

## SPPU Pune/ Law / LLM (Rev.2014) / 402 / CLUSTER II (BUSINESS LAW) BANKING & NEGOTIABLE INSTRUMENT

Item Text	Instructions	Option Text 1	Option Text 2	Option Text 3	Option Text 4
The Tribunal shall have the powers of a _____ under section 36 A1 of the Banking Regulation Act 1949 while trying a suit, under the Code of Civil Procedure, 1908.		Criminal Court	Labour Court	Family Court	Civil Court
The Tribunal shall have power to regulate its own procedure is stated under _____ of the Banking Regulation Act 1949.		Section 36	Section 36 AJ	Section 36 B	Section 37
Any clerical or arithmetical error in any order of the Tribunal or any error arising therein from any accidental slip or omission may, at any time, be corrected by the Tribunal		either of its own motion or on the application of any of the parties	of its own motion only	on the application of any of the parties only	Never
Provision relating to Suspension of Business is stated in _____ shall order the winding up of a banking company under section 38 of the Banking Regulation Act 1949.		Section 36 B	Section 38	Section 37	Section 36 AJ
_____ shall order the winding up of a banking company under section 38 of the Banking Regulation Act 1949.		State Government	Central Government	Auditor	High Court
No banking company may be voluntarily wound up unless the _____ certifies in writing that the company is able to pay in full all its debts to its creditors as they accrue.		Auditor	Reserve Bank	Central Government	State Government
Power of Reserve Bank to apply to Central Government for suspension of business by a banking company and to prepare		Section 45	Section 42	Section 43	Section 44

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scheme of reconstitution or amalgamation contained in _____.					
A document executed outside India should be stamped		at the time or before execution of document	within 3 months of receipt of document in India.	within 4 months of receipt of document in India	Stamping is not required if executed abroad.
A endorses a cheque SANS RECOURSE to B. B endorses it to C and C to A. If the cheque is dishonored		A is not liable to B and C and also can not claim from them	A is not liable to B & C but can claim from them as an endorsee	A can claim from C only	A can claim from B only
A bill of exchange favouring A or order was endorsed by A on the reverse of the instrument as pay B or order and signed below that. Before it could be delivered to B, A passed away. Thereafter the legal heirs of A delivered the instrument to B. In this case		The negotiation is valid as both endorsement & delivery has taken place	It is invalid negotiation as the legal heir of A can not complete its negotiation by delivery.	The importance is endorsement and not delivery and hence it is valid.	It is a valid bill
With the amendment to N.I act on 01-04-1989[sec 138] Dishonour of cheques for insufficiency of funds is deemed an offence. the drawer of the cheque may be punished		Imprisonment for a term up to 1year or fine up to twice the amount of the cheque or with both	Imprisonment for a term of 2 years	fine up to thrice the cheque amount	imprisonment up to 2 years or fine which may extend to twice the amount of the amount of cheque or with both
The transferee can not get better title than the transferor in case of		A/C payee in crossing	not negotiable in crossing	special crossing	no crossing
When a bank lends money to the corporate person the relationship is		Borrower and lender	Creditor- Debtor	Debtor- Creditor	Customer and Client
Merchant Bankers are		Financial Brokers	Underwriters	Financial Intermediaries	Name of a banker

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Advantage of leasing		Trading on Tax shield	Increased capacity to borrow	Arrangement for faster and cheaper credit	increases financial liability
Bailor-bailee relationship is applicable in		Keeping article in safe custody with bank	Demand Draft issued by bank	Safe deposit locker	Cash deposited with cashier by customer
The relationship between a banker and customer is..		That of a debtor and creditor	That of a creditor and debtor	Primarily that of a debtor and a creditor	(a) and (b) together
The banker has a lien on.		Bonds given for collection	Bonds given for safe custody	Bonds left by mistake	(a) and (b) together
In executing the standing instructions, there exists a relationship of.		debtor and creditor	Trustee and Beneficiary	Bailee and Bailor	Agent and Principal
To constitute a person as a customer.		There must be frequency of transactions	There must be a dealing of a banking nature	There must be some sort of an account	There must be a single transactions of any nature