

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**Ans 1:** It is called running or active account because money can be deposited and withdrawn from his account at any time during the banking hours on daily basis.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

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

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Q7. What is mean tby Trustee.

**Ans 1:** Trustee is a person who looks after the peroperty of another person. If a trustee want to open an account, he has to provide a turst deed to bank.

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Q8. Define Banker.

**Ans 1:** Banker is a dealer in money. He is an interemediat party he borrower and tthe leader. He borrow from one party and lend it to other.

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Q9. Point out the duties of custoemr of bank.

**Ans 1:** 1- During banking hour 2- Over dated cheque

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

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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 sufficinet funds 5- Order of court

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