

<b>Name:</b>	
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, May, 2019**

**Course: Banking & Insurance Law**  
**Programme: LL.M. (Business Laws)**  
**Time: 03 hrs.**

**Semester: II**  
**C Code:CLCL7005**

**Max. Marks: 100**

**Instructions: Read questions and instructions given with each section carefully. Rely on relevant statutory, regulatory and judicial provisions to support your answers.**

**SECTION A**  
**(Objective type / Short Answer type memory based general questions )**  
**(Attempt All)**

S. No.	Question	Marks	CO
Q.1.	Define 'banking'.	2	CO1
Q.2.	Name any two private banks, which were nationalised in 1969.	2	CO2
Q.3.	By what name was The Banking Regulation Act, 1949 known until 1965?	2	CO3
Q.4.	What is the etymological origin of the word 'bank'?	2	CO1
Q.5.	When was the Reserve Bank of India Act brought into force?	2	CO3

**SECTION B**  
**(Short answer type Conceptual questions)**  
**(Attempt any two)**

Q.6.	Describe the development of Banking in India.	10	CO1
Q.7.	Write a note on Cash Reserve Ratio.	10	CO2
Q.8.	Write a note on Statutory Liquidity Ratio.	10	CO2

**SECTION-C**  
**(Analytical / Comparative questions)**  
**(Attempt any two)**

Q.9.	Critically analyse the role of RBI in India.	10	CO1
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Q.10.	Deliberate upon the present regulation of NBFCs in India.	10	CO3
Q.11.	Write a note on technological advances in Indian banking sector.	10	CO5
<b>SECTION-D</b> <b>(Application based Case studies)</b> <b>(Attempt All)</b>			
Q.12.	<p>Mohan has taken a loan of Rupees 15 Lakhs for constructing a house from a public sector bank. On being unable to pay the loan and interest due thereon for two years, the bank has declared this loan as a bad debt.</p> <p>You are approached by the bank for advice on two aspects, namely,</p> <p>a) What are the possible legal options with the bank to recover this debt? (10 marks)</p> <p>b) On being covered by SARFAESI, Act, 2002, whether the bank's action will be in violation of the bank's contract with Mohan. (10 marks)</p>	20	CO4
Q.13.	<p>Singur Ltd., a private company has taken a loan for its business purposes from a private bank XYZ. Singur Ltd. has failed to pay the loan back as per the terms of loan agreement. The Reserve Bank of India (RBI) asked for the details of this loan from XYZ bank. The RBI gave the information so provided by XYZ bank on request to another bank ABC.</p> <p>Whether RBI can seek credit information from XYZ? If yes, whether the information so received can be shared with ABC? Explain.</p>	10	CO4
Q.14.	<p>Surmaya is the single member in a company named ABC Pvt. Ltd. incorporated for cloth production. She is also the CEO of ABC Pvt. Ltd.</p> <p>On receiving a stock of cotton wool by ABC Pvt. Ltd. for making cloth, Surmaya in her own name took fire insurance.</p> <p>On the next day, the wool caught fire and on making of claim, the concerned insurance company refused to meet the claim stating that the requirement of insurable interest has not been met.</p> <p>On the basis of legislative provisions and judicial precedents, answer the following question:</p> <p>Whether Surmaya has an insurable interest in the cotton wool acquired by the ABC Pvt. Ltd. as the sole stakeholder as well as the CEO of the Company?</p>	20	CO4

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**SECTION A**

**(Objective type / Short Answer type memory based general questions )**

**(Attempt All)**

S. No.		Marks	CO
Q.1.	Which authority regulates Indian insurance sector?	2	CO1
Q.2.	In which year, was the general insurance business nationalized in India?	2	CO2
Q.3.	In which year, was the Recovery of Debts due to Banking and Financial Institutions Act enacted in India?	2	CO3
Q.4.	Name the negotiable instruments governed by the Negotiable Instruments Act, 1881.	2	CO2
Q.5.	When was life insurance business nationalized in India?	2	CO3

**SECTION B**

**(Short answer type Conceptual questions)**

**(Attempt any two)**

Q.6.	Write a note on Non-performing Assets.	10	CO2
Q.7.	Write a note on Securitisation.	10	CO2
Q.8.	Write a note on Insurance ombudsman.	10	CO3

**SECTION-C**

**(Analytical / Comparative questions)**

**(Attempt any two)**

Q.9.	Explain and analyse the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.	10	CO3
Q.10.	Write a note on Monetary Policy of RBI.	10	CO1
Q.11.	Write a note on FDI in Indian insurance sector.	10	CO5
<b>SECTION-D</b> <b>(Application based Case studies)</b> <b>(Attempt All)</b>			
Q.12.	<p>Sameer gives loan to his friends, relatives and anyone whosoever approaches him at the interest rate of 10% p.a. Sameer also accepts deposits from anyone and pays back with an interest of 6 % p.a.</p> <p>Is Sameer a banker? Are Sameer's activities permitted under Indian Law?</p>	15	CO4
Q.13.	<p>Amar has a loan of rupees fifteen lakh (inclusive of the interest) due to RST Bank but he has not been able to pay it back for more than a year. He had given his house as a security for this loan.</p> <p>RST Bank has filed an application before the concerned DRT for recovery of debt. The DRT has ordered Amar to make payment and issued a recovery certificate.</p> <p>Answer the following questions:</p> <p>a) Does Amar have a right to appeal against the order of DRT?, if yes, to which appellate authority? (5 marks)</p> <p>b) What are the modes of recovery of debt with the Recovery Officer in this case? (10 Marks)</p>	15	CO4
Q.14.	<p>An individual Arpit has his father, mother, wife and two kids in his family. At the time of buying life insurance for himself, Arpit has nominated his wife Parul in his life insurance policy. After a year of creating the policy, he assigned the policy to Pratik in lieu of a loan. Arpit endorsed the policy by stating the fact of assignment at the back of the policy duly attested by a witness and notified the concerned insurance company about the assignment.</p> <p>On Arpit's death, the insurance company made the payment to Pratik, while Parul made a claim against the insurance company as the nominee as well as the legal heir of Arpit.</p> <p>Answer the following questions:</p> <p>a) Elaborate with the help of relevant provision of Insurance Act, 1938 and judicial pronouncements, the propriety of the action of the insurance company. (10 Marks)</p> <p>b) Presuming that the assignment had not been made, whether Parul was entitled to the entire amount of policy individually as the nominee of the policy. If not, under present circumstances what would be capacity of Parul to receive the amount of insurance policy? (10 Marks)</p>	20	CO4