# BAN 1013 Negotiable Instruments of Payment Mechanics

## Course Description:
This course is designed to provide students with an overview of payment systems, specifically negotiable instruments. The course plan includes a discussion of the requirements defined by Article 3 of the Uniform Commercial code and other laws applicable to negotiable instruments. In this course the students will learn the requirements associated with the transfer of negotiable instruments including but not limited to the parties involved and their rights. (3 hr. lecture)

<table>
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<tr>
<th>Course Competency</th>
<th>Learning Outcomes</th>
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| **Competency 1:** The student will learn to describe the characteristics of negotiable instruments by: | • Communication  
• Critical thinking  
• Ethical Issues |
| 1. Assessing the types and parties involved in transactions of negotiable instruments.  
2. Explaining the main regulatory and ethical requirements associated with Article 3 of the Uniform Commercial code.  
3. Defining drafts and differentiating between sight and time drafts.  
4. Identifying the concepts and information associated with payment transactions such as checks, promissory notes, banker's acceptances and certificates of deposit. | |
| **Competency 2:** The student will learn the elements of negotiable instruments by: | • Communication  
• Critical thinking |
| 1. Formulating the six (6) point criteria that define negotiable instruments in accordance with Article 3 of the UCC.  
2. Differentiating the roles of the drawer and a maker.  
3. Analyzing the importance and requirements associated to the signature in the payment of a negotiable instrument.  
4. Evaluating the definition “unconditional promise or order.” | |
**Competency 3:** The student will learn to recognize the regulatory and ethical aspects of negotiability and the interpretation under Article 3 of the UCC by:

- Communication
- Critical thinking

1. Formulating specific exceptions to the regulation that may impact the negotiability of a negotiable instrument.
2. Assessing the rights and conditions associated with multiple payers in a payment transaction.
3. Analyzing the concept of "bill of exchange."

**Course Competency 4:** The student will learn the concepts and technological requirements associated with electronic banking in payment systems by:

- Communication
- Computer / Technology Usage

1. Explaining the logistics associated with payments executed via electronic and substitute checks.
2. Analyzing the requirements related to Regulation CC: “Expedited Funds Availability Act.”
3. Assessing the technical requirements associated with Regulation E “Electronic Funds Transfers Act.”
4. Examining the concept of remote deposit capture and Check 21 including the regulatory and ethical requirements.

**Course Competency 5:** The student will learn to describe the elements associated with the transfer of negotiable instruments by:

- Communication
- Critical thinking

1. Assessing and differentiating the roles and duties of depository bank, intermediary bank, payor bank and presenting bank.
2. Explaining the check collection routes and the different parties involved in the process.
3. Analyzing the implications of the actions of endorsement and presentment.
4. Reviewing the parts of a check routing symbol in a check.
5. Explaining and differentiating the types of endorsements and between blank and special endorsements.
6. Analyzing the conditions associated to presentment when presenting a negotiable instrument for payment.
7. Formulating the concept of “holder in due course” and the conditions and defenses.