



SEBI- GRADE A

INSIDER TRADING PRACTICE QUESTIONS



Q.1----- refers to buying or selling a security, in breach of a fiduciary duty or other relationship of trust, and confidence, while in possession of material, non public information about the security.

- [a] Illegal Trading**
- [b] Price Rigging**
- [c] Insider trading**
- [d] Fire walls trading**

Q.2) Which of the following persons cannot be said to be a connected person with regard to price sensitive information-

[a] Director of the Company

[b] Company Secretary

[c] Suppliers of the raw materials to the company

[d] Auditing firm of the Company

Q.3) Which of the below statements do not form part of Price sensitive information-

[a] Periodical financial results of the company

[b] Intended declaration of dividends (both interim and final)

[c] Retirement of a director.

[d] Planning to issue of bonus shares in the upcoming month.

Q.4) Which of the following is not correct with regards to the Penalty for Insider Trading-

- [a] Penalty upto Rs 25 crores or**
- [b] 5 times of the amount of profits made.**
- [c] May lead to criminal prosecution as well.**
- [d] All are correct**