

MAJOR BASED ELECTIVE – III – BANKING THEORY, LAW AND PRACTICE

UNIT I:

Relationship of banker and customer – Definition of the term banker and customer – general relationship – special relationship – main functions and subsidiary services rendered by banker – agency services and general utility services – safe custody deposit – letter of credit – issue and payment of demand drafts and foreign bills, merchant banking.

UNIT II:

Operations of bank accounts – fixed deposits – fixed deposit receipts and its implications, savings deposit accounts – current accounts – recurring deposit accounts – new deposit savings schemes – introduced by banks – super savings package – cash certificate, annuity deposit – reinvestment plans – perennial premium plan – non resident (external) accounts scheme.

UNIT III:

Types of customers, account holders – procedure and practice for opening and conducting and closing of accounts of customers particular of individuals including minor, illiterate persons – married women – lunatics – drunkards – joint stock companies – non trading associations – registered and unregistered clubs – societies customers' attorney – executive and administrators – charitable institutions – trustees – liquidators – receivers – local authorities – steps to be taken on death, lunacy, bankruptcy – winding up in case of Garnishee orders.

UNIT IV:

Paying and collecting bankers – rights responsibilities and duties of paying and collecting banker – precautions to be taken in paying and collecting of cheques – protection provided to them – nature of protection and conditions to get protection – meaning of terms – such as payment in due course – recovery of money paid at mistake.

UNIT V:

Pass book and issue of duplicate pass book – cheques – definition of a cheque – requisites of a cheque – drawing of a cheque – types of cheque – alteration – marking – crossing – different forms of crossing and their significance – loss of cheques in transit – legal effect.

TEXT BOOKS RECOMMENDED:

1. Banking Law & Practice by K.P.Kandasami, S.Natarajan & R.Parameswaran – S.Chand&Co.
2. Banking law & practice by – C.Geevanatham – learn tech press – Trichy.
3. Banking, Theory Law & practice by E.Garden and N.Natarajan – Himalaya Publication.
4. Banking, Theory Law & practice by Sundaram and Varshney, Sultan Chand & sons.