INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF LAW

END OF SEMESTER EXAMINATIONS - DECEMBER 2025

PROGRAMME: LLB
YEAR/SEM: YEAR 3/SEMESTER 1
COURSE CODE: LLB 3110
NAME: BANKING AND NEGOTIABLE INSTRUMENTS

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

The question is compulsory

Question 1:

The five members of *Together We Win* Women's Group have been saving for the last 20 years with a vision of forming a financial institution that will financially transform the livelihoods of women living with disabilities in Uganda. The ladies have managed to save up to UGX 2,000,000,000/= (two billion shillings) and now wish to turn their vision into a reality. However, with the rampant closure of banks, the ambitious women have concerns regarding the efficiency of the key regulatory body of the banking business in Uganda. **As their newly appointed legal counsel, explain the various ways in which the Central Bank regulates and controls the banking business in Uganda.** (25 marks)

Question 2:

Banking business plays a crucial role in the performance of the economy, it is important that the sector be controlled and regulated to ensure that it is properly organised and run on sound commercial principles. **With reference to relevant authorities, discuss the various ways in which the Central bank regulates and controls the banking business in Uganda. (25 marks)**

SECTION B

Answer any one of the two

Question 1:

Write short notes on the following:

a) General crossings on cheque **(5 MARKS)**

b) Duty to the public as an exception to confidentiality **(5 MARKS)**

c) Definition of a collecting bank **(5 MARKS)**

d) Rules relating to solicitor accounts **(5 MARKS)**

e) Debtor - creditor relationship **(5 MARKS)**

Question 2:

Write short notes on the following:

a) Essential features of a cheque **(5 MARKS)**

b) Termination of a banker customer relationship **(5 MARKS)**

c) Resolution of banks **(5 MARKS)**

d) Legal meaning of a customer in a banking relationship **(5 MARKS)**

e) Fiduciary relationship in banking **(5 MARKS)**

Question 3:

Write short notes on the following:

a) Elements of a bill of exchange **(5 MARKS)**

b) Special crossing **(5 MARKS)**

c) Combined accounts **(5 MARKS)**

d) Rules relating to bank accounts of partnerships **(5 MARKS)**

e) Effect of Garnishee proceedings in banking **(5 MARKS)**

Question 4:

Write short notes on the following:

a) Parties to a bill of exchange
(5 MARKS)

b) Restrictive crossing
(5 MARKS)

c) Rules relating to bank accounts of unincorporated associations **(5 MARKS)**

d) Criminal legislations relating to electronic transactions in Uganda
(5 MARKS)

e) Compulsion of law as an exception to banker customer relationship
(5 MARKS)

SECTION C

Answer any two of the four

Question 1:

With reference to the relevant legal authorities, discuss the legal rules governing special types of accounts in the banking business. (25 marks)

Question 2:

The law relating to Bills of exchange and negotiable instruments puts in place specific guidelines that distinguish a holder from a holder in due course. The law also provides for **With reference to the relevant legal authorities discuss the elements of a holder in due course and the defences to a claim on a cheque.** (25 marks)

Question 3:

Discuss the law on relating to Fintech services and products in Uganda and its relevance in the growth of the country. (25 marks)

Question 4:

You were recently recruited as In-house legal counsel for DBF Bank. You have been tasked by the Managing director of the bank to make a presentation at the general staff meeting about Banker- customer relationships. **In a detailed memorandum, discuss the duties owed by the parties in a banker – customer relationship.** (25 marks)

Question 5:

"Islamic banking is unjustified and has no legal basis in Uganda. It has no place in Uganda's dominant conventional banking system. With use of relevant legal authorities, Examine the validity of the above statement.(25 marks)