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