



Seat No. : _____

NJ-106

November-2025

Integrated B.Com. / B.A., LL.B., Sem.-VII

IL-405 : Principles of Banking Law and Negotiation Instruments

Time : 2:30 Hours]

[Max. Marks : 70

1. Discuss in detail the structure, governance and functions of the Reserve Bank of India, highlighting its role as the central bank. 18

OR

1. (A) Discuss the role of SEBI (Merchant Banker) Regulations, 1992, in regulating merchant bankers associated with banks. 10
1. (B) Discuss the emergence and impact of e-banking on traditional banking operations. 8

2. Explain the provisions relating to dishonour of cheque under the Negotiable Instruments Act, 1881. 18

OR

2. (A) Explain the relationship between a banker and a customer. Discuss their rights and duties under banking law. 10
2. (B) Discuss Suspension of Business and Winding-up of the Banking Companies under Banking Regulation Act, 1949. 8

3. Explain in detail the objectives and functions of the Banking Ombudsman Scheme in India. How does it help in resolving customer grievances against banks ? 18

OR

3. (A) Discuss in detail the role and functions of commercial banks in India. 10
3. (B) Explain various kinds of negotiable instruments under the Negotiable Instruments Act, 1881. 8

4. (A) Short notes : (Write any **Two**) 10
- (1) Holder in due course
- (2) Presentment
- (3) Crossing of cheque
- (4) Historical background of Negotiable Instruments Act, 1881

4. (B) Do as directed : (Attempt **all**)

6

- (1) The primary function of a commercial bank is :
 - (A) Issuing currency
 - (B) Accepting deposits and lending loans
 - (C) Controlling inflation
 - (D) Framing monetary policy
- (2) The RBI performs which of the following as a Central Bank ?
 - (A) Acts as banker's bank
 - (B) Controls credit
 - (C) Manages foreign exchange
 - (D) All of the above
- (3) Relation of banker and customer is that of debtor and creditor. (True/False)
- (4) The Banking Regulation Act, 1949 applies to:
 - (A) Only private sector banks
 - (B) Only foreign banks
 - (C) All banking companies in India
 - (D) Only public sector banks
- (5) The penal provision for dishonour of cheques is under :
 - (A) Section 134
 - (B) Section 138
 - (C) Section 140
 - (D) Section 142
- (6) What is the punishment for dishonour of cheque under the Negotiable Instruments Act, 1881 ?
