



BRAINWARE UNIVERSITY
ODD Semester Examinations 2021- 22

Programme – Master of Law - 2020 [LL.M]

Course Name – Banking & Insurance Law

Course Code – LLM302A

(Semester III)

Time allotted : 1 Hour 15 Minutes

Full Marks : 60

(Multiple choice type question)

60 x 1 = 60

Choose the correct alternative from the following

- (I) 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
- (II) Payment of cheque can be stopped by :
- A) Beneficiary
B) Nominee
C) Drawer of cheque
D) None of these
- (III) What kind of services are available in free basic savings bank deposit account?
- A) Receipt/credit of money through NEFT or RTGS
B) No annual maintenance charges on atm cum debit card
C) 4 withdrawals in a month
D) All of these
- (IV) Convertible preference shares is an example of:
- A) Debt security
B) Equity security
C) Hybrid security
D) Advance
- (V)insurance policies provide financial support in the event of the policyholder becoming unable to work because of disabling illness or injury
- A) Disability
B) Marine
C) Health
D) Fire
- (VI) When did the Bank of Bombay come into existence?
- A) 1809
B) 1840
C) 1843
D) 1855
- (VII) Which of the following is NOT a type of collateral?
- A) Real estate
B) Cash secured loan
C) Inventory financing
D) Debt instrument
- (VIII) Nationalization of 14 major commercial in the year of
- A) 1969
B) 1987
C) 1972
D) 1999
- (IX) Who was the 13th Governor of the RBI who had a major role to play in Nationalization process?
- A) S. Jagannathan
B) Dr. I.G. Patel
C) K.R. Puri
D) M. Narasimham
- (X) The Recovery of Debts due to Banks and Financial Institutions Act (hereinafter referred to as the 'DRT Act') was the result of the findings of which committee?
- A) Manmohan Committee
B) Tiwari Committee
C) Nehru Committee
D) None of these
- (XI) Any loss caused by fire lighted deliberately is not a loss by fire if it was.....
- A) Unplanned
B) Intentional

- C) Unforeseeable
D) None of these
- (XII) When was the first insurance policy written in England?
A) Late 1500's
B) Late 1800's
C) Late 90's
D) 20th century
- (XIII) Which of the following is an appropriate definition of security?
A) It is a credit facility provided to the big corporations
B) It is a debt provided by a bank to fulfil the long term requirement
C) It is used to raise capital in public and private markets.
D) It is a mortgage asset
- (XIV) 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
- (XV) Which type of deposits earn higher interest rates?
A) Current account
B) Savings account
C) Fixed deposit
D) None of these
- (XVI) Credit cards first emerged in 1920s:
A) India
B) China
C) USA
D) UK
- (XVII) 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.
- (XVIII) Liberalization started in the year:
A) 1991
B) 1994
C) 1993
D) 1995
- (XIX) To indemnify means to:
A) put back in the same financial position just prior to the loss.
B) put aside funds to pay for losses reported but not yet paid.
C) transfer risk to someone who has better financial resources and can withstand loss.
D) make financial provisions for dealing with potential losses.
- (XX) The party covered or protected under an insurance policy is the.....
A) Beneficiary
B) Customer
C) Insured
D) Insurer
- (XXI) Which of the following is not a principle of insurance:
A) Utmost good faith
B) Principle of contribution
C) Profit maximization
D) Causa proxima
- (XXII) 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
- (XXIII) constitutes the foremost element of an electronic payment system
A) Banker
B) Customer
C) Merchant
D) None of these
- (XXIV) Which of the following terms is NOT related to the insurance sector?
A) Indemnity
B) Coverage
C) Misuse alert
D) Annuity
- (XXV) 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.
- (XXVI) 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
- (XXVII) An insurance contract terminates after Is paid

- A) Loan
C) Economic value
- B) Human life value
D) Claim

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

- A) borrower's income
C) financial transactions
- B) credit history
D) All of these

(XXIX)policy is a type of policy where the amount of loss is not valued at the time of undertaking contract of insurance.

- A) Unvalued
C) Devalued
- B) Valued
D) Assurance

(XXX) PAN number is required for:

- A) Deposits less than 50000
C) Deposits of 50000 and above
- B) Deposits in excess of 1 lac
D) None of these

(XXXI) Which one of the following is the most important relationship between banker and customer?

- A) Debtor - Creditor
C) Agency - Principal
- B) Bailor – Bailee
D) Trustee – Beneficiary

(XXXII) The inception of banking and transactions started from:

- A) Marketplace
C) Offices
- B) Rooms
D) Fields

(XXXIII) Which banks accept deposits from the public and lend them mainly for commerce for short periods?

- A) Commercial Banks
C) Industrial Banks
- B) Agricultural Banks
D) Central Banks

(XXXIV) Which of the following is the only public sector company in the field of life insurance?

- A) Life Insurance Policy (LIC)
C) New India Insurance Company
- B) General Insurance Company
D) Oriental Insurance Company

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

- A) Equity fund
C) Market fund
- B) Debt fund
D) All these

(XXXVI) An insurance company needs assets for :

- A) Financing new business
C) Greater leverage in investment
- B) Generating more returns
D) All of these

(XXXVII) The time period of an advance is:

- A) Usually for a long time period
C) Unspecified period
- B) Usually for a short time period.
D) More than 10 years.

(XXXVIII) What is the function of IRDA?

- A) Plan for financial inclusion
C) Regulate insurance business in india
- B) Provide relief packages to farmers
D) Hiring assets

(XXXIX) Which of the following is not a reason for Nationalization of Banks in India?

- A) Social Welfare
C) Expansion of Banking Sector
- B) Developing Banking Habits
D) Encouraging foreign exchange.

(XL) The 'Liberalization Phase' or Phase 3 of banking law occurred between the years:

- A) 1770 -1969
C) 1991-till date
- B) 1969-1991
D) 2002-2004

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

- A) 1977
C) 1980
- B) 1956
D) 1955

(XLII) Interests on savings bank deposit is paid :

- A) Quarterly
C) Half yearly
- B) Yearly
D) Monthly

(XLIII) What is the validity period of a check from date of issue ?

- A) 4 months
C) 2 months
- B) 3 months
D) Unlimited

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

- A) Any institution which mediates financial exchange between individuals
C) A loan paying agency
- B) A money lending agency
D) None of these.

(XLV) Loans from moneylenders are:

- A) With high interest
C) No transparency
- B) No proper accounting
D) All of these

(XLVI) Which of the following is not a right of the customer?

- A) Right to Draw a Cheque
C) Dealing in Foreign Exchange
- B) Right to Receive Pass Book
D) Right of Lien

(XLVII) 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
C) This is the date on which the contract between the person and insurance company will come to an end.
- 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
D) None of these

(XLVIII) What is meant by aadhar seeding ?

- A) Linking aadhar with bank account.
C) Transfer of aadhar
- B) Duplicate issuance of aadhar
D) All of these

(XLIX) Which of the following is not a duty of a banker?

- A) Secrecy
C) Trustee
- B) Lien
D) Dealing in foreign exchange

(L) In case you have made a default for a loan amount, what is the first step you should take?

- A) Contact the bank
C) Elope with assets
- B) Hide the details from the bank
D) File a suit

(LI) When did the Bank of Madras come into existence?

- A) 1809
C) 1843
- B) 1809
D) 1843

(LII) "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
C) Savings for future
- B) Life Insurance
D) Provident fund

(LIII) 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
C) Security
- B) Advance
D) Collateral

(LIV) A cheque dated subsequent to the date of its issue is

- A) Post-dated cheque
C) Crossed cheque
- B) Blank cheque
D) Account payee cheque

(LV) Which of the following elements is necessary to constitute a risk under insurance law?

- A) Economic loss
C) Physical harm
- B) . Uncertainty
D) None of these

(LVI) A.....is an amount lent by the lender to the borrower for a definite purpose for a particular time period.

- A) Loan
C) Advance
- B) Security
D) None of these

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

- A) Madras
B) Delhi

C) Bombay

D) Calcutta

(LVIII) A Banker's lien is also known as:

A) Implied Lien

B) Express Lien

C) Set off

D) Security

(LIX) When financial institutions and banks undertake activities related to banking like investment, issue of debit and credit card etc then it is known as.....

A) Internet banking

B) Universal banking

C) Virtual banking

D) Wholesale banking

(LX) Liberalization is also known as:

A) Regularization

B) Centralization

C) De-centralization

D) Industrialization