Business Law 10th edition Cheeseman Test Bank

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Business Law, 10e **(Cheeseman)**
Chapter 2 Courts and Jurisdiction

1) _____ are courts that hear matters of a specialized or limited nature.
A) General-jurisdiction trial courts
B) Inferior trial courts
C) Intermediate appellate courts
D) Chancery courts
Answer: B
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

2) _____ are courts that hear cases of a general nature that are not within the jurisdiction of limited-jurisdiction trial courts.
A) Courts of record
B) Intermediate appellate courts
C) Inferior trial courts
D) State supreme courts
Answer: A
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

3) _____ hears appeals from trial courts.
A) The highest state court
B) A court of record
C) An inferior trial court
D) An intermediate appellate court
Answer: D
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

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4) Decisions of the _____ are final unless a question of law is involved that is appealable to the U.S. Supreme Court.
A) courts of appeals
B) courts of records
C) highest state courts
D) general-jurisdiction trial courts
Answer: C
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

5) Which of the following is a function of the state supreme courts?
A) conducting trials related to misdemeanor criminal law
B) hearing appeals from intermediate appellate state courts and certain trial courts
C) conducting trials related to felonies and civil disputes
D) reviewing the judgments and records of the lower courts and ratifying them
Answer: B
Diff: 2
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

6) Which of the following statements is true about intermediate appellate courts?
A) They hear new evidence and testimony that have come to light after the trial courts have made their decision.
B) They do not grant any oral hearings to the parties.
C) They have jurisdiction to hear cases of a limited or specialized nature.
D) They review either pertinent parts or the whole trial court record from the lower court.
Answer: D
Diff: 2
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

7) A decision of a limited-jurisdiction trial court can be appealed at a general-jurisdiction court or an appellate court.
Answer: TRUE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

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8) In small claims courts, it is necessary that the parties are represented by a lawyer.
Answer: FALSE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

9) General-jurisdiction trial courts can be found in every state.
Answer: TRUE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

10) In general-jurisdiction trial courts, the testimony and evidence at trial are recorded and stored for future reference.
Answer: TRUE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

11) The decisions handed down by the general-jurisdiction trial courts are appealable to an intermediate appellate court or the state supreme court.
Answer: TRUE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

12) Intermediate appellate courts review new evidence or testimony that was not seen or heard in the lower courts.
Answer: FALSE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

13) Intermediate appellate court decisions are final and cannot be appealed to any higher courts.
Answer: FALSE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

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14) The intermediate appellate courts do not allow the parties to have oral hearings.
Answer: FALSE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

15) No new evidence or testimony is heard in the state supreme courts.
Answer: TRUE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

16) Decisions of highest state courts are final unless a question of law is involved that is appealable to the U.S. Supreme Court.
Answer: TRUE
Diff: 1
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

17) Explain the differences between limited- and general-jurisdiction trial courts in the state court systems. In your answer, provide some examples of limited-jurisdiction trial courts.
Answer: Limited-jurisdiction trial courts, also called inferior courts, can only hear matters of a limited nature. Some examples of limited-jurisdiction trial courts are traffic court, juvenile court, justice-of-the-peace court, probate court, family law court, small-claims court, and specialized misdemeanor criminal court. Most limited-jurisdiction trial courts keep records of proceedings. The decisions of limited-jurisdiction trial courts are usually appealable to general-jurisdiction trial courts or appellate courts.
On the other hand, general-jurisdiction trial courts, also known as courts of record, hear matters that do not fall within the jurisdiction of a limited-jurisdiction trial court. Trial testimony and evidence are stored for future reference. Decisions of general-jurisdiction trial courts are appealable to an intermediate appellate court or to the state supreme court.
Diff: 2
LO: 2.1 Describe state court systems.
AACSB: Analytical thinking
Classification: Concept

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18) The _____ established by Congress have limited jurisdiction.
A) state supreme courts
B) state appeals courts
C) special federal courts
D) courts of records
Answer: C
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

19) Which of the following courts are the federal court system's trial courts of general jurisdiction?
A) the U.S. district courts
B) the U.S. Tax Courts
C) the U.S. courts of appeals
D) the U.S. courts of federal claims
Answer: A
Diff: 2
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

20) The geographical area served by each U.S. court of appeals is referred to as a _____.
A) district
B) county
C) range
D) circuit
Answer: D
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

21) The _____ has special appellate jurisdiction to review the decisions of the Court of Federal Claims, the Patent and Trademark Office, and the Court of International Trade.
A) U.S. District Court
B) U.S. Court of Appeals for the Federal Circuit
C) First Circuit Court
D) District of Columbia Circuit
Answer: B
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

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22) The _____ hears cases brought against the United States.
A) U.S. Supreme Court
B) U.S. Tax Court
C) U.S. Court of Federal Claims
D) U.S. District Court
Answer: C
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

23) Which of the following courts are considered as the federal court system's intermediate appellate courts?
A) the U.S. Courts of Appeals for Veterans Claims
B) the U.S. courts of appeals
C) the U.S. district courts
D) the U.S. courts of federal claims
Answer: B
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

24) Why was the Court of Appeals for the Federal Circuit created?
A) It was created to exercise appellate jurisdiction over members of the armed services.
B) It was created to hear cases that involve federal tax laws.
C) It was created to provide uniformity in the application of federal law in certain areas, particularly patent law.
D) It was created to hear appeals from intermediate appellate state courts and certain trial courts.
Answer: C
Diff: 2
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

25) Which of the following courts was created by Article III of the U.S. Constitution?
A) the U.S. Supreme Court
B) the U.S. Tax Court
C) the U.S. Court of Appeals
D) the U.S. Court of Federal Claims
Answer: A
Diff: 2
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

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26) The U.S. Supreme Court is composed of _____ justices.
A) nine
B) six
C) ten
D) three
Answer: A
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

27) How are the justices of the U.S. Supreme Court appointed?
A) They are nominated by the president and confirmed by the U.S. Senate.
B) They are appointed by the president of the United States.
C) They are nominated and confirmed by the Chief Justice of the U.S. Supreme Court.
D) They are nominated by the Associate Justices and confirmed by the Chief Justice of the U.S. Supreme Court.
Answer: A
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

28) Which of the following statements is true of the U.S. Supreme Court?
A) The U.S. Supreme Court's decisions are appealable.
B) The U.S. Supreme Court hears appeals only from the federal circuit courts of appeals.
C) The U.S. Supreme Court does not hear any new evidence or testimony in reviewed cases.
D) The U.S. Supreme Court does not grant any oral hearings to the parties.
Answer: C
Diff: 2
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

29) Federal judges of the U.S. district courts are appointed for 14-year terms.
Answer: FALSE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

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30) Pursuant to the power given to it by Article III of the U.S. Constitution, Congress has established the U.S. courts of appeals.
Answer: TRUE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

31) In the United States, each state has only a single district court.
Answer: FALSE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

32) The federal district courts are empowered to impanel juries, receive evidence, hear testimony, and decide cases.
Answer: TRUE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

33) The first 12 circuits of the federal court system are geographical.
Answer: TRUE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

34) In the U.S. courts of appeals, the parties file legal briefs with the court and are given a short oral hearing.
Answer: TRUE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

35) In the U.S. circuit courts of appeals, an *en banc* review refers to an appeal heard by a three-judge panel.
Answer: FALSE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

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36) Appeals from the Court of International Trade are heard by the U.S. Court of Appeals for the Federal Circuit.
Answer: TRUE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

37) The highest court in the land is the Supreme Court of the United States, which is located in Washington DC.
Answer: TRUE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

38) The Chief Justice of the Supreme Court is elected by the Associate Justices of the U.S. Supreme Court.
Answer: FALSE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

39) The decisions of the U.S. Supreme Court can be appealed to higher courts.
Answer: FALSE
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

40) What is the jurisdiction of the U.S. Supreme Court?
Answer: The Supreme Court, which is an appellate court, hears appeals from federal circuit courts of appeals and, under certain circumstances, from federal district courts, special federal courts, and the highest state courts. No new evidence or testimony is heard. As with other appellate courts, the lower court record is reviewed to determine whether there has been an error that warrants a reversal or modification of the decision. Legal briefs are filed, and the parties are granted a brief oral hearing. The Supreme Court's decision is final.
Diff: 1
LO: 2.2 Describe the federal court system.
AACSB: Analytical thinking
Classification: Concept

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41) _____ refers to an official notice that the Supreme Court will review a case.
A) Writ of *certiorari*
B) S*tare decisis*
C) *En banc* review
D) *Sua sponte*
Answer: A
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

42) In the U.S. Supreme Court, if all the justices voting agree as to the outcome and reasoning used to decide a case, it is a _____ decision.
A) tie
B) plurality
C) majority
D) unanimous
Answer: D
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

43) In the U.S. Supreme Court, if a majority of the justices agree as to the outcome of a case but not as to the reasoning for reaching the outcome, it is a _____ decision.
A) unanimous
B) majority
C) plurality
D) tie
Answer: C
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

44) Mary has already won her case at the U.S. Court of Appeals. When the case is reviewed by the Supreme Court, only eight judges are present. Four of the judges vote for Mary while the other four vote against her. Which of the following will be the result of this case?
A) The case will be sent to the U.S. Court of Appeals for a review.
B) Mary will win the case as she had already won at the U.S. Court of Appeals.
C) The case will be reviewed again by the U.S. Supreme Court when all the judges are present.
D) Mary will win and the case will set a precedent for later cases.
Answer: B
Diff: 2
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Application of knowledge
Classification: Application

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45) Which of the following is true about a plurality decision of the Supreme Court?
A) It settles a case but does not set the precedent for later cases.
B) It affirms the decision of the lower court.
C) It settles a case and sets the precedent for later cases.
D) It causes a case to be reviewed again at a later date.
Answer: A
Diff: 2
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

46) Which of the following is true about a majority decision reached by the U.S. Supreme Court?
A) All the judges agree as to the outcome and reasoning used to decide a case.
B) A majority of the judges agree as to the outcome but not the reasoning used to decide a case.
C) A majority of the justices agree as to the outcome and reasoning used to decide a case.
D) An equal number of judges vote for and against the petitioner and the case remains undecided.
Answer: C
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

47) Which of the following similarities is observed between tie and plurality decisions reached by the U.S. Supreme Court?
A) The decisions can be appealed against in the U.S. courts of appeals.
B) The decisions do not set precedent for later cases.
C) The decision of the lower court is affirmed.
D) New evidence and testimony is heard before reaching decisions.
Answer: B
Diff: 2
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

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48) Sue, a resident of the state of New York, is visiting her aunt in Iowa. On her way, her car is hit by Jerry, a resident of the state of Iowa who is drunk. Sue is injured in the accident. Which of the following actions is Sue allowed to take?
A) Sue can sue Jerry and bring the case to Iowa state court provided that the dollar amount of the controversy exceeds $75,000.
B) Sue can file a case against Jerry in the New York state court as she is a resident of that state.
C) Sue can file a case against Jerry only in the Iowa state court as this is a matter that involves state negligence law.
D) Sue can sue Jerry and bring the case to Iowa federal court as this is a case that involves diversity of citizenship.
Answer: D
Diff: 3
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Application of knowledge
Classification: Application

49) A petitioner must file a petition for *certiorari*, asking the Supreme Court to hear the case.
Answer: TRUE
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

50) A tie decision by the U.S. Supreme Court sets a precedent for later cases.
Answer: FALSE
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

51) A justice who agrees with the outcome of a case but not the reason proffered by other justices can issue a dissenting opinion that sets forth his or her reasons for deciding the case.
Answer: FALSE
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

52) The U.S. Supreme Court hears new evidence and testimony that was not permitted in the U.S. district court.
Answer: FALSE
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

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53) The U.S. Congress gives the Supreme Court discretion to decide what cases it will hear.
Answer: TRUE
Diff: 1
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

54) Describe the different types of decisions issued by the U.S. Supreme Court — unanimous, majority, plurality, and tie. In your answer, specify whether each kind of decision becomes binding precedent.
Answer: In a unanimous decision, all the justices who hear a case agree as to both its outcome and the reasoning behind the outcome. A unanimous decision becomes precedent.
A majority opinion occurs if five, six, seven, or eight justices agree on both outcome and reasoning. A majority opinion becomes precedent, just like a unanimous decision.
A plurality occurs when a majority of the justices agree as to outcome but disagree as to the reasoning leading to that outcome. A plurality decision settles the case but does not provide precedent.
A tie can occur only when the Court sits without all nine justices. If a tie occurs, the lower court decision is affirmed. A tie decision does not provide precedent.
Diff: 2
LO: 2.3 Describe the U.S. Supreme Court and the types of cases it decides.
AACSB: Analytical thinking
Classification: Concept

55) _____ refer to cases arising under the U.S. Constitution, treaties, and federal statutes and regulations.
A) Federal question cases
B) Diversity of citizenship cases
C) Federal crimes cases
D) Copyrights and trademarks cases
Answer: A
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

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56) In which of the following cases do federal and state courts have concurrent jurisdiction?
A) bankruptcy cases
B) diversity of citizenship cases
C) antitrust cases
D) patents cases
Answer: B
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

57) In which of the following cases do federal courts have exclusive jurisdiction?
A) cases involving sales and lease contracts
B) federal question cases
C) suits against the United States
D) diversity of citizenship cases
Answer: C
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

58) Altonvista Inc., a company based in California, is sued by a plaintiff from the state of Texas. Which of the following statements would apply to this situation?
A) The case must be heard in the California federal court as this is a subject matter in which federal courts have exclusive jurisdiction.
B) If the plaintiff chooses to bring the case to the California federal court, it would stay in the federal court.
C) If the plaintiff decides to bring the case to the California federal court, Altonvista Inc. can have the case moved to a California state court.
D) The case can only be heard in a California state court as the matter is not subject to federal jurisdiction.
Answer: B
Diff: 2
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Application of knowledge
Classification: Application

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59) For federal question cases to be brought in a federal court, the dollar amount of the controversy must exceed $75,000.
Answer: FALSE
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

60) If a plaintiff brings a diversity of citizenship case in state court, it will remain there unless a defendant removes the case to federal court.
Answer: TRUE
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

61) The federal court must apply federal laws in deciding diversity of citizenship cases.
Answer: FALSE
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

62) Antitrust, bankruptcy, patent and copyright cases can be heard by state courts.
Answer: FALSE
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Concept

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63) Donna Driver, an Idaho resident, operated her vehicle negligently, causing an accident in Boise, Idaho. Donna veered into oncoming traffic, hitting Valerie Victim's expensive new automobile. Valerie, a resident of Wyoming, was only in Idaho for a short business trip. The damage to Valerie's vehicle is estimated to be $25,000, which is the amount Valerie now seeks in damages. Neither Donna nor Valerie was physically or emotionally injured. In what court(s) can Valerie properly file a lawsuit seeking damages? Why?
Answer: There is no federal question in this case. There is only a question of state negligence law. Valerie can only bring her case in Idaho state court. Even though the parties are residents of different states, Valerie cannot bring her case in federal court because the amount in controversy does not exceed $75,000, the minimum required for removing to federal court on the basis of diversity of citizenship.
Diff: 1
LO: 2.4 Explain the jurisdiction of federal courts and compare it with the jurisdiction of state courts.
AACSB: Analytical thinking
Classification: Application

64) Jeremy crashes his friend John's car because he is an incompetent driver. Emily, John's sister, is outraged and wants John to sue his friend. John refuses to file a case against his long-time friend. Which of the following is Emily allowed to do in this situation?
A) She can sue Jeremy on John's behalf, as she has standing to sue.
B) She can sue Jeremy, provided that John gives his consent.
C) She can file a case in the state court where she will have standing to sue.
D) She cannot sue Jeremy as she has no stake in the outcome of the case.
Answer: D
Diff: 2
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Application of knowledge
Classification: Application

65) _____ refers to a court's jurisdiction over the parties to a lawsuit.
A) *In rem* jurisdiction
B) *Quasi in rem* jurisdiction
C) *In personam* jurisdiction
D) *Sua sponte* jurisdiction
Answer: C
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

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66) _____ refers to jurisdiction to hear a case because of jurisdiction over the property of the lawsuit.
A) *In rem* jurisdiction
B) *Quasi in rem* jurisdiction
C) Private jurisdiction
D) *In personam* jurisdiction
Answer: A
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

67) _____ refers to jurisdiction that allows a plaintiff who obtains a judgment in one state to try to collect the judgment by attaching property of the defendant located in another state.
A) *In rem* jurisdiction
B) *In personam* jurisdiction
C) Private jurisdiction
D) *Quasi in rem* jurisdiction
Answer: D
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

68) Why do courts need to accomplish a service of process?
A) to obtain personal jurisdiction over the plaintiff in a lawsuit
B) to obtain personal jurisdiction over the defendant in a lawsuit
C) to obtain jurisdiction to hear a case where the court has jurisdiction over the property in the lawsuit
D) to obtain jurisdiction over nonresidents who were not served summons within a state
Answer: B
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

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69) Bill is trying to sell his house in Oklahoma City to George who lives in Arkansas. They have a dispute over the terms of the contract and Bill decides to sue George. Which of the following statements is true in this situation?
A) The Arkansas state court will hear this case as it has *in personam* jurisdiction over George.
B) The Arkansas state court has *in rem* jurisdiction to hear this case.
C) The Oklahoma state court has *in rem* jurisdiction to hear this case.
D) The Oklahoma state court does not have jurisdiction to hear this case as the defendant is from another state.
Answer: C
Diff: 2
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Application of knowledge
Classification: Application

70) Jill wins a lawsuit against Terry in the Wyoming state court. The court passes a judgment for Terry to pay $20,000 to Jill. Immediately after the case is settled, Terry moves to Colorado, where she owns a house, and refuses to pay Jill the money. Which of the following is the best course of action for Jill?
A) file a lawsuit against Terry in a Colorado state court to enforce the Wyoming court judgment
B) file another case against Terry in the Wyoming state court to collect the money against Terry's property
C) file a case against Terry in Wyoming to force Terry to sell her house in Colorado to pay the money
D) file a case in the Colorado federal court as this qualifies as a federal question case
Answer: A
Diff: 2
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Application of knowledge
Classification: Application

71) _____ refers to a concept that requires lawsuits to be heard by a court with jurisdiction that is nearest the location in which an incident occurred or where the parties reside.
A) Jurisdiction
B) Venue
C) Circuit
D) Doctrine of *stare decisis*
Answer: B
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

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72) Donald, who is a resident of Louisiana, is robbed in Oklahoma County, Oklahoma. The robber, who is a resident of the state of Texas, is soon apprehended. Which of the following is the proper venue to hear this case?
A) state court in Louisiana because the plaintiff is from Louisiana
B) state court in Texas because the defendant is from Texas
C) Oklahoma federal court because the robber has committed a federal crime
D) Oklahoma County Court because it is nearest in location to the scene of the crime
Answer: D
Diff: 2
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Application of knowledge
Classification: Application

73) _____ refers to a contract provision that designates a certain court to hear any dispute concerning nonperformance of the contract.
A) No-contest clause
B) Choice-of-law clause
C) Forum-selection clause
D) Arbitration clause
Answer: C
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

74) _____ refers to a contract provision that designates a certain state's law or country's law that will be applied in any dispute concerning nonperformance of the contract.
A) Choice-of-law clause
B) Forum-shopping
C) Arbitration clause
D) Forum-selection clause
Answer: A
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

75) A plaintiff, by filing a lawsuit with a court, gives the court *in personam* jurisdiction over him- or herself.
Answer: TRUE
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
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76) Parties are not allowed to argue against the imposition of jurisdiction by a court.
Answer: FALSE
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

77) A change of venue may be requested in order to find a jury that is not prejudiced.
Answer: TRUE
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

78) Where a long-arm statute is present, a defendant need not have minimum contact with a state for that state's courts to have jurisdiction over the defendant.
Answer: FALSE
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

79) A forum-selection clause forbids parties to a contract to designate and agree to the jurisdiction of a court that otherwise might not have personal jurisdiction.
Answer: FALSE
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

80) Describe the need for forum-selection and choice-of-law clauses.
Answer: One issue that often comes up when parties from different states or countries have a legal dispute is which jurisdiction's court will be used. Also, sometimes there is a dispute as to which jurisdiction's laws apply to a case. When the parties have not agreed in advance, courts must make the decision about which court has jurisdiction and what law applies. This situation causes ambiguity, and resolving it will cost the parties time and money. Therefore, parties sometimes agree in their contract as to what state's courts, what federal court, or what country's court will have jurisdiction to hear a legal dispute should one arise. Such clauses in contracts are called forum-selection clauses or choice-of-forum clauses. Of course, the selected court must have jurisdiction to hear the case.
In addition to agreeing to a forum, the parties also often agree in contracts as to what state's law or country's law will apply in resolving a dispute. These clauses are called choice-of-law clauses. The selected law may be of a jurisdiction that does not have jurisdiction to hear the case.
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
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81) Discuss the significance of the Zippo Manufacturing Company v. Zippo Dot Com, Inc. case in terms of jurisdiction in cyberspace.
Answer: A seminal case that addressed jurisdiction in cyberspace was Zippo Manufacturing Company v. Zippo Dot Com, Inc. Zippo Manufacturing Company (Zippo) manufacturers its well-known line of tobacco lighters in Bradford, Pennsylvania, and sells them worldwide. Zippo Dot Com, Inc. (Dot Com), which was a California corporation with its principal place of business and its servers located in Sunnyvale, California, operated an Internet website that transmitted information and sexually explicit material to its subscribers.
Three thousand of Dot Com's 140,000 paying subscribers worldwide were located in Pennsylvania. Zippo sued Dot Com in U.S. District Court in Pennsylvania for trademark infringement. Dot Com defended, alleging that it was not subject to personal jurisdiction in Pennsylvania because the "minimum contacts" and "traditional notions of fair play and substantial justice" standards were not met and therefore did not permit Pennsylvania to assert jurisdiction over it.
The court held that Dot Com was subject to personal jurisdiction under the Pennsylvania long-arm statute and ordered Dot Com to defend itself in Pennsylvania.
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
AACSB: Analytical thinking
Classification: Concept

82) Discuss the need and significance of the long-arm statute.
Answer: In most states, a state court can obtain jurisdiction in a civil lawsuit over persons and businesses located in another state or country through the state's long-arm statute. These statutes extend a state's jurisdiction to nonresidents who are not served a summons within the state. The nonresident defendant in the civil lawsuit must have had some minimum contact with the state such that the maintenance of that lawsuit in that state does not offend traditional notions of fair play and substantial justice.
The exercise of long-arm jurisdiction is generally permitted over nonresidents who have (1) committed torts within the state (e.g., caused an automobile accident in the state), (2) entered into a contract either in the state or that affects the state (and allegedly breached the contract), or (3) transacted other business in the state that allegedly caused injury to another person.
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
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83) Compare and contrast between *in rem* and *quasi in rem* jurisdiction.
Answer: A court may have jurisdiction to hear and decide a case because it has jurisdiction over the property of the lawsuit. This is called *in rem* jurisdiction ("jurisdiction over the thing"). Sometimes a plaintiff who obtains a judgment against a defendant in one state will try to collect the judgment by attaching property of the defendant that is located in another state. This is permitted under *quasi in rem* jurisdiction, or attachment jurisdiction. Under the Full Faith and Credit Clause of the U.S. Constitution (Article IV, Section 1), a judgment of a court of one state must be given "full faith and credit" by the courts of another state.
Diff: 1
LO: 2.5 Define standing to sue, jurisdiction, and venue.
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