

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Law of Banking and Insurance
Semester- I (Batch: 2024-25)

End Semester Examination: October 2024 (LL M)

Date: 27th Oct, 2024

Duration: 3 hours

Max. Marks: 50

Instructions:

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

Part: A**Marks**

- Q.1 Explain the procedure that a bank must follow to initiate proceedings before the Debt Recovery Tribunal (DRT) under the Recovery of Debts and Bankruptcy Act, 1993. Examine the powers of the DRT in adjudicating debt recovery claims and discuss the appellate procedure of the Debt Recovery Appellate Tribunal. (7.5)
- Q.2 In 1969 and 1980, India nationalised its banks to boost its economy and improve financial inclusion. Many argue that decades later, nationalization has resulted in inefficiency, increased non-performing assets (NPAs), and a lack of competition. Do you agree with such arguments? Analyse the reasons and legal issues involved in the process of nationalisation of banks in India. (7.5)
- Q.3 Answer the following: (5x2=10)
- What is the significance of crossing a cheque, and how does it increase security for both the parties? Describe the different types of cheque crossings and their legal implications.
 - Under the Negotiable Instruments Act, 1881, what are the legal consequences of dishonouring a cheque? Discuss the conditions under which a cheque can be dishonoured, the remedies available to the payee under Section 138 of the Negotiable Instruments Act, 1881.

Part: B

- Q.4 Examine the basic essential tenets which are required for the formation of life insurance contract and its impact on claim cases with the help of decided cases. Discuss the grounds on which Insurance Company can repudiate the contract on the basis of 'non-disclosure and misrepresentation' as per the Insurance Act, 1938. (10)
- Q.5 According to the principle of 'Insurable Interest', '*if an individual could insure property or a life not his or her own, and in which the individual had no financial interest, insurance contract would become gambling device. In the absence of an insurable interest in the life or the thing insured, the insurance will simply be a wager and therefore, void.*' -Elucidate the above principle in both life and non-life insurance contracts with the help of leading case laws. (10)
- Q.6 Briefly discuss the 'legal status of nominee' as per the relevant provision of the Insurance Act, 1938 and decided case laws. (10)
