

Subject	BANKING THEORY, LAW AND PRACTICE
Subject Code	UCMAM07/BM07 / CM07
Nature	Major
SEMESTER	III
Maximum Marks	75

Unit I

Origin of banks – Banking Regulation Act, 1949 (Definition of Banking, Licensing, Opening of branches, Functions of Banks, Inspection) – Roll of Banks and Economic Development – Central Banking and Role of RBI and their functions.

Unit II

Commercial Banks – Functions – E – Banking – ATM Cards, Debit cards, Personal Identification Number – Online enquiry and update facility – Electronic Fund Transfer – Electronic Clearing System – Credit Creation and Credit Control

Unit III

Opening of an Account – Types of Deposit Account – Types of customers (Individuals, firms, Trusts, and Companies) – Importance of customer relations – Customer grievances and redressal – Ombudsman.

Unit IV

Principles of lending – Types of Loans – Precautions to be taken by a banker while lending against various securities

Unit V

Negotiable instruments – Promissory Note – Bills of Exchange, Cheque, Draft – Definitions, Features – Crossing – Endorsement – Material Alteration – Paying Banker – Rights and Duties – Statutory Protection – Dishonour of Cheques – Role of collecting banker. BASEL II NORMS

Reference Books:

1. Banking Law Theory and Practice – Sundaram and Varshney – Sultan Chand Co.
2. Banking and Financial Systems – B. Santhanam (Margham Publishers)
3. Banking Law Theory and Practice – S.N. Maheswari – Kalyani Publications
4. Indian Banking – Parameswaran – S. Chand and Co.
5. Banking Law Theory and Practice – Tanon
6. Banking Law Theory and Practice – Sherlaker & Sherlaker

Question Paper Pattern

Pattern	Total Questions	To answer	Marks per Question	Total Marks
Section A	12	10	2	20
Section B	7	5	5	25
Section C	4	2	15	30

Instructions to Paper Setter:

Section-A: Minimum 2 Questions to be asked from each of the five Units

Section-B: Minimum 1 Question to be asked from each of the five Units

Section-C: Minimum 1 Question to be asked from any four Units