

**THE INSTITUTE OF BANKERS PAKISTAN**  
**ISQ Examination (Summer-2011)**  
**LAWS RELATING TO FINANCIAL SERVICES**

- Q.1** Please write the alphabet of selected choice in the answer column:
- Q.2** As per Section 5 (b) of Banking Companies Ordinance 1962, 'Banking' means the accepting, for the purpose of lending or investments of deposits of money from public, repayable on demand or otherwise, and withdraw-able by cheque, draft, order or otherwise.
- Discuss any five of the important Provisions of Banking Companies Ordinance 1962.
- Q.3** What are the banker's obligations to the customer?
- Q.4** Anti Money laundering is increasingly seen to be within the sphere of responsibility of central banks and regulatory authorities.
- A)** Define Anti Money Laundering.
  - B)** What measures have been taken by State Bank of Pakistan to control money laundering. (Give atleast 3)
  - C)** Give three examples of suspicious transactions.
- Q.5** Explain the clearing system practiced in Pakistan? List down the instruments used in outward clearing.
- Q.6** Write short notes on:
- A)** Partnership Accounts
  - B)** Trust Accounts
  - C)** Documents required to open a Limited Company account.
  - D)** Dormant Accounts
- Q.7** List and briefly explain the circumstances which revoke a banker's authority to pay a cheque.
- Q.8** **A)** List different types of Non-banking Financial Institutions that function under the umbrella of Securities and Exchange Commission of Pakistan (SECP).
- Q.8** **B)** What are the eligibility conditions for establishment of a NBFC (Non bank Financial Company)?
- Q.9** You are holding standing instructions from one of your clients authorizing you to remit Rs. 4,000 to Modern Children Academy as monthly tuition fee by debit to his account on 5th of every month. On 5th you received a cheque in inward clearing drawn by the customer in favour of M/s Karachi Electric Supply Corporation for Rs. 12,000 and the customer's account currently has a credit balance of Rs. 14,000 only. How will you manage this situation ensuring to protect the best interest of the customer?

- Q.10** A walk-in-customer has purchased a Payment Order for Rs. 5,000 in favour of University of Karachi. After a few days' interval he approached the issuing bank for cancellation of instrument. List the steps to be observed for cancellation of such type of instruments.
- Q.11** What are the different types of mortgages against which bankers extend financing to their clients. Briefly explain each of these mortgages.
- Q.12** State Bank of Pakistan has issued clear directives to all banks that while dishonouring a customer's cheque they must record correct and complete reason for returning the instruments. List at least 3 plausible reasons which a banker may mention for not honouring a cheque together with brief explanation for each objection.

-----