



FACULTY OF JURIDICAL SCIENCES

COURSE NAME : BALLB/BBALLB

SEMESTER : VIIIth

SUBJECT : Banking law

SUBJECT CODE: BAL -802/BBL-802

LECTURE : 21

FACULTY NAME: Mr JP Srivastava

What is Bank Charge? Types of Bank Charges

Charge mean where in a transaction for value both parties evidence an intention that property existing or further shall be made available as security for payment of a debt and that the creditors shall have a present right to have it made available, there is a charge, even though the present legal right which is contemplated can only be enforced at some future date, and though the creditor gets no legal rights of property, either absolute or special or any legal right to possession but only gets the right to have the security made available by an order of the court.

Fixed charge

A charge is said to be fixed if it is made specifically to cover definite and ascertained assets of a permanent nature or assets capable of being ascertained and defined e.g., charge on land and building or heavy machinery.

It precludes the company from dealing with the property charged without the consent of the charge-holder.

Floating charge

It is a charge on property which is constantly changing e.g., stock.

The company can deal with such property in the normal course of its business until it becomes fixed on the happening of an event. Thus, it is a charge on the assets of the company in general.

MCQs

1. The primary relationship between a banker and customer starts from the time

- A.when customer visits that bank
- B.when customer opens account
- C.when customer visits that bank to made queries
- D.All of the above

ANSWER: B

2.A typical commercial banks provide _____.

- A.Long term loans
- B.medium-term loans
- C.short term loans

D.all the above

3. Which one of the following is the most important relationship between banker and customer?

A.Debtor and Creditor

B.Bailee and Bailor

C.Agency and Principal

D.Trustee and Beneficiary

4. When customer's account overdrawn or when customer has taken loan from banker, then the customer

A.Creditor

B.Agent

C.Debtor

D.Bailor

5. When banker received deposits from the customer, then the banker becomes _____ of the customer

A. Debtor

B. Creditor

C. Bailee

D. Trustee