

1. Award: 10.00 points

Business law consists of the enforceable rules of conduct that govern commercial relationships.

- True
- False

Business law consists of the enforceable rules of conduct that govern commercial relationships.

References

True / False

Difficulty: 1 Easy

Learning Objective: 01-01 What is business law?

2. Award: 10.00 points

Because of the law, we rely on the goodwill and dependability of one another.

- True
- False

In the absence of law, we would rely solely on the goodwill and dependability of one another.

References

True / False

Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 1 Easy

3.

Award: 10.00 points

One of the purposes of the law is to encourage social justice

- True
 False

Encouraging social justice is one of the purposes of the law.

References

True / False Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 1 Easy

4.

Award: 10.00 points

Public law controls both disputes between private individuals and their government and disputes involving only private individuals.

- True
→ False

Public law controls disputes between private individual or groups and their government. Private law controls disputes between private individuals or groups

References

True / False Learning Objective:
01-04 What are
alternative ways to
classify the law?

**Difficulty: 2
Medium**

5.

Award: 10.00 points

Criminal law lays out the rights and responsibilities implied in relationships between persons.

- True
- False

Civil law controls lays out the rights and responsibilities implied in relationships between persons.

References

True / False

Learning Objective:
01-04 What are
alternative ways to
classify the law?

**Difficulty: 2
Medium**

6.

Award: 10.00 points

Cyberlaw is based primarily on existing laws.

- True
- False

While some new laws have been adopted to regulate the kinds of activities businesses can now conduct online, cyberlaw is based primarily on existing laws.

References

True / False

Learning Objective:
01-04 What are
alternative ways to
classify the law?

**Difficulty: 2
Medium**

7.

Award: 10.00 points

Statutory law is the supreme law of the land and the foundation for all laws in the United States.

- True
- False

The U.S. Constitution is the supreme law of the land, and the foundation for all laws in the United States.

References

True / False

Learning Objective:
01-05 What are the
sources of the law?

**Difficulty: 2
Medium**

8.

Award: 10.00 points

Another name for case law is common law.

- True
- False

Case law, also called common law, is the collection of legal interpretations made by judges.

References

True / False

Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

9.

Award: 10.00 points

Case law interpretations are law, unless they are revoked later by new statutory law.

- True
 False

Case law interpretations are law unless revoked later by new statutory law.

References

True / False Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

10.

Award: 10.00 points

When courts overturn precedent and create new precedent, they are obeying the principle of stare decisis.

- True
→ False

Courts obey the principle of stare decisis when they rely on precedent. The principle of "stare decisis" refers to "standing by their decision." Because of stare decisis, rulings made in higher courts become binding precedent for lower courts. The Supreme Court can overturn precedent and create a new one, as it did in *Brown v. Board of Education* when it did not follow the precedent established by *Plessy v. Ferguson*.

References

True / False Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

11.

Award: 10.00 points

The decision of a state supreme court is binding on a lower court that is located in the same state.

- True
 False

When an issue is brought before a state court, the court will determine whether the state supreme court has made a decision on a similar issue, which creates a binding precedent or pattern of law the lower court must follow.

References

True / False

Learning Objective:
01-05 What are the
sources of the law?

**Difficulty: 2
Medium**

12.

Award: 10.00 points

A decision made in a state supreme court is binding on all lower courts throughout the United States.

- True
→ False

Courts in one jurisdiction need not obey precedents in other jurisdictions, but they may be influenced by them.

References

True / False

Learning Objective:
01-05 What are the
sources of the law?

**Difficulty: 2
Medium**

13. Award: 10.00 points

Constitutions and statutes always cover all of the detailed rules that affect business and government relations.

- True
- False

Constitutions and statutes never cover all the detailed rules that affect relationships between business and government.

References

True / False Learning Objective:
01-05 What are the
sources of the law?

**Difficulty: 2
Medium**

14. Award: 10.00 points

Presidents base the power to issue executive orders on Article II, Section 1 of the Constitution, which establishes the constitutional power of the president to "take care that the laws be faithfully executed."

- True
- False

Presidents claim the power to issue executive orders on the basis of their Article II, Section 1, constitutional power to "take care that the laws be faithfully executed."

References

True / False Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

15.

Award: 10.00 points

"Legal positivism" is also known as "natural law."

True

→ False

The term "natural law" describes certain ethical laws and principles believed to be morally right and "above" the laws devised by humans whereas the term "legal positivism" focuses on obedience to duly authorized law.

References

True / False

Learning Objective:
01-06 What are the
various schools of
jurisprudence?

**Difficulty: 2
Medium**

16.

Award: 10.00 points

Miko comes to Jamal's law office to ask him about the law in regard to dogs running at large in her neighborhood. Jamal tells Miko that he will research the issue and get back to her. Where should Jamal look first in order to locate applicable law?

- Restatements
- State statutes
- Case law
- Uniform laws
- Executive orders

Case law is law unless revoked by new statutory law; therefore, statutory law should be consulted first.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

17.

Award: 10.00 points

The president issued an executive order requiring that every citizen purchase a head of broccoli to eat once a week in order to maintain health. The executive order was challenged and the case went to the U.S. Supreme Court. The Supreme Court declared the executive order could not be enforced because it was an abuse of the president's power. What is the primary source of law the Supreme Court would interpret to determine if the executive order was enforceable?

- The Constitution
- State statutes
- Case law
- Uniform laws
- Executive orders

The primary source of law the court would examine in this case is the U.S. Constitution. Presidents claim the power to issue executive orders on the basis of Article II, Section 1 This section grants the president the power to issue directives requiring that officials in the executive branch perform their functions in a particular manner.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

18.

Award: 10.00 points

Which of the following refers to the ability to understand the structure of what someone is saying and then apply a set of criteria to evaluate its worth?

- Absolute skills
- Critical-thinking skills
- Cost-benefit skills
- Reviewability skills
- Traditional lawyer skills

Success in business requires the development of critical-thinking skills - the ability to understand the structure of what someone is saying and then apply a set of criteria to evaluate its worth.

References

Multiple Choice Learning Objective:
Appendix 1A Critical
Thinking and
Business Law

Difficulty: 2
Medium

19.

Award: 10.00 points

When you read a case, you should:

- Find the facts, look for the issue, critically think about the issue, and determine if your reasoning matches the reasoning of the judge.
- Identify the legal issues, apply the facts to the legal issues, and evaluate the reasoning of the judge in light of the facts of the case.
- Consider the truth of the facts of the case, identify legal questions raised, review the decision of the judge, and determine if the judge's decision was justified by the rule of law.
- Find the facts, look for the issue, identify the judge's reason and conclusion, locate the rules of law that govern the reasoning, and apply critical thinking to the judge's reasoning.
- Identify the facts, apply critical thinking skills to determine the truths of the facts, and identify how the judge interpreted the facts in the case.

When you read a case, you should find the facts, look for the issue, identify the judge's reason and conclusion, locate the rules of law that govern the reasoning, and apply critical thinking to the judge's reasoning.

References

Multiple Choice Learning Objective:
Appendix 1A Critical
Thinking and
Business Law

Difficulty: 2
Medium

20. Award: 10.00 points

Which areas of business law would a human resources manager find most relevant?

- Contracts, employment and labor law, and employment discrimination
- Contracts only
- Contracts and labor law, but not employment discrimination
- Employment and labor law, but not contracts
- Human resource managers hold administrative positions and are not concerned with areas of business law

Relevant areas of business law applicable to human resource management involve agency law, contracts, employment and labor law, and employment discrimination.

References

Multiple Choice Learning Objective:
01-04 What are
alternative ways to
classify the law?

Difficulty: 2
Medium

21.

Award: 10.00 points

An accountant is starting a new job and wants to make sure he does not put himself or his company at legal risk. He talks to his company's law department about which areas of law he should brush up on. The company lawyer tells him relevant areas of the law he should be aware of include:

- White collar crime, liability of accountants, contracts
- Product liability, comparative law, agency law
- Antitrust law, liability of accountants, insurance law
- Liability of accountants, international law, employment discrimination
- Antitrust law, international law, consumer law

White-collar crime, liability of accountants, and contracts are relevant areas of business law in Exhibit 1-1 which could apply.

References

Multiple Choice Learning Objective:
01-02 How does
business law relate
to business
education?

Difficulty: 2
Medium

22.

Award: 10.00 points

Which of the following entities enforces laws?

- State legislatures
- Federal Congress
- Community consensus
- Courts
- The executive branch

Law is enforceable in the courts the community maintains.

References

Multiple Choice Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 1 Easy

23. Award: 10.00 points

If someone has failed to live up to a promise made to a business organization, the business organization should:

- Seek a legal remedy within the courts
- Ask the lawmakers to impose a punishment upon the violation
- Publicly shame the violator for breaking his promise
- Turn to the executive branch to impose legal penalties
- Ask lawmakers and the executive branch to impose consequences

Laws are enforceable in the courts the community maintains.

References

Multiple Choice Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 3 Hard

24.

Award: 10.00 points

One purpose of the law is to:

- Allow individuals to impose rules on others
- Require businesses and individuals to rely on the dependability of others
- Enable businesses and individuals to rely on the good will of one another
- Facilitate a sense that change is possible after a rational consideration of options
- Preserve existing social order and prevent change

One purpose of the law is to facilitate a sense that change is possible, but only after a rational consideration of options.

References

Multiple Choice Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 1 Easy

25.

Award: 10.00 points

A majority of citizens in a democracy can agree to permit certain authorities to make and enforce rules describing what behavior is permitted and encouraged in their community. These rules are what we refer to as the _____.

- Electoral college
- Community standard
- Democratic validation
- Stare decisis
- Law

A majority of citizens in a democracy can agree to permit certain authorities to make and enforce rules of behavior in their community. These rules are the law.

References

Multiple Choice Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 1 Easy

26.

Award: 10.00 points

A new source of healthy spring water is discovered in a local community, but it only produces 1,000 gallons of water per day. The water source is located in a public park, and locals come to fill up their water jugs for free. Unfortunately, fist fights begin breaking out at the water source every day over who can fill up their water jugs and weaker residents never receive any water. The city council passes a new regulation, declaring that residents must apply for permits to ensure water is distributed fairly. The purposes of the new law include:

- Providing order, encouraging social justice, serving as an alternative to fighting
- Creating enforceable rules of law which govern commercial relationships
- Providing the framework in which community leaders innovate and manage
- Specifying the boundaries of legal business behavior
- Ensuring citizens rely on the goodwill and dependability of one another

Purposes of the law in Exhibit 1-2 include providing order, serving as an alternative to fighting, and encouraging social justice.

References

Multiple Choice Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 3 Hard

27.

Award: 10.00 points

Roger, a store owner, is delinquent in paying rent to his landlord, Emily. The resulting dispute would focus on which type of law?

- Public
- Preferential
- Consensual
- Private
- Black letter

Private law regulates disputes between private individuals or groups.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 3 Hard

28. Award: 10.00 points

If an office supply store dumps its waste behind its building in violation of local, state, or federal environmental regulations, the resulting dispute would focus on which type of law?

- Public
- Preferential
- Consensual
- Private
- Black letter

Public law controls disputes between private individuals and their government or between groups and their government.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 3 Hard

29. Award: 10.00 points

The law that lays out the rights and responsibilities implied in relationships between persons and their government is which type of law?

- Criminal
- Procedural
- Civil
- Natural
- Positive

Civil law lays out the rights and responsibilities implied in relationships between persons and their government.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 2
Medium

30. Award: 10.00 points

After a court action brought by Mary, Mary was awarded \$1,000 in damages from Stanley because she proved by a preponderance of the evidence that Stanley damaged her bicycle. What type of law applied to Mary's case that resulted in her being awarded \$1,000?

- Criminal
- Procedural
- Civil
- Natural
- Positive

Civil law lays out the rights and responsibilities implied in relationships between persons and their government. Because Mary brought the court action and was awarded compensation only after proving her case by a preponderance of the evidence, it is clear that this was a civil case.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 2
Medium

31.

Award: 10.00 points

The law that regulates situations in which someone commits an act against the public as a whole is which type of law?

- Criminal
- Procedural
- Civil
- Natural
- Positive

Criminal law regulates incidents in which someone commits an act against the public as a whole.

References

Multiple Choice Learning Objective:
01-04 What are
alternative ways to
classify the law?

Difficulty: 2
Medium

32.

Award: 10.00 points

If a victim of assault does not want the abuser arrested but the prosecutor brings charges anyway since the assault violated criminal laws, the reason for the prosecutor's actions is:

- A violation of criminal laws is an act against the public as a whole.
- The abuser has committed a civil law violation in addition to a criminal one
- Private law has been violated and the prosecutor has a duty to act.
- Natural law has been violated and the prosecutor has a duty to act
- The prosecutor's responsibility is to regulate disputes between private individuals under criminal law

VCriminal Criminal law regulates incidents in which someone commits an act against the public as a whole.

References

Multiple Choice Learning Objective:
01-04 What are
alternative ways to
classify the law?

Difficulty: 3 Hard

33.

Award: 10.00 points

A national restaurant chain must pay damages for breach of contract to a cooking oil supplier. What type of law is involved?

- Public law only
- Private law only
- Civil law only
- Public, private, and civil law
- Private law and civil law

Civil law identifies the remedies available when someone's rights are violated, and private law regulates disputes between private individuals or groups.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 3 Hard

34.

Award: 10.00 points

When the Securities and Exchange Commission prosecutes someone for insider trading, the prosecution is an example of which type of law?

- Criminal
- Procedural
- Civil and natural
- Natural
- Positive

Criminal law regulates incidents in which someone commits an act against the public as a whole, such as by conducting insider trading on the stock exchange.

References

Multiple Choice

Difficulty: 3 Hard

Learning Objective: 01-04 What are alternative ways to classify the law?

[The Stolen Laptop] Ricardo told Ashley that Bob stole her laptop computer from her car. The next day, Ashley confronted Bob and slapped him for stealing her laptop. Bob had Ashley arrested for slapping him, and the local district attorney prepared to prosecute Ashley on behalf of the state. Ashley sued Bob for damages to the laptop and for maliciously having her arrested. Bob also sued Ricardo for defamation, claiming Ricardo lied to Ashley about Bob stealing the laptop

References

Section Break

35.

Award: 10.00 points

Which statements are true regarding Ashley's claim against Bob for damages involving the laptop and her claim that Bob maliciously had her arrested?

- The claim for damages involving the laptop and also the claim that Bob maliciously had her arrested are civil claims involving private law.
- The claim for damages involving the laptop is a civil claim involving private law, but the claim that Bob maliciously had her arrested is a civil claim involving public law.
- The claim for damages involving the laptop is a civil claim involving private law, but the claim that Bob maliciously had her arrested is a criminal claim involving public law.
- The claim for damages involving the laptop is a civil claim involving private law, but the claim that Bob maliciously had her arrested is a criminal claim involving private law.
- The claim for damages involving the laptop and also the claim that Bob maliciously had her arrested are criminal claims involving private law.

Private law regulates disputes between private individuals or groups, and civil law delineates the rights and responsibilities implied in relationships between persons.

References

Multiple Choice Learning Objective:
01-04 What are
alternative ways to
classify the law?

Difficulty: 3 Hard

36.

Award: 10.00 points

Which of the following would be involved in the prosecution of Ashley for slapping Bob?

- Public law and criminal law
- Private law and criminal law
- Private law and civil law
- Public law and civil law
- Civil law and criminal law

Public law controls disputes between private individuals or groups and their government; and criminal law cases are prosecuted not by individuals but by the state, federal, or local government.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 3 Hard

37.

Award: 10.00 points

Bob's action against Ricardo for defamation involves which types of law?

- Criminal law and public law
- Civil law and public law
- Insider law and public law
- Civil law and private law
- Administrative law and public law

Civil law delineates the rights and responsibilities implied in relationships between persons and their government, and private law regulates disputes between private individuals or groups.

References

Multiple Choice Learning Objective:
01-04 What are
alternative ways to
classify the law?

Difficulty: 3 Hard

[Inattentive Driving] Hannah, a first year law student, drove off campus to register for an upcoming conference. Although lawmakers in her state passed a law prohibiting the use of a cell phone while operating a motor vehicle, Hannah was doing just that. When she looked down to pick up a can of soda she dropped, Hannah crashed into the side of Dev's new convertible. A police officer down the street came over to investigate. Hannah explained to him that it was difficult to hold the cell phone in one hand, the soda in the other, and also drive. The officer was not impressed. Dev approached, furious about the significant dent in his new car. Hannah says she has insurance and that she will cover the costs of the whole incident. Dev says that is insufficient; but Hannah says that under case precedent, that is his only remedy. The officer tells Hannah that she must obey duly authorized law, and proceeds to write several citations to her.

References

Section Break

38.

Award: 10.00 points

What type or types of law are involved in the above situation, considering Hannah's interaction with both the officer and Dev?

- Public law but not private law
- Private law but not public law
- Civil law and private law but not public law
- Criminal law and public law but not private law
- Public law, private law, civil law, and criminal law

Private law regulates disputes between private individuals; public law controls disputes between private individuals and their government; civil law delineates the rights and responsibilities implied in relationships between persons; and criminal law regulates incidents in which someone commits an act against the public as a whole.

References

Multiple Choice Learning Objective:
01-04 What are alternative ways to classify the law?

Difficulty: 3 Hard

39.

Award: 10.00 points

Which statement is true regarding Hannah's predicament?

- Hannah can be given a ticket and prosecuted criminally by government officials, but she cannot be sued for a civil violation.
- Hannah can be sued for a civil action and must pay for Dev's car, but she cannot be prosecuted for a criminal violation.
- Hannah can be sued in a civil action by Dev, and she can also be prosecuted by the government for a criminal violation.
- So long as Hannah has insurance and can pay for Dev's vehicle damage, she cannot be prosecuted in a civil or criminal action.
- Dev can prosecute Hannah in a criminal action, but he cannot sue her in a civil action.

Civil law, involving a preponderance of the evidence standard, delineates the rights and responsibilities implied in relationships between persons and their government; and criminal law, involving a standard of guilt beyond a reasonable doubt, regulates incidents in which someone commits an act against the public as a whole.

References

Multiple Choice Learning Objective:
01-04 What are
alternative ways to
classify the law?

Difficulty: 3 Hard

40.

Award: 10.00 points

The law in Hannah's state regulating using cell phones would be classified as which of the following?

- A statute
- A type of common law
- An executive order
- A uniform law
- A negative law

Statutes are rules and regulations put forth by legislatures

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

41.

Award: 10.00 points

When the officer declared that Hannah must obey duly authorized law, his statement was a reference to which of the following?

- The historical school of law
- Legal positivism
- Natural law
- Legal realism
- Stare decisis

The concept of legal positivism sees our proper role as obedience to duly authorized law.

References

Multiple Choice Learning Objective:
01-06 What are the
various schools of
jurisprudence?

Difficulty: 3 Hard

42.

Award: 10.00 points

Hannah's reference to precedent involves which of the following?

- Statutory law that governs civil actions unless revoked by new common law
- Common law that is law unless revoked by new statutory law
- Administrative law that is law unless revoked by new common law
- Executive decisions that are law unless revoked by new administrative law
- Administrative law that is law unless revoked by new executive decisions

Case law, also called common law, is the collection of legal interpretations made by judges which are law unless revoked later by new statutory law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

43. Award: 10.00 points

The supreme law of the land is the _____.

- U.S. Constitution
- Declaration of Independence
- U.S. Code
- Model Law
- Uniform Code

The U.S. Constitution is the supreme law of the land, the foundation for all laws in the United States.

References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-05 What are the sources of the law?

44.

Award: 10.00 points

The rules and regulations put forth by legislatures are referred to as _____ law.

- Administrative
- Statutory
- Uniform
- Proper
- Secondary

The assortment of statutes, or rules and regulations put forth by legislatures, is what we call statutory law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

45.

Award: 10.00 points

The _____ contain(s) legislative acts passed by state legislatures.

- U.S. Code
- State codes
- Uniform Register
- State Reporter
- State Reference Manual

Legislative acts are written into the appropriate state codes when they are enacted by state legislatures.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

46.

Award: 10.00 points

Legislative acts passed by the U.S. Congress can be found in the _____.

- United States Code
- State codes
- Uniform Register
- State Reporter
- State Reference Manual

Legislative acts are written into the United States Code when they are passed by Congress.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

47.

Award: 10.00 points

The group that urges states to enact model laws to provide greater uniformity of law is called the _____.

- Model Law on Uniform State Laws Organization
- Federal Uniform Law Commission
- National Conference of Commissioners on Uniform State Laws
- Model and Uniform Law Consortium
- Uniform Statutory Enforcement Commission

The National Conference of Commissioners on Uniform State Laws (NCC) regularly urges states to enact model laws to provide greater uniformity.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

48. Award: 10.00 points

When the organization in charge of proposing uniform laws proposes a statute, which of the following is true?

- All states must adopt the uniform statute within one year.
- All states must adopt the uniform statute within six months.
- The uniform statute automatically goes into effect without any action by state legislatures.
- A state legislature is not required to adopt the uniform statute; but if the state legislature decides to go forward with adoption, all portions of the statute must be adopted.
- A state legislature can ignore the proposed uniform law, adopt it in full, or adopt it in part.

The response to suggestions regarding uniform laws is entirely in the hands of the state legislatures, and they can ignore a suggestion or adopt part or all of the proposed model law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

49.

Award: 10.00 points

_____ can revoke case law.

- New statutes
- Precedent
- Stare decisis
- Critical law
- Case law cannot be revoked

Case law, or common law, is law unless revoked later by a new statutory law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

50. Award: 10.00 points

The court hears a discrimination case in which they are asked to decide whether local anti-discrimination laws protect against a person being fired because they have red hair. The court holds that since Irish people are more likely to have red hair, this is an example of national origin discrimination and anti-discrimination laws should apply. The legislature, following the court ruling, passes a statute saying hair color is not covered by anti-discrimination laws. The legislature's action is an example of:

- Overturning stare decisis
- Overturning precedent
- Revoking common law by new statutory law
- Following precedent
- Following stare decisis

Case law, or common law, is law unless revoked later by a new statutory law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

51.

Award: 10.00 points

The term _____ involves the use of past decisions to guide future decisions.

- Commonality
- Precedent
- Restatement
- Uniformity
- Modeling

Precedent consists of past decisions in similar cases that guide later decisions.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

52.

Award: 10.00 points

The _____ is a body of law significant to business activities including sales, banking, and warranty.

- Federal Business Code
- Model Business Code
- Uniform Transactional Model
- Uniform Commercial Code
- Marketing Transaction Code

The Uniform Commercial Code is a body of law significant for business activities including sales laws and other regulations affecting commerce, such as bank deposits and collections, title documents, and warranties.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

53.

Award: 10.00 points

When courts rely on precedent, they are obeying _____.

- Common analysis
- Res judicata*
- Stare decisis
- In rem process*
- Federal law

When courts rely on precedent, they are obeying the principle of stare decisis ("standing by their decision"), in which rulings made in higher courts become binding precedent for lower courts.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

54.

Award: 10.00 points

When a state supreme court issues a binding ruling on a matter of law, who must follow the precedent set by the state supreme court?

- The United States Supreme Court
- The U.S. Congress
- State legislatures
- Lower courts within the same state
- All lower courts in the United States

Rulings made by higher courts become binding precedent for lower courts. When an issue is brought before a state court, the court will determine whether the state supreme court has made a decision on a similar which, which creates a binding precedent or pattern of law the lower court must follow. If there is no binding decision, state courts need to look for other rulings on similar cases. They are not bound by each other's decisions and might decide differently on the same issue.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

[International Expansion] Ryan wants to expand his coffee business into Winland, a small, remote country. He moves to Winland temporarily in order to oversee operations. His friend Terrell asks him if he plans to hire legal counsel for the expansion. Ryan replies, "Of course not. The U.S. has the strictest laws regarding contracts, employment, and business practices in the world. So long as I'm legal in the U.S., I'm legal anywhere. Besides, I studied up on Winland law ten years ago, and I know it all." Ryan proceeds and lands in jail in Winland for violating recently passed laws which make it a crime to mistreat employees and which criminalized the failure to provide certain benefits. Authorities in Winland claim that he sexually harassed an employee, failed to pay sufficient wages, and failed to give employees Winland's mandated 12 weeks of paid vacation per year.

References

Section Break

55.

Award: 10.00 points

What is true regarding Ryan's defense that he thought he knew the law of Winland because he had studied it some years before and that the laws under which he was arrested were new? (Assume the law of Winland is the same as the U.S. on this issue.)

- Rules change and Ryan had a duty to stay current. It is not a defense that he studied the law at one time and that the laws at issue were new.
- Ryan is entitled to rely as a defense on the fact that he had studied the law at one time. Officials in Winland were charged with publicizing any changes.
- If Ryan can prove that the laws at issue were passed within the last twelve months before he was arrested, he will get out of jail because there is a twelve month grace period for new laws.
- If Ryan can prove that the laws at issue were passed within the last six months before he was arrested, he will get out of jail because there is a six month grace period for new laws.
- Ryan cannot be prosecuted so long as he was not aware he was violating the law. He did not have the requisite intent to perform a criminal act, regardless of whether the laws were new.

Business managers must pay attention to changes in the law and cases in which new precedents are set and take them into account when making business decisions.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

56.

Award: 10.00 points

_____ is the type of law involved in comparing laws between the U.S. and Winland.

- Comparative law
- Contributory law
- Comprehensive law
- Complete law
- Delineated law

Ryan should understand comparative law, which studies and compares the laws in different countries

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 2
Medium

57.

Award: 10.00 points

Regarding Ryan's legal problems in Winland, which is a true statement?

- Ryan can rely upon the federal statutory laws of the U.S. as a defense but not the U.S. Constitution.
- Ryan is entitled to all U.S. Constitutional rights in Winland because he is a U.S. citizen, but he cannot rely on statutory law.
- Ryan can rely on U.S. laws as a defense only if he obtains an opinion from the office of the U.S. attorney that his operations in the U.S. have strictly complied with the law.
- Ryan must obey the laws of Winland when operating a business in Winland and cannot rely upon U.S. laws as a defense.
- Ryan can rely upon the federal statutory laws of the U.S. as a defense. Additionally, Ryan is entitled to all U.S. Constitutional rights in Winland because he is a U.S. citizen.

Ryan should understand comparative law; and to do business in another country, Ryan must conform to that country's standards.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

58.

Award: 10.00 points

Which of the following cases overturned prior precedent?

- *Brown v. Board of Education*
- Wygant v. Jackson Board of Education*
- Planned Parenthood of Southeastern Pennsylvania v. Casey*
- Plessy v. Ferguson*
- Precedent cannot be overturned

Brown v. Board of Education did not follow the precedent established by *Plessy v. Ferguson* on issues involving segregation.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

59.

Award: 10.00 points

Which of the following is true regarding administrative agencies?

- There are state administrative agencies, but no federal administrative agencies.
- There are federal administrative agencies, but no state administrative agencies.
- There are state and federal administrative agencies, but no local administrative agencies.
- Administrative agencies exist only at the local county level.
- Administrative agencies exist at the federal, state, and local level.

The federal, state, and local governments have dozens of administrative agencies.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

60. Award: 10.00 points

Which of the following is true regarding treaties at the federal level?

- A treaty is generally negotiated by the executive branch and must then be approved by two-thirds of the Senate.
- A treaty is generally negotiated by the executive branch and must then be approved by two-thirds of the House of Representatives.
- A treaty is generally negotiated by the executive branch and must then be approved by two-thirds of the Senate and also by two-thirds of the House of Representatives.
- A treaty is generally negotiated by the executive branch and no approval by the Senate or House of Representatives is needed.
- A treaty is generally negotiated by the executive branch and must then be approved by two-thirds of the Senate and also by two-thirds of the state legislatures.

In the United States, a treaty is generally negotiated by the executive branch; and, in order to be binding, it must then be approved by two-thirds of the Senate.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

61.

Award: 10.00 points

Which of the following contains summaries of common law rules in a particular area of the law?

- U.S. Code
- State Administrative Codes
- Executive Proclamations
- Case Reporters
- Restatements of the Law

Restatements of the law are summaries of the common law rules in a particular area of the law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

62. Award: 10.00 points

Which of the following is an independent agency?

- The Federal Deposit Insurance Corporation
- The Consumer Product Safety Commission
- The General Services Administration
- The Small Business Administration
- The Office of Personnel Management

Exhibit 1-4 "Major Federal Administrative Agencies" reflects that the Consumer Product Safety Commission is an independent agency.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

63. Award: 10.00 points

Which of the following is an executive agency?

- The Federal Deposit Insurance Corporation
- The Federal Trade Commission
- The Securities and Exchange Commission
- The Federal Communications Commission
- The Nuclear Regulatory Commission

Exhibit 1-4 "Major Federal Administrative Agencies" reflects that the Federal Deposit Insurance Corporation is an executive agency.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

[To the Dogs] Maria loves animals and is opening a grooming business. She believes that caring for animals properly is very important and plans to exceed any applicable regulations regarding cleanliness and health standards. Maria thinks, however, some local regulations make no sense. For example, there is a local ordinance that all dogs always must be kept on a leash when not in an inside area. Maria believes dogs need to exercise and to run freely in a safe area, so she is placing her business on a large lot with a fenced outside area. She thinks it is wrong to have to keep the dogs tied up while in a securely fenced area. She is aware that some members of the community have had success in changing local regulations by petitioning city council. Maria plans to proceed by petitioning to attempt a change in the leash law.

References

Section Break

64.

Award: 10.00 points

If Maria decides to ignore the leash law and let dogs run freely in the fenced outside area, this is an example of which legal school of thought?

- Legal positivism
- The historical school
- Legal realism
- Natural law
- Cost-benefit analysis

The term natural law describes certain ethical laws and principles believed to be morally right and "above" the laws devised by humans.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

65.

Award: 10.00 points

If Maria decides to follow all laws and regulations, even if she does not agree with them, this approach is rooted in what?

- Legal positivism
- The historical school
- Legal realism
- Natural law
- Cost-benefit analysis

The concept of legal positivism sees our proper role as obedience to duly authorized law.

References

Multiple Choice Learning Objective:
01-06 What are the
various schools of
jurisprudence?

Difficulty: 3 Hard

66.

Award: 10.00 points

Maria's strategy to try to change the law through petitioning city council, which others have done in the past, is rooted in which of the following?

- Legal positivism
- The historical school
- Legal realism
- Natural law
- Cost-benefit analysis

One of the guidelines most often used for shaping the law is tradition or custom, referenced as the historical school.

References

Multiple Choice Learning Objective:
01-06 What are the
various schools of
jurisprudence?

Difficulty: 3 Hard

67.

Award: 10.00 points

The concept of _____ suggests that individuals should have the freedom to disobey a law enacted by people if their conscience goes against the law and they believe the law is wrong.

- Legal positivism
- Natural law
- Legal Realism
- Conscience reaction
- Comparative law

Under natural law, individuals not only have basic human rights but also the freedom to disobey a law enacted by people if their conscience goes against it and they believe it is wrong.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 2
Medium

68.

Award: 10.00 points

Assume a judge writes that she is deciding to enforce a law in question but that her decision does not mean that she sees the law as the morally correct rule. The judge would have leanings in the direction of _____.

- Legal positivism
- Natural law
- Legal realism
- Conscience reaction
- Concluding law

A judge with leanings in the direction of legal positivism might write that she is deciding to enforce the law in question but that her decision does not necessarily mean she sees the law as the morally correct rule.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

69. Award: 10.00 points

In which school of jurisprudence is the concept of stare decisis rooted?

- The historical school
- Legal realism
- The cost-benefit analysis school
- Positivism
- Cultural reenactment

One of the guidelines most often used for shaping the law is tradition, or custom; and stare decisis is rooted in this historical school.

References

Multiple Choice Learning Objective:
01-06 What are the
various schools of
jurisprudence?

Difficulty: 3 Hard

70. Award: 10.00 points

Which of the following is reported in the Federal Reporter?

- Statutes
- Executive orders
- Common law
- Administrative laws
- Local ordinances

Exhibit 1-5 "Where to Locate the Law," shows that the Federal Reporter is a source for common law.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

71.

Award: 10.00 points

Which of the following is reported in the United States Code?

- Statutes
- Executive orders
- Common law
- Administrative law
- Local ordinances

Exhibit 1-5 "Where to Locate the Law," shows that statutes are reported in the United States Code.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

72.

Award: 10.00 points

What type of law are municipal ordinances?

- Statutes
- Executive orders
- Common law
- Administrative law
- Local ordinances

Exhibit 1-5 "Where to Locate the Law," shows that municipal ordinances are statutes.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

73.

Award: 10.00 points

Where can you find local common law?

- State reporters
- Regional reporters
- The local courthouse and clerk's office
- The state administrative code
- Municipal ordinances

Exhibit 1-5 "Where to Locate the Law," shows that local common laws can be found at the local clerk's officer or local courthouses.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 1 Easy

74.

Award: 10.00 points

Which of the following is reported in the Code of Federal Regulations?

- Statutes
- Executive orders
- Common law
- Administrative law
- Congressional orders

Exhibit 1-5 "Where to Locate the Law," shows that administrative law is reported in the Code of Federal Regulations and the Federal Register.

References

Multiple Choice Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

75. Award: 10.00 points

Which of the following is justified under a natural law theory:

- Disobeying a law which requires shooting trespassers because you believe the law is wrong.
- Disobeying a law which requires shooting trespassers because the law is not uniform across all jurisdictions.
- Disobeying a law which requires shooting trespassers because the law harms the vulnerable
- Disobeying a law which requires shooting trespassers because you do not believe you have a duty of obedience to duly authorized laws.
- Obeying a law which requires shooting trespassers because you believe you do have a duty to obey duly authorized laws.

Under natural law, individuals have not only basic human rights but also the freedom to disobey a law enacted by people if their conscience goes against it and they believe it is wrong.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

76. Award: 10.00 points

Which of the following is based on the idea that, when ruling on a case, judges consider more than just the law; they also weigh factors such as social and economic conditions?

- Cost-benefit analysis
- Legal realism
- Historical school
- Legal positivism
- Executive positivism

Legal realism is based on the idea that, when ruling on a case, judges need to consider more than just the law; they also weigh factors such as social and economic conditions, since legal guidelines were designed by humans and exist in an ever-changing environment.

References

Multiple Choice Learning Objective:
01-06 What are the
various schools of
jurisprudence?

Difficulty: 3 Hard

77.

Award: 10.00 points

When the Supreme Court made its ruling on the legality of homosexual marriage, they considered social and economic conditions surrounding marriage rather than relying on precedent alone. This was an example of:

- Cost-benefit analysis
- Legal positivism
- Historical school
- Legal realism
- Executive positivism

Legal realism is based on the idea that, when ruling on a case, judges need to consider more than just the law; they also weigh factors such as social and economic conditions, since legal guidelines were designed by humans and exist in an ever-changing environment.

References

Multiple Choice Difficulty: 3 Hard

Learning Objective: 01-06 What are the various schools of jurisprudence?

78.

Award: 10.00 points

Which approach to jurisprudence is tied to the pursuit of efficiency and is based on choosing alternatives that maximize benefits and minimize costs?

- Cost-benefit analysis
- Legal realism
- Historical school
- Legal positivism
- Executive positivism

Cost-benefit analysis is tied closely to the pursuit of efficiency and involves choosing alternatives that maximize benefits and minimize costs.

References

Multiple Choice Learning Objective:
01-06 What are the
various schools of
jurisprudence?

Difficulty: 2
Medium

79.

Award: 10.00 points

The city council is considering a new ordinance to require stores provide reusable bags and eliminate disposal paper or plastic bags. In determining whether to pass the law, the city council obtained an estimate for the expense stores would incur in offering reusable instead of disposable bags. They also obtained estimate for the savings which would result from not having to clean up litter from disposable bags. Finally, they consulted with an environmentalist to assess the positive impact that phasing out bags would have, including enhanced safety for local wildlife. In deciding whether to pass the law, the council relied on:

- The historical school
- Stare decisis
- A cost benefit analysis
- Common law
- Legal positive

Cost-benefit analysis involves choosing alternatives that maximize benefits and minimize costs.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

80.

Award: 10.00 points

An example of pursuing change through identification with the vulnerable would involve:

- Arguing for stronger laws to protect abused children because abused children cannot protect themselves
- Arguing for a stronger law to protect abused children because treating child victims is too costly for the public
- Arguing for a stronger law to protect abused children because those who abuse children are not obeying duly authorized laws on child protection.
- Arguing for a stronger law to protect abused children because other jurisdictions have stronger laws.
- Arguing that current laws on child abuse should not be changed because of the tradition behind the laws

Identification with the vulnerable involves pursuing change on the grounds that some higher law or body of moral principles connects all within the human community. Some members of society are able to take care of themselves, but others—especially the ill, children, the disabled, and the poor—require assistance to meet their fundamental needs.

References

Multiple Choice

Difficulty: 3 Hard

Learning Objective: 01-06 What are the various schools of jurisprudence?

81.

Award: 10.00 points

Why should business managers be familiar with laws that regulate business practices between nations?

- Advances in trade and technology have made trade with other countries easy, but companies must comply with local laws
- NAFTA requires registered businesses to understand and comply with international law.
- GATT Mandates that U.S. organizations know the laws in the United States and in 150 other member countries in order to incorporate.
- Businesses are required to know the laws and to become WTO members to have Internet websites.
- Businesses may meet foreigners and should be familiar with their customs to foster positive business relationships

Advances in technology and transportation make trade with other countries far easier today.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

82.

Award: 10.00 points

What is the role of the World Trade Organization?

- To stimulate negotiations among member nations and to adjudicate trade disagreements among member nations
- To enforce U.S. trade laws globally throughout 160 member nations.
- To restrict the flow of goods across borders in order to promote and protect domestic trade among member nations.
- To promote standardized trade laws globally.
- To create model trade treaties such as NAFTA and GATT to help establish conditions of global trade.

The WTO stimulates negotiations among member nations to reduce barriers to international trade.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 3 Hard

83.

Award: 10.00 points

What is the North American Free Trade Agreement?

- A U.S. law which protects citizens of the United States from being required to follow rules of commerce in foreign countries.
- A trade agreement with Canada and Mexico to help establish the conditions of global trade.
- A trade agreement with 150 countries to establish the conditions of global trade.
- An agreement with the World Trade Organization which allows the WTO to adjudicate trade disputes.
- A U.S. law which mandates citizens of the United States must follow rules of commerce in foreign countries.

NAFTA is a trade agreement with Canada and Mexico to help establish the conditions of global trade.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 2
Medium

84.

Award: 10.00 points

The EU regulates taxes on Internet sales and the amount of pollution differently than the U.S. government. U.S. companies doing business in the EU:

- Are required to comply with EU regulations only if their main headquarters are located within the European Union.
- Must pay taxes to the EU when conducting all business globally if they wish to do any business in the EU.
- Must comply with EU regulations when doing business in the European Union only.
- Are never required to comply with EU regulations as long as they are headquartered in the United States.
- Have the option to conduct business under either EU or U.S. regulations.

Companies doing business in the EU must take different standards on Internet sales tax and pollution into account when doing business within the European Union

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 2
Medium

85.

Award: 10.00 points

Candy wants to start an Internet business doing business which will operate domestically as well as internationally. She is told by the Chinese government that certain items on her site are objectionable and illegal, and that if she wants to do business in China, she must remove the objectionable material. Which of the following is true?

- Candy is within her rights and should stand her ground. She is a U.S. citizen, and so long as she obeys U.S. laws, she can do business in China.
- Candy is within her rights only if she petitioned her state senator and obtained his or her permission to proceed.
- If Candy wants to do business in China, she must abide by Chinese law.
- By international law, there is a set fee of \$10,000 that Candy can pay if she wants to obey only U.S. law. If she pays that amount, she can continue in China without any modification.
- By international law, there is a set fee of \$5,000 that Candy can pay if she wants to obey only U.S. law. If she pays that amount, she can continue in China without any modification.

Candy should understand comparative law which studies and compares the laws in different countries. The Chinese government does not want its citizens to have access to certain information and websites; and to do business there, Candy must conform to the Chinese standards.

References

Multiple Choice Learning Objective:
01-06 What are the various schools of jurisprudence?

Difficulty: 2
Medium

86.

Award: 10.00 points

List the purposes of the law and discuss why these purposes are necessary for an ordered society.

Purposes of the law are listed as follows:

1. Providing order such that one can depend on a promise or an expectation of obligations
2. Serving as an alternative to fighting
3. Facilitating a sense that change is possible, but only after a rational consideration of options
4. Encouraging social justice
5. Guaranteeing personal freedom
6. Serving as a moral guide by indicating minimal expectations of citizens and organizations

Students' opinion will vary on discussion of why the law is necessary for an ordered society. Ideas would include enforcement of contracts, protection of underprivileged members of society, and the provision of a remedy for injustice.

References

Essay

Learning Objective:
01-03 What are the
purposes of law?

Difficulty: 3 Hard

87.

Award: 10.00 points

Define the meaning of the term "stare decisis," and discuss how it is applied.

The term "stare decisis" means standing by a decision. When courts rely on precedent, they are obeying the principle of stare decisis in which rulings made in higher courts become binding precedent for lower courts.

References

Essay

Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 2
Medium

88.

Award: 10.00 points

Judge Joanie Justice, who is newly appointed to the bench, is presented with a question of law involving a cat named Tiger who scratched a neighbor's antique car. The neighbor, Carl, demands justice in the form of full payment from Tiger's owner, Stacy, and also requests that Tiger be shipped to the local animal shelter. Stacy says that she should not have to pay anything because Tiger had never scratched before, that Tiger should be allowed to stay in the neighborhood, and that Carl (who is a grump and never should have brought the lawsuit) should reimburse her for her legal fees. Judge Justice is perplexed. Judge Justice wants to make a good decision, especially since she is new to the bench. Explain how the judge should go about reaching a decision. Discuss in your answer the impact of cases from other jurisdictions, assuming there is no relevant law in Judge Justice's jurisdiction. Also, assuming there is relevant law in Judge Justice's jurisdiction, discuss the applicable legal standard when case law conflicts with a later passed state statute.

Students should reference the need for Judge Joanie Justice to check for relevant case law and statutory law. Cases from other jurisdictions may be influential to the judge but are not binding. Decisions of higher courts within the state are binding. A state statute passed after a court decision would apply, as opposed to conflicting case law.

References

Essay

Difficulty: 3 Hard

Learning Objective: 01-05 What are the sources of the law?

89. Award: 10.00 points

The text references two ways in which a treaty between the U.S. and a foreign country is similar to a contract. Discuss these two ways.

Both treaties and contracts are attempts by parties to determine rights and obligations among themselves. Additionally, when a party fails to obey a treaty or contract, law imposes liability on the party who failed to obey the agreement.

References

Essay Learning Objective:
01-05 What are the
sources of the law?

Difficulty: 3 Hard

90. Award: 10.00 points

The text discusses five factors suggested as a structure for critical thinking when reviewing case law. List and describe the five factors.

Students should list and discuss the following procedure:

- (1) Find the facts.
- (2) Look for the issue.
- (3) Identify the judge's reasons and conclusion.
- (4) Locate in the decision the rules of law that govern the judge's reasoning.
- (5) Apply critical thinking to the reasoning.

References

Essay Learning Objective:
Appendix 1A Critical
Thinking and
Business Law

Difficulty: 3 Hard

