

LL.M. End Semester Examination: November-2016

Law of Banking and Insurance

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**

Course: Law of Banking and Insurance  
Semester-I (Batch: 2016-17)

LL.M. End Semester Examination: November-2016

Date: 17<sup>th</sup> November, 2016

Duration: 3 hours

Max. Marks: 70

**Instructions:**

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.
- **Bare Act is not allowed.**

**Answer all the questions**

**Marks**

**Part-A**

- |     |   |      |
|-----|---|------|
| Q.1 | Discuss in detail the legislative framework for debts recovery in India. Also state the significance of the latest amendments in resolving various issues related to debts recovery for banks and financial institutions in India. Substantiate your answer with the help of leading case laws and the provisions of relevant legislations.   | (12) |
| Q.2 | Mr X is a resident of Gandhinagar, Gujarat entered a business transaction with Mr Y. A cheque has been issued at Gandhinagar for this transaction by Mr X. The cheque has been presented by Mr Y for payment at Abu Road, Rajasthan, where he carries on business. The cheque has been returned unpaid by the bank. Mr Y issued a notice upon Mr X asking him to pay the amount from Mumbai. Mr X could not make the payment within 15 days from the date of communication of the said notice, and hence filed a complaint at Mumbai.<br>Explain the essential ingredients for commission of an offence under section 138 of the Negotiable Instrument Act, 1881 and discuss the issues pertaining to the jurisdiction available for filing a complaint, before and after the 2015 Amendment Act, with the help of decided cases and relevant provisions. | (11) |
| Q.3 | Mudit, the holder of a bill, endorses it "without recourse" to Nagendra. Nagendra endorses it to Pradeep. Pradeep to Rajdeep and Rajdeep endorses it again to Mudit. Can Mudit recover the amount of the bill from Nagendra, Pradeep and Rajdeep? Discuss referring to the provisions of the Negotiable Instruments Act, 1881.  | (03) |
| Q.4 | Bhaumik obtains Anuradha's acceptance to a bill by fraud. Bhaumik endorses it to Chandrika who takes it as a holder in due course. Chandrika endorses the bill to Dipali who knows about the fraud. Can Dipali recover from Anuradha?   | (03) |
| Q.5 | Critically analyse the effectiveness of bank nationalization in India   | (06) |

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Q.5 Critically analyse the effectiveness of bank nationalization in India.

(06)

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**Part-B**

- Q.6 Explain the concept of utmost goodfaith in Insurance contracts. With the help of decided cases, discuss the different kinds of warranty clauses and its consequences of breach under the Marine Insurance Act, 1963? (11)
- Q.7 Discuss the difference between remedy based on faulty and no-fault liability as per the provisions of the Motor Vehicles Act, 1988 and defences available to Insurance Company to absolve from its liability to pay compensation for the same. With the help of decided case laws, briefly discuss the concept of computation of compensation based on the structural formula/multiplier method. (12)
- Q.8 'Every contract of insurance, except life insurance is a contract of indemnity. The meaning of which is that the assured in case of loss is to receive a full indemnity, but is never to receive more. The corollary principle like insurable interest, subrogation, and utmost good faith enforces the rule of indemnity'. Elucidate. (12)

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