

B. COM
BANKING AND FINANCIAL SERVICES
MAJOR 3
(LAW AND PRACTICE OF BANKING – II)
(100 Marks – 75 Lectures)

Objective: To familiarize the student with the legal aspects of the relationship between the banker and various categories of customers; to make the student aware of the rights and duties of the banker.

Unit I: The banker Customer Relationship (25 Marks-20 lectures)

General relationship between banker and customer – bank as debtor, creditor, trustee, agent, consultant, bailee and lessor; special features of banker-customer relationship – obligation to honour cheques, to maintain secrecy of customer's account, obligation for immediate credit or outstation cheques, etc.

Rights & Duties of Banker– right of lien, set-off, appropriation, assignment

Unit II: Negotiable Instruments (35 Marks - 25 lectures)

Definition, features, holder, Holder in due course & their Rights, Privileges, Liabilities, Cheques – Crossing, types of crossings, Making of Cheques and Endorsement, Collection of Cheques, Payment of Cheques & Dishonour – Discharge of Cheques, Bills of Exchange, definition & types of Bills of Exchange

Unit III: Bank Customers (25 Marks - 20 lectures)

Different types of Customers (Minors, Married Woman, Sole Proprietor, Joint Stock Company, Partnership Clubs & Associations and Trusts. Opening - Procedures and Precautions to be taken, KYC norms, nomination facility. Closing of accounts - Procedure and Precautions to be taken by a Banker.

Unit IV: Frauds & Malpractices (15 Marks - 10 lectures)

Meaning, types, RBI Guidelines for prevention of frauds & malpractices, steps to be taken by Banks. Anti-Money laundering – Meaning and Guidelines by RBI, Meaning of - Terror funds ,Black Money, Swiss Bank A/C, Hawala Funds.

Books for Study and Reference:

K.P. Kandasami, S. Natarajan, R. Parameshwaran: *Banking Law & Practice*. S.Chand & Co. Ltd, New Delhi.

Sukhavinder Mishra : *Banking Law and Practice*, S.Chand & Co. Ltd, New Delhi. Gordon E. Natarajan K: *Banking Theory, Law and Practice*, Mumbai, Himalaya, 1998

Indian Institute of Banking and Finance: *Legal Aspects of Banking*, New Delhi, Macmillan, 2005

Indian Institute of Banking and Finance: *Principles of Banking*, New Delhi, Macmillan, 2005

Khubchandani. B.S.: *Practice and Law of Banking*, New Delhi, Macmillan, 2000 Kumar N. & Mittal R.: *Banking law & Practice*, New Delhi, Anmol, 2002

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Nainta R.P.: Banking System, Frauds and Legal Control, New Delhi, Deep & Deep, 2005 Reddy P.N. & Appannaiah H.R.: *Banking Theory and Practice*, Mumbai, Himalaya. 4e Shekhar K. C. & Shekhar L: *Banking Theory and Practice*, New Delhi, Vikas, 1998, 18e Varshney P.N.: *Banking Law and Practice*, New Delhi, Sultan Chand & Sons, 2005.

**B. COM
PROJECT WORK
(To be allocated)**

As per University Project Manual In Force