

31 JUL 2025

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination May 2025

Semester: UG VIIIth

Subject: Banking Laws (Compulsory)

Time: Three Hours

Marks: 100

Instructions:

1. The question paper contains six (06) questions out of which the student must attempt any five (05).
2. No materials, aids and instruments are permitted in this examination.
3. All questions carry equal marks.

Q.1) Discuss the *Ambedkar-Keynes* debate on the appropriate standard for the Indian Rupee during the early 20th century, focusing on their respective arguments on gold standard and stability of prices. In light of Indian Rupee's current historical low against U.S. Dollar, critically evaluate relevance of the debate in shaping contemporary monetary policy and exchange rate management.

(Marks: 20)

Q.2) How did the Supreme Court of India upheld the constitutional validity of Demonetisation exercise of 2016 applying the *Test of Proportionality*? Identify the major legal issues that the Apex Court dealt with while examine the validity of Demonetisation of 2016 and 1978.

(Marks: 20)

Q.3) Recommendations of *P.J. Nayak Committee report* on banking reforms are regarded as necessary and vital for improving the efficiency and productivity of banking services in India. However, there have been widespread protest against the idea of government reducing its shareholding in the banking companies which, is argued, will promote crony capitalism and deny capital opportunities to the neglected section of society.

(Marks: 20)

Q.4) Explain how Securitisation of an asset is undertaken under SARFAESI 2002 and how the interest of invertors protected by the Securitisation company.

(Marks: 20)

Q.5) Functioning of Islamic banks is based on principle of '*profit or loss sharing*' unlike western banking institutions which run on the principle of '*time value of money*'. Examine how Islamic banks can contribute in promotion of value based financial services.

(Marks: 20)



Q.6) Write short notes on:

a) Securitisation structure under SARFAESI 2002

b) The utility of Minimum Reserve System over Proportional Reserve System

(Marks: $10 \times 2 = 20$)



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4. All questions carry equal marks.

Q.1) In light of recent and historical incidents, both in India and globally, critically examine the importance of preserving the autonomy and functional independence of a central bank. Discuss the constitutional, legal and economic implications of governmental interference in central banking functions.

(Marks: 20)

Q.2) Critically analyse the Reserve Bank of India's regulatory framework governing *Peer-to-Peer (P2P) crowdfunding platforms*. To what extent does the current regime promote financial inclusivity while ensuring adequate protection for platform participants?

(Marks: 20)

Q.3) The debate on nationalisation of banks in India and its continued utility has been reignited through the reports of several policy thinktanks and scholars who argue against its continuance in light of changed economic and financial conditions of the country. However, many believe that reversing the nationalisation would severely impact the drive towards enhanced financial inclusion and social control of banks. Highlighting the main arguments against and in favour of government's shareholding in banks, analyse the various legal and regulatory challenges involved in the debate.

(Marks: 20)

Q.4) Critically examine the legal and policy implications of Asset Reconstruction Companies (ARCs) being licensed to apply as Resolution Applicant under IBC, 2016. How have the courts and regulatory bodies responded to the issues emanating from this dual role?

(Marks: 20)

Q.5) Discuss major financial instruments under Islamic banking. Examine the position of Reserve Bank of India on introduction of Islamic banks in India?

(Marks: 20)

Q.6) Write short notes on:

- a) *De-Dollarisation* attempts by BRICS nations
- b) Major recommendations of PJ Nayak Committee Report

(Marks: 10*2 = 20)

