**LAW 3113 BANKING AND NEGOTIABLE INSTRUMENTS**

**Course Description**

This course introduces students to the practice and the law of banking. It also examines the various ways and mechanisms through which the law has responded or should respond to new technologies which have rendered the old common law rules obsolete.

**Course Content**

Historical overview, banking in East Africa, definition of banker and customer; special customers, relationship of banker and customer and its incidents, types of accounts; paying bankers duties and rights, appropriation of payments; demand, interest and cost; secrecy; insolvency of a customer, third parties, cheques, crossings, instruments analogous to cheques, protection of a paying banker, money paid by mistake, duties and liabilities of a collecting banker, security for advances, letter of credit and performance bonds and related bonds, illicit financial transactions.

**Course Objectives**

The course aims to equip the students with the necessary tools to handle any problem regarding banking law. In studying banking law we shall stress the importance of the financial institutions in the proper functioning of the economy. In studying the Negotiable Instruments the students will be introduced to non-cash payment system.

**Learning Outcomes**

By the end of the course, students will be able to understand the basic concepts and be able to apply the law to solve legal problems, specifically the rights of clients, obligation of the bank, the nature of securities and the regulation of financial institutions.

**Methods of Instruction**

1. At the commencement of the course, students are availed with reading lists, which indicate the topics to be covered, and the respective reading materials for the respective topics. It is expected that the student uses this list in preparation for each lecture.
2. The students are introduced to each topic and guided on the principles therein. Thereafter, students will be given problems for discussion in class. Students are further encouraged to also formulate their problems for discussion during the lectures.

**Assessment**

1. A coursework will be administered during the coursework week to be marked out of 30 marks.
2. An examination will be given at the end of the semester to be marked out of 70 marks.