



**STRATHMORE LAW SCHOOL
MASTERS OF LAW (LL.M)
SUPPLEMENTARY EXAMINATION
LLM 8302: CAPITAL MARKETS AND SECURITIES LAW**

Date: **Friday, 15th May 2026**

Time: **3 Hours**

Instructions.

- a. Question 1 is compulsory. Students must attempt two (2) other questions out of the remaining four (4) questions. In total, each student must answer a minimum and total number of three (3) questions for total score of 60 marks.
- b. Each question carries 20 marks.

Question 1

Despite strict regulations, Insider Trading remains difficult to prosecute. Discuss the ethical challenges that regulators face in enforcing insider trading. **(20 Marks)**

Question 2

Define derivatives and explain the benefits derivatives offer the capital markets? **(20 Marks)**

Question 3

One of the strategies that the Capital Markets Authority has adopted to promote growth of capital markets is establishment of the Regulatory Sandbox. Explain what a regulatory sandbox is and how it aids in regulation of capital markets. **(20 marks)**

Question 4

How do Central Depositories contribute to the development of capital markets **(20 Marks)**

Question 5

The Capital Markets Authority is tasked with, among other roles, the safeguarding of investor interests. Discuss ways in which the CMA has sought to fulfill this role. **(20 marks)**