



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS

September - December 2021 SEMESTER

CERTIFICATE

COURSE CODE: CIBF 002

COURSE TITLE: ESSENTIALS OF BANKING LAW

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

- a) Every bank is expected to carry out their operations in the right way to avoid the unnecessary losses associated with careless operations. Explain the operations of a bank in relation to banking law. **[10 marks]**
- b) Explain the disadvantages of using land as a security. **[10 marks]**
- c) A banker may lose their protection of the collecting banker by the cheque ACT 4 if deemed to ACT negligently. Explain the acts of negligence related to the above statement. **[10 marks]**
- d) Explain the term negotiable instrument **[4marks]**
- e) Explain three types of guarantees **[6 marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

- a) Explain the position of a minor as an account holder **(10 marks)**
- b) Explain the common law rule of survivorship **[10 marks]**
- a)

Question three

- a) Explain any five types of cheques in Kenya **[10 marks]**
- b) Explain the requirements for opening bank account in Kenya. **[10 marks]**

Question Four

- a) Define veil of secrecy and explain the circumstances in which the banker can lift the veil of secrecy **[10 marks]**

b) Explain any five differences between a bill of exchange and a promissory [10 marks]

Question five

a) Explain the duties and rights of a banker [10 marks]

b) Explain the duties and rights of a bank customer [10 marks]