

The background is a dark blue gradient with a subtle pattern of small white dots. Overlaid on this are several white geometric elements: a large circular scale on the left with markings from 140 to 260 in increments of 10; several concentric circles of varying sizes; and curved arrows indicating a clockwise direction of movement.

# CHEQUE

PRESENTED BY :

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# DEFINITION

- A cheque is a bill of exchange in which one party orders the bank to transfer the money to the bank account of another party. It is a negotiable instrument that is covered under the Negotiable Instruments Act, 1881.





## MEANING

- The cheque is an instrument with an unconditional order, addressed to the banker. It is signed by the person who has deposited cash in the bank.
- A cheque can be issued for a current account or the savings account and can be used to deposit or pay money to other people through the bank account.

# FEATURES

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- Cheques can be issued by individuals who hold a savings account or a current account.
- Once the payee of the cheque is written, it cannot be changed.
- The amount that is written on the cheque cannot be changed later on.
- An oral order to pay the money is not recognised as a cheque.
- The cheque is an unconditional order and not a request to the bank.
- The cheque carries validity only when it is signed and dated.
- The unsigned cheques are invalid.





## VALIDITY OF CHEQUES

- As per RBI guidelines, with effect from April 1, 2012, the validity of cheques, demand drafts, pay orders, and banker's cheque's will be reduced from 6 months to 3 months, from the date of issue of the instrument.

# CROSSING OF CHEQUES

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- Crossing of cheque refers to instructing the banker to pay the specified sum through the banker only, i.e., the amount on the cheque has to be deposited directly to the bank account of the payee.
- Hence, it is not instantly encashed by the holder presenting the cheque at the bank counter. If any cheque contains such an instruction, it is called crossed cheque.



The background is a gradient of deep purple and blue, speckled with white dots resembling stars. Overlaid on this are several faint, white circular patterns. Some are solid lines, while others are dashed. Some circles have arrows indicating a clockwise direction. There are also circular scales with numerical markings, such as 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, and 260. The overall aesthetic is futuristic and technical.

# TYPES OF CHEQUES

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# 1. BEARER CHEQUE

- A bearer cheque is the one in which the payment is made to the person bearing or carrying the cheque. These cheque's are transferable by delivery, i.e., if you are carrying the cheque to the bank, you can be issued the payment too.
- The bank needs no other authorisation from the issuer to be allowed to make the payment.



## 2. ORDER CHEQUE

- In these cheques, the words 'or bearer' is cancelled.
- Such cheques can only be issued to the person whose name is mentioned on the cheque.

### 3. CROSSED CHEQUE

- Cheques with two sloping parallel lines with the words 'a/c payee' written on the top left is called a crossed cheque.
- The lines ensure that irrespective of who presents the cheque, the payment will be made only to the individual whose name is on the cheque.





## 4. OPEN CHEQUE

- An open cheque is basically an uncrossed cheque.
- This cheque can be encashed at any bank, and the payment can be made to the person bearing the cheque.
- This cheque can be transferred from the original payee to another payee as well.
- The issuer needs to put his signature on both the front and back of the cheque.

## 5. POST-DATED CHEQUE

- This cheque bear a later date of being encashed. Even if the bearer presents this cheque to the bank immediately after getting it, the bank will only process the payment on the date mentioned in the cheque.



## 6. TRAVELLER'S CHEQUE

- Foreigners on vacation carry traveller's cheques instead of carrying hard cash.
- These cheque's are issued to them by one bank and can be encashed in the form of currency at a bank located in another location or country.
- Traveller's cheque's do not expire and can be used for future trips.

## 7. SELF CHEQUE

- You can identify self cheque's by the word 'self' written in the drawee column.
- Self cheques can only be drawn at the issuer's the bank.



## 8. BANKER'S CHEQUE

- A bank is the issuer of these types of cheques. The bank issues these cheques on behalf of an account holder to make a remittance to another person in the same city. Here the specified amount is debited from the account of the customer, and then, the check is issued by the bank.
- This is the reason bankers cheques are called non-negotiable instruments as there is no room for banks to dishonour these cheques.
- They are valid for three months. They can be revalidated provided specific conditions are met.

The background is a gradient of deep blue and purple, speckled with white dots resembling stars. Overlaid on this are several faint, white circular patterns. Some are solid lines, while others are dashed. Some circles have small arrows indicating a clockwise direction. There are also larger circular arcs with numerical labels (e.g., 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260) along their perimeters, suggesting a circular scale or measurement. The overall aesthetic is futuristic and technical.

# THANK YOU

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