ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION

HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)

NATIONAL DIPLOMA

IN

BANKING AND FINANCE

SUBJECT: Law of Banking and Finance **PAPER NO: 524/S04**

MARCH/APRIL 2013 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. **Answer any FIVE (5) questions.**
2. **All questions carry equal marks.**

This paper consists of 3 printed pages.

PAPER NO: 524/S04 – LAW OF BANKING AND FINANCE

QUESTION 1

a) Explain briefly the rise and the development of banking in Zimbabwe. (10 marks)

b) Describe the process of legislation in Zimbabwe. (10 marks)

QUESTION 2

a) Describe the relationship between the banker and the customer. (10 marks)

b) Explain the various types of crossing that may appear on a cheque. (10 marks)

QUESTION 3

Arbitration provides a speedy and cost effective way of solving disputes. Discuss. (20 marks)

QUESTION 4

a) Differentiate a cheque from a promissory note. (4 marks)

b) Identify and explain the three (3) types of endorsements in relation to bills of exchange. (6 marks)

c) Outline the requirements for a holder to qualify as a holder in due course. (10 marks)

QUESTION 5

a) Distinguish between acquisition and transfer of rights. (6 marks)

b) Explain the following terms:

i) Sequestration (4 marks)
ii) Rehabilitation (5 marks)
iii) Assignment (5 marks)

QUESTION 6

a) Explain the following terms:

i) Suretyship (5 marks)
ii) Cession (5 marks)

b) Examine the various ways of terminating a mortgage. (10 marks)

QUESTION 7

Discuss the circumstances that lead to termination of the banker-customer relationship. (20 marks)

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