



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Sixth Semester – 2019

Paper: Banking Law and Practice

Course Code: COMM-307 Part – I (Compulsory)

Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

Signature of Supdt.:

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the correct choice.

(1x10=10)

- 1) Traveller cheques can be encashed by:
 - a) any person
 - b) third party
 - c) the purchaser
 - d) the creditor
- 2) Functions of the bank include:
 - a) borrowing and lending money
 - b) act as Modarba company
 - c) granting letters of credit
 - d) all of these
- 3) In PLS account, profit or loss is determined & distributed after:
 - a) 3 months
 - b) 6 months
 - c) 9 months
 - d) 1 year
- 4) State bank of India was allowed to function in Pakistan until:
 - a) 30 September 1947
 - b) 30 September 1948
 - c) 30 September 1949
 - d) 30 September 1950
- 5) Minimum paid up capital for a bank can be determined by State Bank:
 - a) Only Once
 - b) Annually
 - c) From time to time
 - d) Every 5 years
- 6) Any banking company can appeal against the orders of State Bank to:
 - a) banking court
 - b) central board of directors of SBP
 - c) banking council
 - d) none of these
- 7) State bank of Pakistan was established on:
 - a) 1st July 1948
 - b) 15 August 1948
 - c) 11 September 1948
 - d) 5 December 1948
- 8) License to bank is issued by:
 - a) Federal Govt.
 - b) Provincial Govt.
 - c) Banking Council
 - d) State bank of Pakistan
- 9) Banker's Book Evidence Act was passed in:
 - a) 1890
 - b) 1891
 - c) 1892
 - d) 1893
- 10) In 1947, which bank was functioning in Pakistan:
 - a) Habib Bank
 - b) Australasia Bank
 - c) Muslim Commercial Bank
 - d) Both A&B



ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q.2 Short Questions

(2x10=20)

- i. What are the benefits of negotiable instruments?
- ii. For what purpose the banks maintain the reserve fund?
- iii. Explain the term tangible securities?
- iv. Briefly explain the duties of the borrowers?
- v. What are different kinds of deposit?
- vi. What do you understand by profit and loss sharing?
- vii. Describe the scheduled banks?
- viii. Define collateral securities?
- ix. What are the advantages of letter of credit?
- x. What is meant by the term “liquidity”?

Q.3 Long Questions

(3x10=30)

- i. Briefly explain the powers of the State Bank of Pakistan?
- ii. Explain Foreign exchange regulation Act 1947?
- iii. What are the classification of securities?