

**Solapur University, Solapur**  
**B.Com Part-III**  
**Advanced Banking**  
**(Optional) Paper-I**  
**Law and Practice of Banking in India**  
**(w.e.f. June 2010)**

**Section -I**

Unit 1: Banking Laws - Meaning , Nature and Scope

Unit 2 :Banker and customer - Origin of Banking - Banking and other business-  
Customer - The Relationship between a Banker and a customer - General  
Relationship - Special Relationship - Statutory obligation to Honour cheques  
- Banker's Lien - Duty to Maintain Secrecy of Customers Account - Right to  
claim Incidental charges Right to charge compound interest.

Unit 3: Bank customers and Bank Accounts - Meaning and special

Types of Bank customers - Minor or Infant - A married woman - Drunkard -  
A partnership firm - A Joint stock company - Non - trading companies -  
private companies - Non trading Associations - Executors, Administrators and  
Trustees - Types of Accounts.

Unit 4: Negotiable Instruments - Definition - characteristics of

Negotiable Instruments - Types of Negotiable instruments - Cheque , Bills of  
Exchange and promissory Notes , Negotiation vs. Assignment.

Unit 5 :Crossing and Endorsement :- meaning and Types of crossing - General  
Crossing Special crossing - Double crossing - who can cross a cheque -  
opening of crossing. Endorsement - Definition - Significance of Endorsement  
- Assignment vs. Endorsement - kinds of Endorsement - Regularity of  
Endorsement - Liability of Endorser.

## Section - II

Unit 6: Paying Banker - meaning - precautions before honouring a cheque - Circumstances under which a cheque can be dishonoured - Answer to dishonoured cheques - Statutory Protection to a paying Banker / Bank - Payment in Due course - Holder in Due Course - Recovery of Money Paid by mistake - Money can be recovered - Money cannot be recovered.

Unit 7 : Collecting Bankers or Bank - Meaning - Banker as a Holder for Value - Banker as an Agent - Conversion - statutory protection - Basis of Negligence - Duties of a Collecting Banker

Unit 8: Bank Loans and Advances- Principles of sound lending - secured and unsecured Advances - Forms of advances - securities for advances - Cannoos of a good Banking security - i.e. Validity of the Title of the Borrower - Liquidity - Free from Disabilities - Documentation - Margin.

Unit 9: Modes of charging security - Lien - Pledge - Mortgage -Assignment - Hypothecation -merits and demerits of different types ( Method ) of charges.

Unit 10: Bank organization - Nature , Branch Management - Banking Regulations Act, 1949 ( with amendments )

### Reference Books :

1.	Sundharam K.P.M.	:	Baking Theory, Law & Practice
2.	Tannas	:	Banking Law and practice in India
3.	Mithani and Gordon	:	Baking Theory and Practice
4.	Shekhar and Shekhar	:	Banking Theory and practice
5.	Basu S.K.	:	Current Banking theory and practice
6.	Vaish M.C.	:	Modern Banking
7.	Panadilkar S.H.	:	Banking in India
8.	Gordon and Natarajan	:	Banking Theory Law and Practice
9.	श्री. आ.देशपांडे	:	अधिकोषण व नाणेबाजार
10.	वैद्य पां.ह	:	बँकिंगचे कायदे व व्यवहार
11.	प्रा.मानकर, प्रा.डांगे	:	प्रगत बँकिंग

**Distribution of marks for the University exams for all faculties.**

1. (a) 20 % Marks – Objectives questions.

40 % Marks - Short notes / short answer type questions/

Short Mathematical type questions

40 % Marks - Descriptive type questions / Long

Mathematical type questions

Out of 20 % Marks for objective questions 10 % marks

Should be assigned to multiple choice questions and

remaining 10 % be assigned to fill in the blanks / answer in

one sentence etc. However, each faculty may decide nature

and types of questions to be set subject to distribution of

above percentage of marks.

(b) One descriptive type question will be Compulsory Paper setter should mention approximate words limit for short note / short answer type questions except Diagrammatical and Numerical questions.