

LLM
FIRST SEMESTER
BANKING & INSURANCE LAWS
LLM – 1.6 CCL-3
[USE OMR SHEET FOR OBJECTIVE PART]

SET
A

Duration: 3 hrs.

Full Marks: 70

Time: 30 min.

[Objective]

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The primary relationship between a banker and customer starts from the time-
 - a. When customer visit the bank
 - b. When customer opens account
 - c. When customer visit the bank to made queries
 - d. All of the above
2. Which one of the following is most important relationship between banker and customer?
 - a. Debtor and Creditor
 - b. Bailor and Bailee
 - c. Agency and Principal
 - d. Trustee and Beneficiary
3. Which bank have given the instructions to the commercial banks regarding the immediate credit of outstation cheques?
 - a. Reserve Bank of India
 - b. Central bank
 - c. Commercial bank
 - d. None of the above
4. Dishonour of cheque by a banker without any justifiable reason is called-
 - a. Valid dishonor of cheques
 - b. Unmindful dishonor of cheques
 - c. Negligence dishonor of cheques
 - d. Wrongful dishonor of cheque
5. Which banks accept deposits from the public and lend them mainly to commerce for short periods?
 - a. Commercial Bank
 - b. Industrial Bank
 - c. Central Bank
 - d. Agricultural Bank
6. The banker has a lien on-
 - a. Bonds given for collection
 - b. Bonds given for safe custody
 - c. Bonds left by mistake
 - d. Both (a) and (b)
7. In executing the standing instructions, there exists a relationship of-
 - a. Debtor and creditor
 - b. Trustee and Beneficiary
 - c. Bailee and Bailor
 - d. Agent and Principal
8. To constitute a person as a customer-
 - a. There must be frequency of transactions
 - b. There must be a dealing of a banking nature
 - c. There must be some sort of an account
 - d. There must be a single transaction of any nature

9. Nationalization of 14 major commercial in the year of-
 - a. 1969
 - b. 1975
 - c. 1971
 - d. 1972
10. The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to:
 - a. Cheques
 - b. Bills of exchange
 - c. Promissory notes
 - d. All of the above
11. "Banker" includes:
 - a. Any person acting as an employee of any bank and any post office saving bank.
 - b. Any person acting as a banker and any post office saving bank
 - c. Any person acting as an agent of any bank and any post office saving bank.
 - d. Any person acting as a Managing Director of any bank and any post office saving bank
12. What does the term "PIN" stand for
 - a. People Identification Number
 - b. Personal Identification Number
 - c. Personal Instruction Number
 - d. Personal information Number
13. Which is NOT correct about the "Promissory Note"
 - a. It contains a conditional undertaking.
 - b. It contains the amount mentioned on it.
 - c. It is an instrument in writing.
 - d. It is signed by the maker
14. The Negotiable Instruments Act, 1881 extends to:
 - a. Only to Capital cities of the States.
 - b. The whole of India.
 - c. The whole of India except the State of Jammu and Kashmir.
 - d. The whole of India except the Union Territories.
15. In an appeal by the drawer against conviction under section 138, the Appellate Court may order the appellant to deposit such sum which shall be a minimum of or compensation awarded by the trial Court:
 - a. Ten per cent of the fine
 - b. Fifteen per cent of the fine
 - c. Twenty per cent of the fine
 - d. Twenty-five per cent of the fine
16. KYC means
 - a. Know your card
 - b. Know your customer
 - c. Know your creditor
 - d. Know your cost
17. The insurance law in India has its origin from which country?
 - a. France
 - b. United Kingdom
 - c. United States
 - d. Russia
18. The central office of the Life Insurance Corporation of India (LIC) is located at-
 - a. Kolkata
 - b. New Delhi
 - c. Chennai
 - d. Mumbai
19. A person whose risk is insured is called-
 - a. Insured
 - b. Merchandiser
 - c. Marketer
 - d. Agents

20. Which of the following is the first Indian Life Insurance Company established in India?
- a. Oriental Life Insurance Company
 - b. Bombay Mutual Life Assurance Company
 - c. Life Insurance Corporation
 - d. Empire of India

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(Descriptive)

Time : 2 hrs. 30 min.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Discuss the evolution of banking business in India. 10
2. Analyze the features of Banking Regulation Act relating to powers of Reserve Bank of India. 10
3. Examine the various powers and functions of commercial bank. 10
4. a. Sonu could not present the cheque received from his friend due to busy schedule. The period of limitation is about to expire on a day which happens to be holiday. Advice Sonu. 5+5=10
b. Write a note on promissory notes.
5. Who are the parties to a bill of exchange? Examine to what extent a minor can be a party to a negotiable instrument 5+5=10
6. Critically discuss the characteristics of Negotiable Instruments Act 1881. Explain various differences between bill of exchange & promissory note. 5+5=10
7. What is a contract of insurance? What is its nature? Explain the fundamental principles of insurance. 2+3+5
=10
8. "Good faith lies at the root of the insurance contract." Discuss the principle with special reference to fair and marine insurances. 10

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