UNIT-I

1. Meaning of banking?

Banking is a service industry the main objectives of bank is to provide service to the customers and the secondary objectives is to earn profit.

2. Definition of banking?

Banking can be defined as the business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit.    However, with the passage of time, the activities covered by banking business have widened and now various other services are also offered by banks.  The banking services these days include issuance of debit and credit cards, providing safe custody of valuable items, lockers, ATM services and online transfer of funds across the country / world.

3. What is bankers lien?

A banker's lien is a legal right arise in many common law jurisdictions of a bank to exercise a lien over any property in the custody of the bank as security for the indebtedness of the customer to the bank.

4. What is letter of credit?

A letter of credit is a document that guarantees the buyer’s payment to the sellers. It is Issued by a bank and ensures the timely and full payment to the seller. If the buyer is unable to make such a payment, the bank covers the full or the remaining amount on behalf of the buyer. A letter of credit is issued against a pledge of securities or cash. Banks typically collect a fee, ie, a percentage of the size/amount of the letter of credit.

5. What is lien?

A lien is a legal right granted by the owner of property, by a law or otherwise acquired by a creditor. A lien serves to guarantee an underlying obligation, such as the repayment of a loan. If the underlying obligation is not satisfied, the creditor may be able to seize the asset that is the subject of the lien.

6. Define customer?

A customer is on whom deals with bank and banking business. A customer is one whom has opened an account with a bank and has transaction with banker in the nature of banking business, which is depositing money and withdraw by cheques, drafts etc.

7.What is general lien?

A general lien is a right to retain the property of another on account of a general balance due from the owner. Bankers have general lien on all securities left with them by their customers. A banker's lien is a special form of general lien, for it includes a right of sale after reasonable notice.

8. What is particular lien?

A particular lien is available only against the particular property in respect of which the bailee has expended labour and skill. A bailee is entitled to a particular lien only (Sec. 179).

9. What is bankers lien?

A banker's lien is a legal right arise in many common law jurisdictions of a bank to exercise a lien over any property in the custody of the bank as security for the in debtedness of the customer to the bank.

10. What is foreign bill?

The definition of a foreign bill of exchange is a payment drawn up in one country that is payable in another country. An example of a foreign bill of exchange is an agreement drawn up between two countries for trading purposes.

11.What is banker rignt of set off?

The contract implies that the borrower promised to repay the money borrowed by him. Right of set off is the right of the bank to combine the two accounts of the same person where one account which is in credit balance and the other account is in debit balance in order to cover a loan default.

12.What is merchant banking?

A merchant bank is a company that conducts underwriting, loan services, financial advising, and fundraising services for large corporations and high net worth individuals. ... They do not provide regular banking services like checking accounts and do not take deposits.

13. What is off shore banking?

Offshore banking refers to the deposit of funds by a company or individual in a bank that is located outside their national residence. Although the term implies that these banks are located on islands, many offshore banks are, in fact, found in onshore locations, such as Panama, Luxembourg and Switzerland.

UNIT-2

**1.Meaning of karta:**

Karta means manager of joint family and joint family properties. He is the person who takes care of day to day expenses of the family looks after the family and protects the joint family properties.

**2.Who can be a karta:**

It is a presumption that ordinary senior most male member is the Karta and Karta is always a member in the family no outsider or stranger can become a Karta. The senior most male member so long as he is alive may be aged,infirm or ailing continues as Karta. By his death Kartaship will pass on to next senior most male member .in the presence of senior most male member a junior cannot act as Karta but if all coparcener agree, a junior also can become a Karta.Karta owes his position by consent or agreement of all coparceners.

**3.Meaning of minor account**

An **account** for students and below 18 children is called **minor account**. All the banks have certain rules and regulations for **minor account** holder. This type of **account** does not provide all the privileges to **minor account** holder but they can withdraw and deposit the amount with certain limits.

**4.Who is lunatics?**

**Lunatic** is an antiquated term referring to a person who is seen as mentally ill, dangerous, foolish, or crazy—conditions once attributed to "lunacy." The word derives from lunaticus meaning "of the moon" or "moonstruck". The term was once commonly used in law.

**5.Meaning of joint stock company:**

A **joint**-**stock company** is a business owned collectively by its shareholders. Historically, a **joint**-**stock company** was not incorporated and thus its shareholders

**6. who is liquidator:**

A liquidator is a person who is appointed when a company is in the process of winding-up. A liquidator is responsible for collecting all the assets of a company and settling all claims against the company. A liquidator can be appointed by unsecured creditors, shareholders or on a court order. In order to settle the debts and claims of a liquidated firm, a liquidator sells off its assets. A liquidator then collects proceeds of sale to pay the creditors. Any balance amount is further distributed among the shareholders of the liquidated company.

**7.meaning of garnishee order:**

A default judgement is usually obtained by a creditor either when a debt has gone unpaid, you haven’t been able to come to any agreement with the creditor about repaying the debt, or other alternative debt collection avenues have been exhausted.

If a garnishee order is made against you, then your bank, financial institution, or employer will likely be notified rather than you. Garnishee orders can be served to anyone that owes you money, such as tenants or contractors.

**8.meaning of joint account:**

A **joint account** is a [bank account](https://en.wikipedia.org/wiki/Bank_account) shared by two or more individuals. Any individual who is a member of the joint account can withdraw from the account and deposit to it. Usually, joint accounts are shared between close relatives or business partners. A joint account is not the same as adding an [additional cardholder](https://en.wikipedia.org/w/index.php?title=Additional_cardholder&action=edit&redlink=1), i.e. an authorized secondary user added to an account by the primary cardholder who remains fully and solely liable for all spending on both cards and repayments.

**9.Meaning of Payment in due course:**

"Payment in due course" means payment in accordance with the apparent tenor of the instrument in good faith and without negligence to any person in possession thereof under circumstances which do not afford a reasonable ground for believing that he is not entitled to receive payment of the amount therein mentioned.

**10.What Is Bankruptcy?**

Bankruptcy is the legal proceeding involving a person or business that is unable to repay outstanding debts. The bankruptcy process begins with a petition filed by the [debtor](https://www.investopedia.com/terms/d/debtor.asp), which is most common, or on behalf of [creditors](https://www.investopedia.com/terms/c/creditor.asp), which is less common. All of the debtor's [assets](https://www.investopedia.com/terms/a/asset.asp) are measured and evaluated, and the assets may be used to repay a portion of outstanding debt.

 Unit III

1. **Who is called minor?**

 A minor is a person who does not have the legal rights of an adult. A minor is usually defined as someone who has not yet reached the age of majority. In most states, a person reaches majority and acquires all of the rights and responsibilities of an adult when he or she turns 18. Until a minor reaches the legal age of adulthood, he or she may not be responsible for his/her own actions (including the capacity to enter into a contract which is enforceable by the other party).

1. **Give two examples of non-trading associations**?

 Sports clubs.

 Civil hospitals.

 Libraries.

 Charities.

 Government owned educational institutions.

 Civil Hospitals.

1. **Who is called liquidators**?

A person appointed to carry out the winding up of a company is called liquidator. If the winding up is through court, the term used for such person is official liquidator.

 The duties of liquidator include to get in and realise the property of the company, to pay its debts, and to distribute the surplus (if any) among the members.

1. **What is garnishee order?**

A court order instructing a garnishee ( a bank) that funds held on behalf of a debtor (the judgement debtor) should not be released until directed by the court.

The order may also instruct the bank to pay a given sum to the judgement creditor ( the person to whom a debt is owed by the judgement debtor) from these funds.

1. **What is Non-Trading associations?**

A business concern is an organization involved in activities of buying or selling goods and services with a view of making a profit. There are **associations**, clubs or societies which are **not** formed for the purpose of making profit. These are called **non**-**trading organizations**.

1. **Who is called lunatics?**

 A lunatic is a person who having once had his wits has lost them, but the expression is often used in a vaguer sense as equivalent to a person of unsound mind, which would include an [idiot](http://www.duhaime.org/LegalDictionary/I/Idiot.aspx)."1

**What is meant by bankruptcy?**

 Bankruptcy is the legal proceeding involving a person or business that is unable to repay outstanding debts. The bankruptcy process begins with a petition filled by the debtor, which is most common. All of the debtors assets are measured and evaluated, and the assets may be used to repay a portion of outstanding debt.

**UNIT-5**

**1.What is Pass book?**

 The passbook is a record of the banking transactions of a customer with a bank. All entries made by a customer in his cashbook (bank column) must be entered by the bank in the passbook.

**2.What is Crossing of Cheque**?

 A **crossed check** is any **check** that is **crossed** with two parallel lines, either across the whole **check** or through the top left-hand corner of the **check**. This symbol means that the **check can** only be deposited directly into a bank account and cannot be immediately cashed by a bank or any other credit institution.

**3.What is Stale Cheque**?

 A cheque is presented for payment after three months from the date of the cheque it is called stale cheque. A stale cheque is not honoured by the bank.

**4.Definition of cheque.**

 "Cheque is an instrument in writing containing an unconditional order, addressed to a banker, sign by the person who has deposited money with the banker, requiring him to pay on demand a certain sum of money only to or to the order of certain person or to the bearer of instrument.

**5.Write short note on E Banking?**

 **Online banking**, also known as **internet banking**, is an **electronic** payment system that enables customers of a **bank** or other financial institution to conduct a range of financial transactions through the financial institution's website.

**6.What is mean by Credit Card**?

 A **credit card** is a **card** which allows people to buy items without cash. When they buy something, a sales clerk uses it to charge the money needed to their account, so the person will pay later. ... **Credit cards** are usually small plastic **cards** with a unique number attached to an account.

**7.What is marked cheque?**

 A check marked 'good for payment', sometimes by means of a special stamp, and guaranteed by the bank on which it is drawn. The issuer of the check is thereby acknowledged to have sufficient funds to cover the payment. See also certified check.

**8.what is antedated cheque?**

 A cheque bears a date earlier than the date on which it is presented to the bank, it is called as "anti-dated cheque". Such a cheque is valid upto three months from the date of the cheque

**9.What is mean by opening of crossing?**

 An open [cheque](https://en.wikipedia.org/wiki/Cheque%22%20%5Co%20%22Cheque) is a cheque that is not crossed on the left corner and payable at the counter of the drawee [bank](https://en.wikipedia.org/wiki/Bank) on presentation of the cheque.

**10.State any two features of cheque**.

i)Cheque is an instrument in writing

ii)Cheque contains an unconditional order

**11.State the types of crossing.**

i)General crossing

ii)Special crossing

iii)Restrictive crossing

 iv)Double crossing

**12.what is bearer cheque?**

The bearer cheque is payable to the person specified therein or to any other else who presents it to the bank for payment. However, such cheques are risky, this is because if such cheques are lost, the finder of the cheque can collect payment from the bank.