

# **BINDURA UNIVERSITY OF SCIENCE EDUCATION**

## **FACULTY OF COMMERCE**

### **DEPARTMENT OF BANKING AND FINANCE**

#### **BANKING LAW (BS 235)**

**DURATION: 3 HOURS**

**JUN 2023**

#### **INSTRUCTIONS TO CANDIDATES**

1. Answer any **four** questions. All questions carry 25 marks each.
  2. Start an answer to a question on a fresh page.
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#### **QUESTION ONE**

- a) Distinguish between suretyship and the contract of indemnity (5)
- b) Discuss any ten aspects of the law on suretyship. (20)

**[25 marks]**

#### **QUESTION TWO**

- a) Explain four advantages of negotiable instruments. (5)
- b) Compare and contrast the two types of defences that can be raised against a holder of a cheque. (20)

**[25 marks]**

#### **QUESTION THREE**

- a) What is a status enquiry? (2)
- b) In a status enquiry, what is the bank's duty to the customer and to the enquirer? (8)
- c) Under what circumstances can a bank disclose information regarding its customers without express consent from the customer? (15)

**[25 marks]**

#### **QUESTION FOUR**

- a) With aid of relevant law cases, describe a customer of a bank. (10)
- b) Describe the classes of banks and other financial institutions according to Section 6 of the Banking Act (Chapter 24:20). (15)

[25 marks]

#### QUESTION FIVE

- a) Distinguish between suretyship and the contract of indemnity. (5)
- b) Discuss any ten aspects of the law on suretyship. (20)

[25 marks]

#### QUESTION SIX

- a) Describe the three types of negotiable instruments as regulated by the Bill of Exchange Act (Chapter 14:02). (6)
- b) Explain any four duties of a customer to its banker. (8)
- c) Explain the functions of the Reserve Bank of Zimbabwe according to the RBZ Act (Chapter 22:10). (11)

[25 marks]