5. The biggest constraint in E-Banking is
  - a. Start-up cost
  - b. Maintenance cost
  - c. Training cost
  - d. Security cost

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES**

**(K2)**

6. Define the term “Banker”.
7. What is meant by “Cumulative Deposit Account”.
8. Define “Endorsement”.
9. What is meant by “Hypothecation”.
10. Expand NEFT.

**SECTION – B**

**(5 X 5 = 25 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)**

11. a) List out the reasons for termination of banker and customer relationship.  
**(OR)**  
b) Explain the role of banking sector in Indian Economy.

12. a) Explain the legal position transferability of loss of deposit receipt.

**(OR)**

- b) Explain the features of Recurring Deposit Account.

**ETHICAL PAPER**

13. a) Explain the features of a Cheque.  
(OR)  
b) Define Special Crossing. What are its essentials?
14. a) List out the forms of advances.  
(OR)  
b) Difference between Pledge and Hypothecation.
15. a) Explain the advantages of Real Time Gross Settlement (RTGS).  
(OR)  
b) Briefly explain the advantages of E-Banking.

**SECTION – C**

**(5 X 8 = 40 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4/K5)**

16. a) Explain the general Relationship between Banker and Customer.  
(OR)  
b) Explain the special relationship between banker and customer.
17. a) List out the legal provisions Depositing funds in a joint bank account in India.  
(OR)  
b) Difference between Savings Deposit Accounts vs. Current Deposit Account.
18. a) Briefly Explain the kinds of Endorsement with suitable examples.  
(OR)  
b) Define General Crossing. What are its Essentials?
19. a) Briefly Explain the Principles of Sound Lending.  
(OR)  
b) Distinguish between secured and unsecured advances.
20. a) Explain the benefits and limitations of Automatic Teller Machine.  
(OR)  
b) Distinguish between Traditional Banking vs. E-Banking.

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