LL.B. VI Term

Paper : LB – 6042 - Negotiable Instruments, Banking and Insurance

PART – A : NEGOTIABLE INSTRUMENTS

Prescribed Legislations:

1. The Negotiable Instruments Act, 1881 (N.I. Act)
2. The Information Technology Act, 2000 (I.T. Act)

Prescribed Books:

1. O. P. 'Faizi' & Ashish Aggarwal, **Khergamvala on** ***The Negotiable Instruments Act*** (20th ed., 2008)
2. Ranganath Misra, **Bhashyam & Adiga's** ***The Negotiable Instruments Act*** (18th ed., 2008)
3. Avtar Singh, ***Negotiable Instruments*** (4th ed., 2005)
4. S. Krishnamurti Aiyar, ***Law Relating to the Negotiable Instruments Act*** (10th ed., 2009)

Recommended Readings:

1. Law Commission of India, ***Eleventh Report on the Negotiable Instruments Act, 1881*** (1958)
2. Law Commission of India**,** ***One hundred and twenty fifth Report relating to establishment of Evening Courts*** (1988)
3. Law Commission of India, ***Two hundred thirteenth Report on Fast Track***
4. ***Magisterial Courts for Dishonoured Cheque Case*** (2008)

Topic 1 : General Introduction

History and Nature of Negotiable Instruments

Topic 2 : Kinds of Negotiable Instruments

Promissory Note, Bill of Exchange, Cheque – Definition and Nature (N.I. Act, sections 4-7, 13)

1.	*Mohammad Akbar Khan* v. *Attar Singh*, AIR 1936 PC 171	1
2.	*Ponnuswami Chettiar* v. *P. Vellaimuthu Chettiar*, AIR 1957 Mad. 355	7
3.	*Nanga* v. *Dhannalal*, AIR 1962 Raj. 68	9
4.	*Ashok Yeshwant Badeve* v. *Surendra Madhavrao Nighojakar*, AIR 2001 SC 1315 : (2001) 3 SCC 726	20

Topic 3 : 'Holder' and 'Holder in Due Course'

Definition of Holder and Holder in Due Course; Comparison between Indian and English Law; Rights of holder in due course; Law Commission of India, Eleventh Report, 1958 (N.I. Act, section 8 read with 78; 9, 19-25, 53, 58, 59 and 118; and the English Bills of Exchange Act, 1882, sections 2, 29 and 90)

Topic 4 : Transfer of Negotiable Instruments

Modes - Negotiation (N.I. Act, sections 14, 46, 47, 48, 57); Assignment (The Transfer of Property Act, 1882, sections 130-132); Meaning of Indorsement - Who can indorse (N.I. Act, sections 15 and 51); Kinds of Indorsement – Indorsement in Blank and Full (N.I. Act, sections 16 and 54), Conditional Indorsement (N.I. Act, section 52), Restrictive Indorsement (N.I. Act, section 50), Sans Recourse Indorsement (N.I. Act, section 52); Partial Indorsement (N.I. Act, section 56)

Topic 5 : Liability of Parties

Liability of Maker, Drawer, Drawee and Indorser (N.I. Act, sections 30, 31, 32, 35 and 36)

Topic 6 : Discharge of Parties from Liability on Promissory Note, Bill of Exchange and Cheque

Modes – Cancellation [N.I. Act, section 82 (a)]; Release [N.I. Act, section 82 (b)]; Payment [N.I. Act, section 82(c)]; Material alteration (N.I. Act, sections 87-89)

Topic 7 : Crossing of Cheques

Object of crossing; Kinds of crossing – general, special, not-negotiable & account payee crossing; Who may cross; Rights and duties of paying banker; Protection of collecting banker (N.I. Act, sections 123-131-A)

Topic 8 : Liabilities for Dishonour of Cheques

Dishonour of cheque for insufficiency etc. of funds; cognizance of offences (N.I. Act, sections 138-147)

PART – B : BANKING

Prescribed Legislation:

The Banking Regulation Act, 1949 (B.R. Act)

Prescribed Books:

1. C.R. Datta & P.M. Bakshi, **M.L. Tannan's** ***Banking - Law and Practice in India*** (21th ed., 2008)
2. R.K. Gupta, ***Banking - Law and Practice*** (2nd ed. 2008)
3. Mark Hapgood, **Paget's** ***Law of Banking*** (13th ed., 2007)

Topic 9 : Banking System in India and Control by Reserve Bank of India

Definition of 'bank' , 'banker', 'banking', 'banking companies'; Development of banking business and companies; Regulations and restrictions; Powers and control exercised by the Reserve Bank of India (B.R. Act, sections 5-36AD)

PART C : INSURANCE

Prescribed Legislations:

1. The Insurance Act, 1938
2. The Marine Insurance Act, 1963
3. The Life Insurance Corporation Act, 1956
4. The General Insurance Business (Nationalisation) Act, 1972
5. The Insurance Regulatory and Development Authority Act, 1999

Prescribed Books:

1. K.S.N. Murthy & K.V.S. Sarma, ***Modern Law of Insurance in India*** (4th ed., 2002)
2. S.V.Joga Rao, **M.N. Srinivasan's *Principles of Insurance Law*** (9th ed., 2009)

Topic 10 : Law of Insurance

Nature and Scope of Insurance; Classification; General Principles – Proximate Cause

Topic 11 : Doctrine of Utmost Good Faith

Topic 12 : Rules of Construction of Insurance Policy

IMPORTANT NOTE:

1. The students are advised to read only the books prescribed above along with legislations and cases.
2. The topics and cases given above are not exhaustive. The teachers teaching the course shall be at liberty to add new topics/cases.
3. The students are required to study the legislations as amended up-to-date and consult the latest editions of books.
4. The Question Paper shall include one compulsory question consisting of five parts out of which four parts will be required to be attempted. The question papers set for the academic years 2008 and 2010 are printed below for guidance.

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LL.B. VI Term Examinations, April-May, 2008

Note: Answer any *five* questions including Question No. 1 which is compulsory.
All questions carry *equal* marks.

1. Attempt briefly any *four* of the following:
   (i) Endorsement in Blank and Endorsement in full;
   (ii) Liability of the drawee of a cheque;
   (iii) Effect of Not Negotiable crossing;
   (iv) Effect of material alteration of a negotiable instrument;
   (v) Doctrine of *causa proxima*.

2. (a) What are the salient features of a valid Bill of Exchange.
   (b) Discuss the nature of the following Negotiable Instruments; Support your answer with reasons.
      (i) "I promise to pay M's son of Rs. 5000/- for value received." (M has three sons).
      (ii) "I promise to pay X Rs. 5000/- on the death of Y".
      (iii) "I promise to pay the bearer the sum of Rs. 5000/-".
      (iv) A writes to B "Please pay X or order Rs. 5000/- sixty days after sight.

3. (a) State briefly the anomalies in the definition of the term 'Holder' in the Negotiable Instruments Act, Suggest necessary modifications.