

CFA® SAMPLE QUESTION – LEVEL I

Ethical and Professional Standards

Q: Arthur Tonia, a fixed income analyst at a big brokerage company, assist her company's traders by developing in-house tailor made bond ratings to supplement those of the major bond rating services.

The traders use disparities in the ratings to construct profitable investment strategies.

Arthur make inferences from nonmaterial private information and news events, which he reflects in his bond ratings.

Arthur approach:

- (a)** Violates confidentiality rules.
- (b)** Reflects the mosaic theory.
- (c)** Violates insider trading rules.
- (d)** Reflects the misappropriation of information theory.



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