

SARDAR PATEL UNIVERSITY

Programme: BCOM (HONOURS) (Corporate Banking & Insurance)

Semester: III

Syllabus with effect from: June 2019

Paper Code: UB03DCOH23	Total Credits: 4
Title of Paper: Law and Practice of Banking	
Objective: To make students aware about the legal system applicable to the banking industry.	

Unit	Topics with Details	Weightage
1	OPERATIONS IN BANK ACCOUNTS <ul style="list-style-type: none">• Procedure for opening an account – KYC norms- Nomination• Different types of Customers Account – Individual – Joint –Minor-Illiterate Person – Married Woman – Sole Proprietorship – Partnership – Joint Stock Company – HUF – Club and Societies – Trusts• Operations in the account - Standing Instructions, Stop Payment Instructions• Mandate and Power of Attorney• Garnishee Order	25%
2	NEGOTIABLE INSTRUMENTS <ul style="list-style-type: none">• Types of Instruments – Holder and Holder in due course ,Cheques – Crossing – Definition, Types(General and Special) &Effects• Endorsements – Definition, Significance and Types. Valid endorsements• Material Alteration – Meaning, Examples and Effects• Marking – Bouncing• Dishonor of Cheques	25%
3	LEGAL RELATIONSHIPS BETWEEN BANKER AND CUTOMER <ul style="list-style-type: none">• Legal framework of Banker-customer relationship• Banker’s Disclosure, Termination of Relationship• Bankers right of Lien and Set-off• Paying Banker – Duties – Payment in due course – Precautions to take in honoring cheques – Statutory Protection under Section 85 and 128• Collecting Banker – Duties – Holder for value – Agent –Conversion – Negligence – Statutory Protection under Section 131	25%

4	BANKING FACILITIES AND LAWS	
	<ul style="list-style-type: none"> • Various laws related Remittance facilities offered by banks • Clearing system • Locker facility • RTGS(Real Time Gross Settlement) • NEFT(National Electronic Fund Transfer) 	

Evaluation : Internal : 40 Marks (Theory)
: External: 60 Marks (Theory) – Two Hours Examination

Tutorial: Credit – 1 Mark – 25

Unit: 5	Total Twenty questions (theory and examples) from Unit 1 to 4, shall comprise as a part of Journal, which shall be maintained by the students.	25%	
----------------	------------------------------------------------------------------------------------------------------------------------------------------------	-----	--

Evaluation : Internal : 25 Marks
Journal shall be evaluated by the concerned teachers.

Reference Books:

- Banking Law and Practice by Mona Tanna & Manish Tanna, Himalaya Publishing House
- Practice and Law of Banking by B S Khubchandani, MacMillan India Ltd
- Principals & Practices of Banking by Indian Institute of Banking & Finance , MacMillan India Ltd