

**P.G. DIPLOMA IN RURAL BANKING  
(PGDRBI)**

**Term-End Examination**

**June, 2012**

**MCQ-045 : BANKING LAW AND PRACTICE**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt any five questions. Each question carries  
20 marks.*

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1. (a) Define a Bank in Indian Context.  
(b) Describe the types of Banks in India  
(c) What are the general functions of a Bank ?
  
2. What do you understand by the term "Customer" ? Discuss the general relationship of the customer with his banker.
  
3. Define a negotiable instrument. Define and explain essential characteristics of a Bill of Exchange with its specimen. How bill of exchange is different from a Promissory Note ?
  
4. Write short notes on :  
(a) Holder  
(b) Holder in due course  
(c) Payment in due course.

5. (a) List various forms of Securities taken by banks while providing loans to the clients.
- (b) Describe 'Pledge' for securing Bank advances. What are the rights and duties of a Bank as a Pledgee ?
6. What were the objectives of the nationalisation of commercial banks in India ? How far have these objectives been achieved ?
7. As per guidelines issued by RBI on Branch Licensing in respect of Regional Rural Banks (RRBs), describe the following :
- (a) Legal Requirements.
- (b) Conditions for opening new branches and some exceptions allowed by RBI.
8. Describe various banking operations which are affected positively by new trends in 'Banking and Technology'.
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