

## **Payment for the bill of exchange and promissory note**

### **Recourse**

#### *Discussion questions*

<b>For me to the order of John Black Jan Novák</b>	Brno, 1 January 2005		
	I will pay for this promissory note <table border="1" style="float: right;"><tr><td style="text-align: center;">1.000,-</td><td style="text-align: center;">EUR</td></tr></table>	1.000,-	EUR
	1.000,-	EUR	
	to the order of Jan Novák, Joštova 8, Brno		
	<table border="1" style="width: 100%;"><tr><td style="text-align: center;">One Thousand Euro</td></tr></table>	One Thousand Euro	
One Thousand Euro			
Payable in December 12, 2008 in Brno, Veverí 70			

*Payment effective*

Josef Maker, Brno (signature)

1. Explain why the instrument above is or is not negotiable.
2. Assume that Jan Novák negotiated the instrument to John Black. Does he have the duty to notify Josef Maker about transfers?
3. Assume that Jan Novák negotiated the promissory note through endorsement (with the wording “*For me to the order of John Black, Jan Novák (signature)*”). New holder (John Black) has sued him in turn and Josef Maker. Will John prevail as to the entire amount of the note? Explain...
4. Presenting the bill for payment is called a preserving (maintaining) act. What does it mean?
5. Can the Josef Maker make the payment dependent on handing over the note?
6. Would you recommend him to destroy the note after payment?
7. Can John refuse partial payment?
8. May the sum payable be paid in CZK?
9. What are rules for bill reimbursement in foreign currency?
10. What is the importance of protesting the note?
11. What protesting bodies do you know?
12. Can the maker relieve the possessor(s) from the duty of protest?
13. Does notification represent preserving (maintaining) act?
14. Explain the principles of recourse rights a name all recourse rights of note creditor.
15. What can John demand from all debtors?