

Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 6 Short Questions Preparation

Q1. What is the basic or general relationship between bank and customer.

Ans 1: The general relationship between bank and customer is .

Ans 2: i- Debtor and creditor ii- When a bank is debtor and customer is creditor

Ans 3: iii- When customer is debtor and bank is creditor

Q2. Why current account is called "Running or active" account.

Ans 1: It is called running or active account because money can be deposited and withdrawn from his account at any time during the banking hours on daily basis.

Q3. Point out the duties of banker.

Ans 1: 1- Collection of cheque 2- Secrecy 3- Trustee

Ans 2: 4- Opening L.C.

Q4. Define customer.

Ans 1: A customer is person who has any type of account with the bank.

Q5. Point out the rights of customer of a bank.

Ans 1: i- Right to receive profit ii- Right to draw a cheque

Ans 2: iii- Right to receive pass book iv- Right to sue

Q6. What is the other relationship between bank and customer.

Ans 1: i- Principal and agent ii- Bailor and bailee
iii- Mortgagee and Mortgagor

Ans 2: iv- Pledger and pledgee v- Aamil and Mudarib

Q7. What is mean by Trustee.

Ans 1: Trustee is a person who looks after the property of another person. If a trustee wants to open an account, he has to provide a trust deed to bank.

Q8. Define Banker.

Ans 1: Banker is a dealer in money. He is an intermediat party between the borrower and the lender. He borrows from one party and lends it to other.

Q9. Point out the duties of customer of bank.

Ans 1: 1- During banking hours 2- Over dated cheque

Ans 2: 3- Careful draw of cheque 4- Cheque book in safe custody

Q10. How the relationship between banker and customer can be terminated by Bank.

Ans 1: 1- Death of the customer 2- Insolvency of the customer

Ans 2: 3- Insanity of the customer 4- Not sufficient funds 5- Order of court