



Quiz

Director Duties and Responsibilities

1. From which of the following do director duties and responsibilities primarily arise?
 - a. The *Corporations Act 2001* (Cth)
 - b. The Company's Constitution
 - c. The Shareholder's Agreement
 - d. All of the above
2. Which of the following is true in regard to a proprietary limited company?
 - a. There must be a minimum of 3 directors, 2 of which must primarily reside in Australia
 - b. At least one director must be primarily a resident in Australia
 - c. At least one director must be an Australian citizen of Australia
 - d. All directors must primarily reside in Australia
3. What is the 'business judgement rule'?
 - a. The presumption that in making a business decision, the directors of a corporation will disclose and refrain from voting in any decision whereby there is conflict with personal interests;
 - b. The presumption that in making a business decision, the directors of a company will act in good faith and the honest belief that any action taken is in the best interests of the company;

- c. The presumption that in making any business decision, the directors of a corporation will liaise with senior management before making their final decision
 - d. Both A and B

- 4. Which of the following areas may trigger personal liability for directors?
 - a. The provision of personal guarantees
 - b. Contravention of part 3.1 of the *Fair Work Act 2009* (NSW)
 - c. Insolvency
 - d. All of the above

- 5. Which of the following provides the statutory obligation that directors, past or present, cannot misuse information that they are provided in their role as director?
 - a. Section 183 of the *Fair Work Act 2009* (NSW)
 - b. Section 183 of the *Corporations Act 2001* (NSW)
 - c. *ASIC v Adler* (2002) 41 ACSR 72
 - d. *ASIC v Healey & Ors* [2011] FCA 717

Answers:

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