

B. COM
Semester VI
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
lectures)**

(35 Marks - 25

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
lectures)**

(25 Marks - 20

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
lectures)**

(15 Marks - 10

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

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)**