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 (35 Marks - 25 lectures)
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 (25 Marks - 20 lectures)
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 (15 Marks - 10 lectures)

Books for Study and Reference:
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
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Nainta R.P.: Banking System, Frauds and Legal Control, New Delhi, Deep & Deep, 2005


B. COM
PROJECT WORK
(To be allocated)

As per University Project Manual In Force