



# ELIZADE UNIVERSITY, ILARA-MOKIN, ONDO STATE

**FACULTY: SOCIAL & MANAGEMENT SCIENCES**  
**DEPARTMENT: ACCOUNTING & FINANCE.**  
**FIRST SEMESTER EXAMINATIONS: 2018/2019 ACADEMIC SESSION**  
**COURSE CODE: BFN 305**  
**COURSE TITLE: PRACTICE OF BANKING**  
**DURATION: 2 HOURS**  
**INSTRUCTION: Attempt any three (3) Questions**

1. In dealings between banker and customer, if the cheque is technically in order and there is sufficient fund in the customer's account for the cheque to be honoured, the task is by no means complete because the obligation to honour the mandate could still be terminated by some factors. Identify and briefly explain four (4) factors known to you. **20 Marks**
- 2a. Describe countermand of payment. **5 Marks**
- b. The duty and authority of a banker to pay a cheque drawn on him by his customer are determined by some factors. Discuss two (2) factors. **10 Marks**
- c. What are the duties of a banker to a customer? **5 Marks**
3. Discuss five (5) areas the bankers should examine in accepting a life policy as security. **20 Marks**
- 4a. Briefly explain the meaning of 'conversion' in one of the liabilities of a banker as Bailee. **5 Marks**
- b. Identify three (3) effects of mental incapacity of depositor. **15 Marks**
5. The banker's duty of secrecy is not absolute but qualified. Identify and discuss four (4) conditions for disclosure of customer's affairs known to you. **20 Marks**