



BRAINWARE UNIVERSITY
Term End Examination 2020 - 21
Programme – Master of Law
Course Name – Banking & Insurance Law
Course Code - LLM302A

Semester / Year - Semester III

Time allotted : 75 Minutes

Full Marks : 60

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

1. *(Answer any Sixty)*

(i) Liberalization started in the year:

- | | |
|---------|---------|
| a) 1991 | b) 1994 |
| c) 1993 | d) 1995 |

(ii) To study Banking Law, the primary prerequisite of a student should be:

- | | |
|---|---|
| a) A basic idea about banking practices | b) A basic idea of intellectual property. |
| c) A basic idea about criminal jurisprudence. | d) None of these. |

(iii) The 'Nationalization Phase' or Phase 2 of banking law occurred between the years:

- | | |
|---------------|--------------|
| a) 1770 -1969 | b) 1969-1991 |
| c) 1899-1900 | d) 1765-1989 |

(iv) Where was the first bank of India located at?

- | | |
|-----------|-------------|
| a) Madras | b) Delhi |
| c) Bombay | d) Calcutta |

(v) When did the Bank of Bengal come into existence?

- | | |
|---------|---------|
| a) 1809 | b) 1840 |
|---------|---------|

c) 1843

d) 1865

(vi) When was the Imperial Bank renamed as the State Bank of India?

a) 1955

b) 1965

c) 1987

d) 1992

(vii) What is the most precise definition of a bank from among the following?

a) Any institution which mediates financial exchange between individuals

b) A money lending agency

c) A loan paying agency

d) None of these.

(viii) The process of bringing all banks under a common central rule is known as:

a) Liberalization

b) Nationalization

c) De-centralization

d) . None of these.

(ix) The primary relationship between a banker and customer starts from the time:

a) when customer visits that bank

b) when customer opens account

c) when customer visits that bank to made queries

d) All of these.

(x) _____ is the right of a person to retain the property of another person in his possession until the debt from that owner of that property is repaid:

a) Lien

b) Retainment

c) Retrenchment

d) Libel

(xi) Services rendered by a banker not only to his customers, but also to the general public are called as:

a) Principal services

b) Agency services

c) General utility services

d) None of these

(xii) Which is the first bank to introduce Credit card in India?

- a) Bank of India
- b) Global Trust Bank
- c) IndusInd Bank
- d) Central Bank of India

(xiii) ATMs are primarily used for performing the _____ functions:

- a) Infrastructure
- b) Computer based
- c) Banking
- d) Hospitalization

(xiv) A.....is the right of a creditor in possession of goods, securities or any other assets belonging to the debtor to retain them until the debt is repaid:

- a) Lien
- b) Set-off
- c) Exchange
- d) None of these

(xv) A loan is credited on the basis of borrower's income, credit history, financial transactions etc.

- a) borrower's income
- b) credit history
- c) financial transactions
- d) All of these

(xvi) A/An.....is a credit facility provided to the big corporations to fulfil their daily needs like salary and wages, admin expenses, material expenses etc.

- a) Loan
- b) Advance
- c) Security
- d) Collateral

(xvii) The time period of an advance is:

- a) Usually for a long time period
- b) Usually for a short time period.
- c) Unspecified period
- d) More than 10 years.

(xviii) Securities are.....and.....financial instruments used to raise capital in public and private markets

- a) Tradable, fungible
- b) Permanent, non-tradable
- c) Marketable, fluid
- d) None of these.

(xix) Which of these is not a type of security?

- a) Equity security
- b) Debt security
- c) Hybrid security
- d) Asset security

(xx)is an asset or property that an individual or entity offers to a lender as security for a loan.

- a) Collateral
- b) Mortgage
- c) Advance
- d) Debt instrument

(xxi) The SARFAESI Act was established in:

- a) 2002
- b) 1999
- c) 2000
- d) 2001

(xxii) Bank does not give loan against:

- a) Gold ornaments
- b) LIC Policy
- c) Lottery ticket
- d) NSC

(xxiii) Loans from moneylenders are:

- a) With high interest
- b) No proper accounting
- c) No transparency
- d) All of these

(xxiv) Can an illiterate person be issued a debit card?

- a) No
- b) Yes
- c) Only in case of joint account
- d) Only if he is the head of a family

(xxv) Fixed deposit can:

- a) Not be withdrawn before maturity.
- b) Paid only after maturity.
- c) Withdrawn before maturity.
- d) All of these

(xxvi) Defaulter of loan means

- a) Not paying loan installments
- b) Illegal activities

c) Atharva Veda

d) Not mentioned in any Veda

(xxxiv) The party who agrees to indemnify or make good is the.....

a) Insurer

b) Insured

c) Beneficiary

d) Customer

(xxxv) In Insurance Law, the..... must arise out of the ordinary course of business and it should not be artificially created by parties.

a) Risk

b) Benefit

c) Need

d) Compensation

(xxxvi) Doctrine of Uberrimae fidei means which of the following?

a) Doctrine of natural justice

b) Doctrine of good faith

c) Doctrine of equal opportunity

d) Doctrine of equity

(xxxvii) Life insurance policies often allow the option of having the proceeds paid to theeither in a lump sum cash payment or an annuity.

a) Beneficiary

b) Insurer

c) Insured

d) Customer

(xxxviii) Which of the following Acts govern insurance policies in India?

a) The insurance Act, 1938

b) b. SARFAESI Act

c) SEBI

d) RDB Act

(xxxix) Valued Policy is a form of which insurance policy?

a) Marine Insurance

b) Health Insurance

c) Fire Insurance

d) Life Insurance

(xl) Marine insurance does not include which of the following?

a) Cargo Insurance

b) Hull Insurance

c) Freight Insurance

d) Disability Insurance

(xli) Which of the following is the regulator of insurance sector in India?

- a) SEBI
- b) IRDA
- c) IMF
- d) RBI

(xlii) With which of the fields is actuarial science associated?

- a) Insurance
- b) Banking
- c) Micro finance
- d) Space technology

(xliii) In Insurance policies we always find a date which is "Date of Maturity".

What does it mean?

- a) This is the date on which the policy was sold to the customer/person insured
- b) This is the date on which the policy holder will have to submit his/her claim seeking the amount of the policy. Otherwise the company will not make any payment to him/her
- c) This is the date on which the contract between the person and insurance company will come to an end.
- d) None of these

(xliv) "A contract that pledges payment of an agreed upon amount to the person (or his/her nominee) on the happening of an event covered against" is technically known as:

- a) Death coverage
- b) Life Insurance
- c) Savings for future
- d) Provident fund

(xlv) A missing person is considered to be dead after how many years of missing?

- a) 3 years
- b) 4 years
- c) 7 years
- d) 1 year

(xlvi) Which of the following is NOT a part of India's money market?

- a) Bill Market
- b) Call money market

c) Banks

d) Indian Gold Council

(xlvi) Who is a 'beneficiary'?

- a) The recipient of the amount to be paid by the insurer. b) The party covered or protected is the insured.
c) Party who agrees to indemnify. d) None of these.

(xlviii) When did the Life Insurance Corporation Act come into existence?

- a) 1977 b) 1956
c) 1980 d) 1955

(xlix) The largest life insurance company in India is:

- a) New india assurance company limited. b) LIC
c) Oriental insurance company d) National insurance company

(l) What is the function of IRDA?

- a) Plan for financial inclusion b) Provide relief packages to farmers
c) Regulate insurance business in india d) Hiring assets

(li) Which committee recommended the establishment of IRDA:

- a) PN Mehrotra committee b) RN Malhotra committee
c) DR Gadgil committee d) None of these

(lii) is the sole public sector company for life insurance:

- a) Standard life insurance company b) Bharatiya axa life insurance
c) LIC d) None of these

(liii) License to work as insurance agent is issued by:

- a) General insurance corp. b) IRDA
c) SBI d) Post office

(liv) As per IRDA regulations a claim under life policy shall be paid or be disputed within:

- a) 5 days
- b) 15 days
- c) 25 days
- d) 30 days

(lv) As per common law when should insurable interest be present in a general insurance contract:

- a) At the time of taking policy
- b) At the time of claim
- c) Both At the time of taking policy and At the time of claim
- d) None of these

(lvi) Insurance is not gambling because of the presence of :

- a) Utmost good faith principle
- b) Insurable interest
- c) Indemnity principle
- d) None of these

(lvii) Which of the following funds provides for predominant investment in equities?

- a) Equity fund
- b) Debt fund
- c) Market fund
- d) All these

(lviii) As per IRDA what is the grace period allowed beyond expiry date of a policy for renewal:

- a) 45 days
- b) 50 days
- c) 30 days
- d) 60 days

(lix) If assets are overvalued, results would be:

- a) More surplus
- b) Less surplus
- c) More or less surplus
- d) None of these

(lx) Risk transfer through risk pooling is called:

- a) Savings
- b) Investments

c) Insurance

d) Risk mitigation