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**Dr. G. B. Baligar**

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## Law And Practice of Banking

Dr. G. B. Baligar  
Dr. R.V. Hegadal

# Law And Practice of Banking

Dr. G. B. Baligar  
Dr. R.V. Hegadal



**Ashok Prakashan**

Basavastri, Vinayak Colony, Vidyanagar, Hubli - 580 031.

1	<b>Name of the Book</b>	<b>Law and Practice of Banking</b>
2	Editor	Dr. G.B. Baligar
3	Publisher	Ashok Prakashan, Hubli
4	Year of Publishing	2022
5	ISBN Number	-----
6	Chapter Title	Module 1-5
7	<b>Name of the Author</b>	<b>Dr. R.V. Hegadal</b>
<b>HEI: SJM College of Arts, Science and Commerce</b>		
8	Page No,	1-400



  
PRINCIPAL  
S J M Arts Science &  
Commerce College  
Hik. Road, CHITRADURGA.



First Edition : 2007

Sixteenth Revised Edition : 2022

© : Publisher

Price : Rs. 250/-  
Rupees Two Hundred Fifty only

Published by :  
**Ashok Prakashan**  
Basavasiri, Vinayak Colony  
Vidyanagar,  
HUBLI - 580 031  
☎ : 0836-2375105

Printed at :  
**M/s. IMPRESSIONS**  
B-2 Akshar Arcade,  
3360/4, Gondhali Galli Cross Road,  
BELGAUM - 590 002  
☎ : 0831-2421232

## ***Preface to Sixteenth Edition***

*It gives us immense pleasure to bring out the Sixteenth edition of the book "Law and Practice of Banking," for Second Semester. The book is thoroughly written in the frame work of new NEP syllabus prescribed by Davangere University, Davangere, Kuvempu University, Shivamogga in particular and other Indian Universities in general.*

*In preparing this edition we have made every effort to explain the main principles of the subject in a simple and lucid style. The matter has been presented in a precise manner.*

*We are confident that this edition will receive the similar appreciation from the readers. We always welcome their observations and suggestions to make this book more useful.*

*Our sincere thanks are due to the owners of Impressions, Belgaum as well as to the staff for their patience and perserverance in bringing out this book in time.*

***Dr. G. B. Baligar***

***Dr. R.V. Hegadal***

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## NEP Syllabus

**Name of the Program : Bachelor of Commerce (B.Com.)**

**Course Code : B.Com. 2.2**

**Name of the Course : Law and practice of Banking**

Course Credits	No. of Hours per Week	Total No. of Teaching Hours
4 Credits	4 Hrs	56 Hrs

**Pedagogy :** Classrooms lecture, Group discussion, Seminar, Case studies & field work etc.,

**Course Outcomes:** On successful completion of the course, the Students will be able to

1. Summarize the relationship between Banker & customer and different types of functions of banker.
2. Analyse the role, functions and duties of paying and collecting banker.
3. Make use of the procedure involved in opening and operating different accounts.
4. Examine the different types of negotiable instrument & their relevance in the present context.
5. Estimate possible developments in the banking sector in the upcoming days.

Module	Syllabus	Teaching Hours
I	<b>Introduction to Banking:</b> Introduction- Meaning - Need - Importance - Primary, Secondary & Modern functions of banks - Origin of banking- Banker and Customer Relationship (General and special relationship) - Origin and growth of commercial banks in India - Types of Banks in India"- Banks' Lending > -/changing role of commercial banks. RBI: History - Role & Functions.	12
II	<b>Paying and Collecting Banker:</b> Paying banker: Introduction - Meaning - Role - Functions - Duties - Precautions and Statutory Protection and rights - Dishonor of Cheques - Grounds of Dishonor - Consequences of wrongful dishonor of Cheques; Collecting Banker: Introduction - Meaning - Legal status of collecting banker - Holder for value - Holder in due course - Duties & Responsibilities - Precautions and Statutory Protection to Collecting Banker.	12
III	<b>Customers and Account Holders:</b> Introduction - Types of Customers and Account Holders - Procedure and Practice in opening and operating accounts of different customers: Minors - Joint Account Holders- Partnership Firms - Joint Stock companies -Executors and Trustees - Clubs and Associations and Joint Hindu Undivided Family.	10
IV	<b>Negotiable Instruments:</b> Introduction - Meaning & Definition - Features - Kinds of Negotiable Instruments: Promissory Notes - Bills of Exchange - Cheques - Crossing	12