

1. Definition of Banking:

Sir John Paget's Definition:

According to Sir John Paget's know persons or body corporate or otherwise, can be a banker who does not take deposit account, take current account, issue and pay cheques and collect cheques, crossed and uncrossed for his customers.

2. Definition of customer

This definition of a customer of a bank lays emphasis on the duration of the dealings between the banker and the customer and is, therefore, called the duration theory.

1. This definition of a customer of a bank lays emphasis on it

1. According to this view point a person does not become a customer of the banker on the opening of an account, he must have been accustomed to deal with the banker before he is designated as a customer.

2. According to Dr. Heart, an account with a banker or for whom a banker habitually undertakes to act as such".

SM. Relationship between the Banker & customer.

Introduction:

In addition to this primary function a banker renders a number of services to a customer. The relationship between them primarily is that of a creditor and the debtor. A banker also acts as an agent or trustee of his customer if the latter entrusts former with agency or trust work in such case the banker as a debtor an agent and a trustee, but in relation to the specified business.

1. Relationship between debtor & creditor on the opening of a account the banker assumes the position of a debtor. A banker does not accept the deposit as money on such conditions.

The creditor has the right to a demand back as a money from the banker.

A debtor reminds a creditor of his banker so long as his account carries a credit balance.

Ordinarily a Banker is a depositor of his customer in respect of the deposits made by the latter. But in a certain circumstances he acts as a trustee also. A trustee holds money or assets and performs certain functions for the benefit of some other persons called the beneficiary. for ex: If the customer deposits securities or other valuables with the banker for safe custody. The latter acts as a trustee of his customer. The customer continues to be the owner of the valuable deposited with the banker. The legal position of the banker as a trustee, therefore differs from that of a depositor of his customer.

In former case the ^{money} documents fall in own and or not available for distribution among the general creditors in case of liquidation.

The position of a banker as a trustee or as a depositor is determined according to circumstances of the case. If he does something in the ordinary course of his business without any specific direction from the customer

He acts as a debitor or creditor. In case of money or bills extra, deposited with the bank for specific purpose, the bankers position will be determined by whether the amount was actually debited or credited to the customers.

Banker as a Agency Explain:

A Banker acts an agent of his customer. ~~and~~ performance number of agency function for the convenience of his customers. For ex He buys or sales securities on behalf of his customer, collect cheques on his behalf of and makes payment of various dues of his customer.

For ex: An insurance premium the range of such agencies function as become much wider and the banker or rendering large number of Agencies service of diverse nature. For ex Some bankers have established tax services departments to take up the tax problem of their customers.

How to open a new account?

1. Application on the prescribed form.

The request for opening a saving or current account is made on the prescribed form of the bank concerned. Banks provides separate application form for opening savings and current accounts for individuals, partnerships firms and companies. The applicant this require to mention his^{her} name, occupation, full address, signature and the name signature of the referree.

He also undertakes to comply with the bankers rules - inforces from time to time for the contact with the account. The applicant is also required to submit three copies of his passport size photograph.

2) Introduction of a applicant: before opening a savings or current account the name of an intending customer. The Banker must get ~~the~~ true identity of the former. In order to ensure that he is a respectable person. The banker does reserves the rights not to open an account in the name of a person whose true identity as not been established or who is consider to be a and disarable person. The applicant may be introduce

To the banker in any of the three ways.

1. A respectable person either a customer of the same branch of the bank or who is known to stop on this branch. Introduce him by signing on the application form it self along with his full address.

2. The applicant give the name of any respectable person or that of another bank of his referee. The banker enquires from the side referee about the integrity, honesty, respectability and financial standing of the applicant and his past experience in dealing with applicant. If the referee sends no reply the banker should not open the account unless satisfactory introduction is given otherwise.

3. Reserve bank advise the bank pay books or postal identification card, or identify cards.

armed forces, police, government departments or passport navy. considered sufficient for establishing the identity of persons desiring to open accounts without check facilities.

specimen signature. The applicant is required to give his specimen signature on a prescribed form

Generally a card for a purpose of banker's cards. The signature cards are reserved by the banker and the signature of the account holder on the checks (cheques).