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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 08 / 01/ 2025 **Time:** 01:00 pm – 04:00 pm |

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| **School:** SOL | **Program:** BA LL.B/ BBA LL.B/B.COM LL.B(Hons) | |
| **Course Code:** LAW311 | **Course Name:** Banking Law | |
| **Semester**: IX | **Max Marks**: 100 | **Weightage**:50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **20** | **20** | **25** | **15** | **20** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. Each question carries 2marks. 10Q x 2M=20M** | | | | |
| **1** | What are the key requirements and procedures for opening a bank account? | **2 Marks** | **L2** | **CO1** |
| **2** | What is meant by a banker’s lien, and how does it protect the bank’s interests? | **2 Marks** | **L2** | **CO1** |
| **3** | What is a garnishee order, and how does it impact a customer’s bank account? | **2 Marks** | **L2, L3** | **CO2** |
| **4** | What is the nature and scope of e-Banking, and how has it transformed the banking industry? | **2 Marks** | **L2, L3** | **CO1** |
| **5** | What is an Automated Teller Machine (ATM), and what role does it play in modern banking services? | **2 Marks** | **L2** | **CO4** |
| **6** | What security measures are necessary to ensure safe and secure transactions in e-Banking services such as internet and mobile banking? | **2 Marks** | **L2** | **CO3** |
| **7** | In what ways have advancements in computerized banking contributed to faster processing and reduced human errors in banking operations? | **2 Marks** | **L2** | **CO1** |
| **8** | **What is "presentment" in the context of negotiable instruments, and what are its legal implications for the parties involved.** | **2 Marks** | **L2** | **CO2** |
| **9** | **What is the role of "endorsement" in the transfer of negotiable instruments, and how does it affect the rights of the transferee** | **2 Marks** | **L1** | **CO1** |
| **10** | What are the liabilities of the parties involved in a negotiable instrument, such as the drawer, drawee, and payee? | **2 Marks** | **L2, L3** | **CO2** |

**Part B**

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| **Answer the Questions Total 80 Marks** | | | | | |
| **11.** | **a.** | **Explain the structure, constitution, and management of the Reserve Bank of India (RBI). What are its primary functions in the Indian economy?** | **10(3+2+3)**  **Marks** | **L2, L3** | **CO1** |
| **Or** | | | | | |
| **12.** | **a.** | **What are the key provisions of the Banking Regulation Act, 1949, that regulate the functioning of banks in India? How does it affect the banking sector's operations** | **10(5+5)**  **Marks** | **L2, L3** | **CO1** |
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| **13.** | **a.** | **Analyze the impact of the Banking Regulation Act, 1949, on the governance and operations of private and public sector banks in India. How does it ensure stability in the banking sector?** | **10(6+9)**  **Marks** | **L1, L2** | **C02** |
| **Or** | | | | | |
| **14.** | **a.** | **Critically examine the significance of priority sector lending by banks. Do you think the current targets for lending to sectors like agriculture, MSMEs, and education adequately address the country's development needs?** | **10(5+3+2)**  **Marks** | **L1, L2** | **CO2** |

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| **15.** | **a.** | **Evaluate the effectiveness of the provisions related to "payment in due course" in preventing fraud in the banking ystem. How do these provisions protect both the bank and the customer.** | **10(5+5)**  **Marks** | **L2, L3** | **CO3** |
| **Or** | | | | | |
| **16.** | **a.** | **Analyze the penalties and legal consequences of dishonoring a cheque under the Negotiable Instruments Act. Do these provisions sufficiently deter the misuse of cheques?** | **10(5+5)**  **Marks** | **L2, L3** | **CO3** |

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| **17.** | **a.** | Critically examine the role of internet banking in the expansion of banking services. How has it contributed to financial inclusion and the digital economy**?** | **15(7+8)**  **Marks** | **L2, L3** | **CO4** |
| **Or** | | | | | |
| **18.** | **a.** | Compare and contrast mobile banking and internet banking in terms of accessibility, security, and convenience. What are the potential challenges of each platform? | **15(3+4+4+4)**  **Marks** | **L2, L4** | **COs4** |

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| **19.** |  | **Evaluate the significance of ATMs in improving banking efficiency. How do ATMs reduce the dependency on branch operations and benefit both the bank and its customers?** | **15(7 +8)**  **Marks** | **L4** | **CO3** |
| **Or** | | | | | |
| **20.** |  | **Analyze the evolution of computerized banking systems. How has the automation of banking services reduced human error and improved transaction speed and accuracy?** | **15(7+8)**  **Marks** | **L4** | **CO3** |

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| **21.** | **a.** | LMN Bank, a regional bank in a rural area, introduced a mobile banking app to provide customers with easy access to their accounts. The mobile app allowed customers to perform banking transactions, check account balances, and even apply for small loans via their smartphones. After the launch, the bank’s user base grew, particularly among younger customers, who found mobile banking more convenient than visiting a branch. However, the bank encountered challenges in terms of network coverage, as many rural areas had poor internet connectivity, which limited the app’s usage. Additionally, there was a notable increase in mobile banking fraud cases, as some customers had weak passwords or shared their login credentials with others. To address these issues, the bank upgraded its app to work in low-connectivity areas and launched a public awareness campaign about mobile security practices.   1. How did LMN Bank’s mobile banking app contribute to the growth of the bank’s customer base? 2. What steps should LMN Bank take to improve mobile banking usage in rural areas with poor internet connectivity? 3. What measures can LMN Bank adopt to prevent mobile banking fraud and protect customer data? 4. How could LMN Bank enhance the functionality of its mobile app to make it more accessible and secure for customers? | **20(4\*5)**  **Marks** | **L3** | **C04** |
| **Or** | | | | | |
| **22.** | **a.** | ABC Bank, a mid-sized private bank, launched an internet banking platform designed to allow customers to perform various banking functions such as transferring funds, paying bills, checking account balances, and applying for loans online. After the platform’s launch, the bank noticed a spike in the number of transactions, with most users utilizing it for bill payments and fund transfers. However, the bank received multiple complaints about security concerns, with some users expressing fears about online fraud and phishing attacks.  The bank addressed these concerns by implementing additional security measures such as two-factor authentication, encrypted communication, and fraud detection tools. Despite these measures, some customers still remained hesitant to use the platform, especially those who preferred face-to-face interaction   1. How did the internet banking platform improve ABC Bank's service delivery and customer convenience? 2. What security measures should ABC Bank have taken to address customer concerns about online fraud? 3. How can ABC Bank attract and retain customers who are hesitant to adopt internet banking, particularly older generations? 4. What role does internet banking play in increasing a bank’s competitiveness in the financial sector? | **20(4\*5)**  **Marks** | **L3** | **CO4** |

**\*\*\*\*\* BEST WISHES \*\*\*\*\***