

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BANKING

BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING

LAW RELATING TO BANKING II

CIN 2203

FINAL EXAMINATION

MAY/JUNE 2005

INSTRUCTIONS TO CANDIDATES

(i) Time : 3 hours.

(ii) Choose any **FOUR** Questions include relevant cases in your answers

(iii) All Questions carry equal marks.

QUESTION 1

- (a) Including major considerations, define lending from a legal perspective. [15]
- (b) Compare and contrast on overdraft and a loan. [10]
- TOTAL [25]**

QUESTION 2

- (a) Explain the contract of suretyship. [15]
- (b) Define the following as applied to suretyship:
- (i) Benefit of excursion [5]
- (ii) Benefit of division [5]
- TOTAL [25]**

QUESTION 3

Explain what is meant by the following forms of security:

- (a) Pledge [5]
- (b) Lien [5]
- (c) Mortgage bond [5]
- (d) Cession [5]
- (e) Stocks and shares [5]
- TOTAL [25]**

QUESTION 4

- (a) What is “equitable title” over stocks and shares pledged to a bank as security? [10]
- (b) How can a bank protect an equitable title? [10]
- (c) What are the disadvantages of taking a legal title? [5]
[25]

QUESTION 5

- (a) What do you understand by the term “in Duplum Rule”? [5]
- (b) Referring to current cases, show how this rule has been contravened in Zimbabwe. Justify this position. [20]
- TOTAL** [25]

QUESTION 6

- (a) Webb Esquire Bank has invited you to explain to them methods of transfer of :
- (i) unregistered land (freehold and leasehold); and
- (ii) registered land [9]
- PREPARE THIS DOCUMENT**
- (b) What is a mortgagor’s equity of redemption? [6]
- (c) Outline the rights and remedies of mortgages vis-à-vis legal mortgage. [10]
- TOTAL** [25]

END OF EXAMINATION PAPER