

**CRAWFORD UNIVERSITY IGBESA, OGUN STATE**  
**COLLEGE OF BUSINESS AND SOCIAL SCIENCES**  
**HARMATTAN SEMESTER EXAMINATION: 2014/2015 SESSION**  
**FIN401: BANKING METHODS AND PROCESSES**

**INSTRUCTIONS:**

**(i) TIME ALLOWED: 2 ½ HOURS**

**(ii) ANSWER QUESTION ONE AND ANY OTHER THREE**

1 Mrs. Kudirat Olowosile has been your good customer for over ten(10) years.. She has a safe custody item with you, a metal box said to contain jewelries. Two months ago she sent her senior sister, Alhaja Falilat to the branch with a letter of authority for the branch manager to allow her to open the box in safe custody and examined the jewelries.

You handed over the request to your assistant who is directly in charge of safe custody item.

It was a very busy day at the branch. Your assistant brought out the box, placed it on his table and left Alhaja Falilat alone to do the examination while he attended to other pressing matters. After Alhaja Falilat has finished, she locked up the box again and called your assistant to return it which he did without any question.

Mrs. Kudirat Olowosile is at the branch this morning to carry out her routine inspection of the jewelries in safe custody. After opening the box, she shouted that her most precious jewelries has been removed. You reminded her that the Bank had no access to the content of the box and she keeps the only key to the box. She threatens a legal action against the Bank for the theft.

What is the bank position? And how will you handle the case? **(19 marks)**

2. A customer tells you that he has given the name of the Bank as a referee in connection with an agency he is taking up from an important manufacturing company and asks you to reply to any enquiry received. The company (a non customer) has written to the Bank for an opinion of the business ability and the integrity of the customer.

Explain how you will deal with the situation? **(17 marks)**

3. You read in one of the daily news papers that your customer, Janduku had been arrested by the police and is being held in custody on charges of fraud. A police officer calls the next day and asks for a copy of Janduku's statement of account for the past six months. This he says will be required in the court proceedings. He adds, for your information that the charges are very serious. Explain how you will deal with the situation. **(17 marks)**

4a. Enumerate the issues to consider when taking land and landed property as security. **(9 marks)**

b. Explain the issues to consider when taking life policy as security. **(8 marks) Total = 17 marks.**

5. Explain the three (3) main Banker-customer relationships with specific examples. **(6marks)**

b. Explain in details Banker's rights and duties as well as customer's duty. **(11 marks) Total = 17 marks**

6. Write short notes on the followings:

i. A bill of Exchange

ii. Negotiable instruments

iii. Crossing on a cheque

iv Statute of limitations

**(17 marks)**