UNIVERSITY OF KELANIYA – SRI LANKA

Centre for Distance and Continuing Education

Faculty of Commerce & Management Studies

Bachelor of Commerce (Special) Degree Fourth Year Examination (External) – 2019

July – 2025

BCOM E 4564 - Banking Law and Practice

Number of questions: Sevan (07)

Answer any five (05) Questions. **Time: 03 hours**

Question No. 01

The Relationship between banker and a customer is a contractual relationship. Although it appears that the relationship between these two parties is a general debtor – creditor relationship as a result of other banking services, new relationships in addition to existing relationship exit. Accordingly, this contractual relationship involves special rights and duties between two parties'.

Discuss .

(Total 20 Marks)

Question No. 02

Discuss the role of the Central Bank of Sri Lanka in relation to the control of banking activities in Sri Lanka with reference to relevant statutes.

(Total 20 Marks)

Question No. 03.

Explain the following in relation to negotiable instruments.

(a). Examples of negotiable instruments

(b) Common features of negotiable instruments

(c) Negotiation of Bills of Exchange

(d) Principle of negotiability

(05x04 Marks)

(Total 20 Marks)

Question No. 04.

One obligation imposed on the banker under the banker – customer relationship towards its account holder is that the bank must observe strict confidentiality about its customer account. However, there are circumstances under which the banker needs not to observe this obligation.

Discuss

(Total 20 Marks)

Question No. 05

(a). Discuss the different types of endorsements and the rules governing endorsement of checks

(10 Marks)

(b). Describe the various types of crossings and rules governing such crossings specifying the advantages of crossing a cheque.

(10 Marks)

(Total 20 Marks)

Question No. 06

The sources of Banking law in Sri Lanka have been developed in line with the corresponding English law. In addition at present statutes enacted by the local legislature are also important as sources of Banking law in Sri Lanka.

Discuss

(Total 20 Marks)

Question No. 07

Write notes on any two of the following :

(a). Co- operative Rural Banks movement in Sri Lanka

(b) Paying Banker

(c) Holder in due course

(10 Marks each)

(Total 20 Marks)