



Quiz

Insider Trading

1. Under which of the following Statutes is insider trading prohibited in Australia?
 - a. Section 1043A of the Corporations Act 2001 (Cth)
 - b. Section 24A of the Insider Trading Prohibition Act 1990 (Cth)
 - c. Securities Fraud Provision Rule 10B(5)
 - d. Securities Fraud Prohibition Act 1934 (Cth)
2. Which of the following is specifically prohibited under Australia's statutory insider trading laws?
 - a. Trading
 - b. Procuring
 - c. Tipping
 - d. All of the above
3. What was the decision of the US Supreme Court in the case of Chiarella v. United States, 445 U.S. 222?
 - a. That US law is based on the justifiable expectation of the members of public that everybody trades on a level playing field
 - b. Insider trading liability is premised upon a duty to disclose arising from a relationship of trust and confidence between parties to a securities transaction
 - c. Anybody holding material non-public information that can be traded on and be used for personal gain has a duty disclose holding such information

- d. If information has the relevant character to be inside information and a person who knows or ought to know that the information is inside information, they can be prosecuted for insider trading
- 4. How is insider trading charged in the United States?
 - a. By the Securities and Exchange Commission in civil actions filed in federal district court.
 - b. By the Securities and Exchange Commission in administrative proceedings
 - c. By the Department of Justice in criminal actions filed in federal district court
 - d. All of the above.
- 5. What are the disclosure requirements in Australia?
 - a. Listed companies must disclose all price sensitive information as soon as practicable, subject to limited exceptions
 - b. Companies must disclose information periodically, every quarter and annually
 - c. Companies only have to disclose information upon the triggering of certain events that are prescribed by the legislation as material.
 - d. There are no disclosure requirements in Australia

Answers:

1. A 2. D 3. B 4. D 5. A