



**Practice Set**  
**End Semester Examination-2025**

**Program: BA LLB**

**Subject: Banking and Insurance laws**

**Semester: VII**

**Subject Code:24F.403**

Course Outcome	Description
CO 1	Students will be able to understand the evolution and structure of the Indian banking system, and examine the regulatory roles of the RBI and banking legislations.
CO 2	Students will be able to analyse lending practices, debt recovery mechanisms, and legal frameworks such as DRT and SARFAESI for resolving banking disputes.
CO 3	Students will be able to evaluate the nature and principles of insurance contracts and their regulation, with emphasis on good faith, risk, and insurable interest.
CO 4	Students will be able to assess the legal features of different types of insurance—life, motor, fire, marine, and health and their regulation under statutory provisions.

Section A				(4 x 5= 20)	
1	List and briefly explain the functions of the Central Bank of India.	[CO1]	[Unit 1]	[Remember]	[LOT]
2	Describe the composition of the Central Board as per the RBI Act, 1934.	[CO1]	[Unit 1]	[Remember]	[LOT]

3	Explain the process and legal requirements for licensing of banking companies as laid down under the RBI Act, 1934.	[CO1]	[Unit 1]	[Understand]	[LOT]
4	State and exemplify any 2 types of commercial banks along with examples.	[CO1]	[Unit 1]	[Remember]	[LOT]
5	Discuss the main objective behind the enactment of the Recovery of Debts and Bankruptcy Act, 1993.	[CO2]	[Unit 2]	[Remember]	[LOT]
6	Outline and explain the salient features of the SARFAESI Act, 2002.	[CO2]	[Unit 2]	[Remember]	[LOT]
7	Identify and describe the common types of banking fraud prevalent in India.	[CO2]	[Unit 2]	[Remember]	[LOT]
8	State when a bank may approach a Debt Recovery Tribunal (DRT) and indicate the forum and time limit for appeal.	[CO2]	[Unit 2]	[Remember]	[LOT]
9	Define a contract of insurance and enumerate its essential features.	[CO3]	[Unit 3]	[Remember]	[LOT]
10	Apply and illustrate the principle of uberrimae fidei to a situation where an insured conceals a pre-existing disease.	[CO3]	[Unit 3]	[Apply]	[HOT]
11	Explain the doctrine of proximate cause in insurance contracts with an example.	[CO3]	[Unit 3]	[Understand]	[LOT]
12	Explain the concept of insurable interest and specify when it must exist in life and fire insurance contracts.	[CO3]	[Unit 3]	[Understand]	[LOT]
13	Apply the concept of no-fault liability under Section 140 of the Motor Vehicles Act, 1988, to an accident scenario.	[CO4]	[Unit 4]	[Apply]	[HOT]
14	Define life insurance and state two major types of life insurance policies.	[CO4]	[Unit 4]	[Remember]	[LOT]
15	Define the term perils of the sea and illustrate with two examples.	[CO4]	[Unit 4]	[Remember]	[LOT]
16	State and describe briefly the duties of the insurer and insured under a fire insurance contract.	[CO4]	[Unit 4]	[Remember]	[LOT]

<b>Section B</b>				<b>(3x 10= 30)</b>	
17	Classify the different types of banks and explain each of them	[CO1]	[Unit 1]	[Apply]	[HOT]
18	Critically evaluate the principles that the banks follow while lending to a customer, along with a brief explanation of each.	[CO1]	[Unit 1]	[Evaluate]	[HOT]
19	The banking system in India has undergone significant changes. Justify the statement in light of the history of the banking industry in India.	[CO1]	[Unit 1]	[Evaluate]	[HOT]

20	Apply the provisions of the RBI Act, 1934, to assess the extent of control exercised by the Central Government over the RBI.	[CO1]	[Unit 1]	[Apply]	[HOT]
21	Analyse the procedural framework and functioning of Debt Recovery Tribunals (DRTs) in expediting recovery under the Recovery of Debts and Bankruptcy Act, 1993.	[CO2]	[Unit 2]	[Analyze]	[HOT]
22	Apply the ratio of Delhi HC Bar Association v. Union of India [(2002) 4 SCC 275], to evaluate the constitutional validity and jurisdiction of DRTs.	[CO2]	[Unit 2]	[Apply]	[HOT]
23	State the principles of lending along with a brief explanation of each.	[CO2]	[Unit 2]	[Remember]	[LOT]
24	Analyze the process of securitisation and enforcement of security interest under the SARFAESI Act, 2002.	[CO2]	[Unit 2]	[Analyze]	[HOT]
25	Evaluate the significance of utmost good faith and insurable interest as foundational doctrines in insurance law, citing relevant case laws.	[CO3]	[Unit 3]	[Evaluate]	[HOT]
26	Apply the principle of indemnity to determine the liability of an insurer in a fire insurance claim.	[CO3]	[Unit 3]	[Apply]	[HOT]
27	Analyze the role of the Insurance Regulatory and Development Authority (IRDA) in protecting policyholders' interests.	[CO3]	[Unit 3]	[Analyze]	[HOT]
28	Illustrate the principle of subrogation in a case where the insurer sues the negligent third party after paying the insured.	[CO3]	[Unit 3]	[Apply]	[HOT]
29	Outline the nature and scope of motor vehicle insurance and explain its compulsory nature under the Motor Vehicles Act, 1988.	[CO4]	[Unit 4]	[Analyze]	[HOT]
30	Illustrate the legal rules concerning conditions and warranties in fire insurance to determine the effect of partial non-disclosure by the insured.	[CO4]	[Unit 4]	[Apply]	[HOT]
31	List and briefly explain the different types of life insurance policies available in India.	[CO4]	[Unit 4]	[Remember]	[LOT]
32	Analyze the rights and duties of parties in a marine insurance policy in relation to the principle of indemnity.	[CO4]	[Unit 4]	[Analyze]	[HOT]

Section C				(1x 20= 20)	
33	The nationalization of banks in India was aimed at ensuring greater public control over the financial sector to promote economic development and social welfare. Explain the bank nationalisation with the application of RC Cooper v. Union of India.	[CO1]	[Unit 1]	[Apply]	[HOT]
34	Evaluate the legal and contractual relationship between a banker and a customer and general principles of contract law. Discuss how this relationship varies in cases of debtor-creditor, agent-principal, and trustee-beneficiary,	[CO1]	[Unit 1]	[Evaluate]	[HOT]
35	The Nirav Modi case, involving fraudulent transactions at Punjab National Bank (PNB), exposed significant lapses in the banking system, particularly in the issuance of Letters of Undertaking (LoUs). Discuss how this case highlights the vulnerabilities in banking processes and the role of banking laws. Illustrate how these laws could be reformed to prevent such fraud in the future.	[CO2]	[Unit 2]	[Apply]	[HOT]
36	Critically examine the constitutional validity of the SARFAESI Act, 2002, with light of Mardia Chemicals Ltd. v. Union of India case is (2004) 4 SCC 311 wherein the constitutional validity of the Act was challenged.	[CO2]	[Unit 2]	[Analyze]	[HOT]
37	Apply the principles of insurance to evaluate the validity of an insurance claim in case of double insurance and concealment of material facts.	[CO3]	[Unit 3]	[Apply]	[HOT]
38	Illustrate the concepts of risk and premium to a case where the insured delays payment and claims loss within the grace period, assessing the insurer's liability.	[CO3]	[Unit 3]	[Apply]	[HOT]
39	Evaluate the evolution and significance of motor, fire, marine, and health insurance in India's legal framework. Support your analysis with statutory provisions and case laws.	[CO4]	[Unit 4]	[Evaluate]	[HOT]
40	Apply the statutory provisions of the Motor Vehicles Act, 1988 and Marine Insurance Act, 1963, to determine liability in cases of (a) road accidents and (b) loss of cargo at sea. Compare the insurer's obligations in both.	[CO4]	[Unit 4]	[Apply]	[HOT]

**Summary Sheet  
CO Wise**

<b>CO</b>	<b>Q. No</b>	<b>Marks</b>
CO1	1.2.3.4.17.18.19.20.33.34.	100
CO2	5.6.7.8.21.22.23.24.35.36.	100
CO3	9.10.11.12.25.26.27.28.37.38.	100
CO 4	13.14.15.16.29.30.31.32.39.40.	100
<b>Total</b>		<b>400</b>

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**Unit Wise**

<b>Unit</b>	<b>Q. No</b>	<b>Marks</b>
Unit 1	1.2.3.4.17.18.19.20.33.34.	100
Unit 2	5.6.7.8.21.22.23.24.35.36.	100
Unit 3	9.10.11.12.25.26.27.28.37.38.	100
Unit 4	13.14.15.16.29.30.31.32.39.40.	100
<b>Total</b>		<b>400</b>

<b>Blooms Taxonomy Level (BTL) Wise</b>		
<b>BTL</b>	<b>Q. No</b>	<b>Marks</b>
LOT	1.2.3.4.5.6.7.8.9.11.12.14.15.16.23.31	90
HOT	10.13.21.22.24.25.26.27.28.29.30.32.33.34.35.36.37.38.39.40	310
<b>Total</b>		<b>400</b>

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**Disclaimer:** -This is a Practice Set. The Question in End term examination will differ from the Practice Set. This Practice Set is meant for practice only.