

Section - 2

Q1 → Who is paying banker? What are the duties responsibilities of paying banking. Explain the provisions and consequences of dishonour of cheque?

Ans → Paying banker:- The paying banker is the bank whose name is printed on a given cheque. This bank pays the specified amount by the cheque to the collection banker and withdraws that amount from the customer's account.

There are the duty and responsibility of paying banking

It is also the duty of the paying banker to examine the cheque and ensure that it has been properly signed, the endorsement are correct and that the cheque is generally in order.

Dishonour of cheque:- Dishonour of cheque is a criminal offence and is punishable by imprisonment up to two years or with monetary penalty or with both. If payer decides to proceed legally, then the drawer should be given a chance of repaying the cheque amount immediately.