



| Code | Subject Title | Cr. Hrs | Semester |
|----------|--------------------------|---------|----------|
| COMM-307 | Banking Law and Practice | 3 | VI |
| Year | Discipline | | |
| 3 | Commerce | | |

1. INTRODUCTION TO BANKING LAWS IN PAKISTAN
 - a) Banking Companies Ordinance 1962
 - b) State Bank of Pakistan Act 1956 etc
 - c) Negotiable Instruments Act 1881
 - d) Banker’s Books Evidence Act 1891
 - e) Financial Institutions Ordinance 2001
 - f) Foreign Exchange Regulations Act 1947
 - g) Prudential Regulations category ‘R’, ‘G’, ‘M’ and ‘O’
2. BANKER’S FUNDS
 - a) Bank Capital
 - b) Reserve Fund
 - c) Liquid assets
 - d) Deposits (Current, Saving & Fixed Deposits)
3. BANKER – CUSTOMER’S RELATIONSHIP
 - a) Banker Functions & Customer Qualifications
 - b) General Relationship
 - c) Right to lien, Right of set off, , Right of charge for services, Rights and duties of both parties
 - d) Termination of Relationship
 - e) Banker Duty of Secrecy and duty as Garnishee
4. TYPES OF CUSTOMERS
 - a) Individual, Married & Pardanisheen Women Account and Minor’s Account
 - b) Problems in personal account concerning Insolvency, Lunacy and death of customer
 - c) Accounts of specialized customer including Partnership Firm & JSCo.
 - i) Partnership/Firm Account including opening of account and dealing of account in case of admission, retirement and insolvency of the partner
 - ii) Joint Stock Company account including formalities for account opening and granting of loan.
5.
 - a) Rules relating to payment and bouncing of cheques
 - b) Revocation of Banker’s Authority
 - c) Endorsement of cheques
 - d) Crossing of cheques, forms of crossing and treatment.
 - e) Collection of cheques
6. RULES REGARDING NEGOTIABLE INSTRUMENTS
 - a) Promissory Note
 - b) Bill of exchange
 - c) Banker’s Draft
7. OTHER BANKING INSTRUMENTS
 - a) Bank Note
 - b) Dividend Warrants
 - c) Interest Warrants



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- d) Drawn Bonds
 - e) Travelers Cheques
(Students must be able to distinguish between these instruments by citing examples)
 - 8. PRINCIPLES OF LENDING
 - 9. FORMS OF LENDING
 - a) Cash finance
 - b) Over draft
 - c) Loans
 - 10. SECURITIES FOR ADVANCES
 - a) Classification
 - b) Banker's Lien
 - c) Charge
 - d) Pledge
 - e) Hypothecation
 - f) Guarantee
 - g) Mortgage
 - 11. INTEREST FREE BANKING
 - a) Profit and Loss Sharing
 - b) Musharikah
 - c) Ijarah
 - d) Hire Purchase
 - e) Mudarbah
 - 12. COMMERCIAL LETTER OF CREDIT
 - a) Kinds of letter of credit
 - b) Advantages and disadvantages of letter of credit
 - c) Rights and Liabilities of opening and negotiating bank

BOOKS RECOMMENDED

- 1. Israr Siddiqui, Practice and Law of Banking in Pakistan, Royal Book Co., Karachi.
 - 2. S.A., Menai, Banking and Finance in Pakistan, Oxford University Press, Karachi.
 - 3. Holden, J. Milnes, the Law & Practice of Banking, Vol. I & II, London: Pitman.
 - 4. Abdul Aziz Kazi, Commentary on Negotiable Instruments Act, 1881, Karachi.
 - 5. Pakistan Institute of Bankers, Karachi, Practice & Law of Banking.
 - 6. Government of Pakistan, Banking & Financial Services.
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