Business Law - Text & Exercises 11th edition Miller Test Bank

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Business Law-Text & Exercises (11th)

ISBN 9798214056111 | Chapter 1: Introduction to the Law

Total Questions: 80

Multiple Choice (40)

Q1. *[Multiple Choice] · BLOOM'S: Remember*

Much of American law is based on

a) the English legal system. ✓ correct
b) the Spanish legal system.
c) the civil law of the Greeks.
d) the ancient Chinese laws.

Q2. *[Multiple Choice] · BLOOM'S: Apply*

Kevin is a judge hearing the case of*Local Dispatch Co. v. National Transport Corp*. Applying the relevant rule of law to the facts of the case requires Kevin to find previously decided cases that, in relation to the case under consideration, are

a) as different as possible.
b) as similar as possible. ✓ correct
c) at odds.
d) identical.

Q3. *[Multiple Choice] · BLOOM'S: Apply*

As a judge, Bistra applies common law rules. These rules develop from

a) decisions of the courts in legal disputes. ✓ correct
b) regulations issued by administrative agencies.
c) statutes enacted by Congress and the state legislatures.
d) uniform laws drafted by legal scholars.

Q4. *[Multiple Choice] · BLOOM'S: Apply*

There are no precedents on which the court deciding the case*Standard Resource Co. v. Topline Inventory, Inc.*can base its decision.It would be appropriate for the judge to consider, and base an opinion in part on,

a) the opinions of the friends and relatives of the judge.
b) the results of a poll of those in the courtroom.
c) public policy or social values. ✓ correct
d) how a television judge may have decided the issue.

Q5. *[Multiple Choice] · BLOOM'S: Remember*

If De'ondra and Nick cannot resolve their dispute amicably, then it may become necessary to bring a lawsuit. This is a(n)

a) agreement by the parties to not do a certain act.
b) criminal prosecution.
c) judicial proceeding for the resolution of a dispute. ✓ correct
d) type of regulation applied to a business.

Q6. *[Multiple Choice] · BLOOM'S: Understand*

Case law does not include interpretations of

a) regulations created by administrative agencies.
b) constitutional provisions.
c) statutes enacted by legislatures.
d) parties' subjective motives for engaging in litigation. ✓ correct

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Q7. *[Multiple Choice] · BLOOM'S: Understand*

In the case of*Retail Sales Corp. v. Trucking Delivery Co.*, the courtmay rule contrary to a precedent if the court decides that the precedent

a) is incorrect or inapplicable. ✓ correct
b) is not in line with the judge's personal values.
c) would lead to unintended consequences.
d) would not bring about the result the judge prefers.

Q8. *[Multiple Choice] · BLOOM'S: Apply*

In*Benny v. City Car Dealership*, a state supreme court held that a minor was allowed to cancel a contract for the sale of a car. Now a trial court in the same state is deciding*Dora v. Even Steven Auto Deals, Inc.,*a case with similar facts. Under the doctrine of*stare decisis*, the trial court is likely to

a) allow the minor to cancel the contract. ✓ correct
b) disregard the*Benny*case.
c) order the minor to cancel the contract.
d) require the minor to fulfill the contract.

Q9. *[Multiple Choice] · BLOOM'S: Understand*

The means to enforce a right or compensate for a wrong is

a) a cornerstone.
b) a remedy. ✓ correct
c) jurisdiction.
d) *stare decisis*.

Q10. *[Multiple Choice] · BLOOM'S: Apply*

Nevaeh and Brie are involved in a court proceeding to enforce a right. This is

a) an action. ✓ correct
b) *stare decisis.*
c) an injunction.
d) a remedy.

Q11. *[Multiple Choice] · BLOOM'S: Apply*

In an action against Jenna, Dante obtains a remedy.This is

a) an administrative agency's enforcement of its rule.
b) a principle of the law derived from earlier court cases.
c) a statute enacted by a state legislature or Congress.
d) the legal means to recover a right or compensate for a wrong. ✓ correct

Q12. *[Multiple Choice] · BLOOM'S: Apply*

*Stare decisis*is best defined as

a) a doctrine under which judges follow established precedents. ✓ correct
b) the authority to decide a specific dispute.
c) a judicial proceeding to redress a wrong.
d) a situation giving a person a right to initiate a judicial proceeding.

Q13. *[Multiple Choice] · BLOOM'S: Apply*

Ana and Casey enter a contract for the sale of a bicycle, but Casey later refuses to deliver the goods. Ana asks a court to order Casey to perform as promised. Ordering a party to perform what was promised is

a) an equitable remedy. ✓ correct
b) an unenforceable demand.
c) an action.
d) beyond the court's authority.

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Q14. *[Multiple Choice] · BLOOM'S: Remember*

Each court has a certain jurisdiction. Jurisdiction is best defined as

a) a doctrine that follows established precedents.
b) the authority to decide a specific dispute. ✓ correct
c) a judicial proceeding to redress a wrong.
d) a situation giving a person a right to initiate a judicial proceeding.

Q15. *[Multiple Choice] · BLOOM'S: Apply*

In a suit against Cleo, Tatiana obtains an injunction. This is

a) an order to do or not do a certain act. ✓ correct
b) a departure from precedent.
c) a payment of money.
d) the cancellation of a contract.

Q16. *[Multiple Choice] · BLOOM'S: Understand*

A constitution sets forth a government's

a) limits but not powers.
b) limits and powers. ✓ correct
c) neither limits nor powers.
d) powers but not limits.

Q17. *[Multiple Choice] · BLOOM'S: Apply*

In a suit against Gia, Javier obtains an award of damages.This is

a) an order to do or not do a certain act.
b) the right to harm another.
c) a payment of money for a harm suffered. ✓ correct
d) the cancellation of a contract.

Q18. *[Multiple Choice] · BLOOM'S: Understand*

U.S. courts today can grant as remedies

a) damages but not equitable remedies.
b) equitable remedies but not damages.
c) either damages or equitable remedies. ✓ correct
d) neither damages nor equitable remedies.

Q19. *[Multiple Choice] · BLOOM'S: Understand*

If a provision in the California state constitution conflicts with a provision in the U.S. Constitution,

a) neither provision applies.
b) both provisions apply equitably.
c) the state constitution is supreme within the state's borders.
d) the U.S. Constitution is supreme. ✓ correct

Q20. *[Multiple Choice] · BLOOM'S: Remember*

The Uniform Commercial Code provides a set of rules governing

a) commercial transactions. ✓ correct
b) judicial proceedings.
c) legislative procedures.
d) executive edicts.

Q21. *[Multiple Choice] · BLOOM'S: Understand*

The Montana legislature enacts a state law that violates the U.S. Constitution. This law can be enforced by

a) no one. ✓ correct
b) the federal government only.
c) the state of Montana only.
d) the United States Supreme Court only.

Q22. *[Multiple Choice] · BLOOM'S: Understand*

Uniform laws have

a) eliminated differences among the state laws on certain topics.
b) lessened differences among the state laws on certain topics. ✓ correct
c) eliminated state laws on certain topics.
d) ensured federal laws take priority over state laws.

Q23. *[Multiple Choice] · BLOOM'S: Apply*

The Consumer Product Safety Commission is a government agency that issues rules, orders, and decisions. The Ohio state legislature enacts statutes. The Wayne County Board and the Midford City Council enact ordinances. Administrative law includes

a) all laws that affect business operations.
b) the rules, orders, and decisions of the Consumer Product Safety Commission. ✓ correct
c) the Ohio state statutes.
d) the Midford City ordinances.

Q24. *[Multiple Choice] · BLOOM'S: Remember*

The UniformCommercial Code has been adopted, in its entirety, by how manystates?

a) Forty-nine ✓ correct
b) Only forty-five
c) Only thirty-five
d) None

Q25. *[Multiple Choice] · BLOOM'S: Apply*

The Bay City Planning Department, the Coastal County Zoning Commission, the Delaware Environmental Quality Agency, and the U.S. Bureau of Land Management issue regulations. These are part of

a) administrative law. ✓ correct
b) case law.
c) constitutional law.
d) statutory law.

Q26. *[Multiple Choice] · BLOOM'S: Remember*

Criminal acts are prohibited by

a) local and state statutes only.
b) state statues only.
c) federal statutes only.
d) local, state, or federal statutes. ✓ correct

Q27. *[Multiple Choice] · BLOOM'S: Understand*

Criminal law has to do with

a) the prosecution of private individuals by other private individuals.
b) the prosecution of public officials by private individuals.
c) the relief available when a person's rights are violated.
d) wrongs committed against the public as a whole. ✓ correct

Q28. *[Multiple Choice] · BLOOM'S: Remember*

The classification of law that concerns the rights and duties that exist between individuals is

a) criminal law.
b) civil law. ✓ correct
c) constitutional law.
d) federal law.

Q29. *[Multiple Choice] · BLOOM'S: Remember*

National lawis

a) law that pertains to a particular nation. ✓ correct
b) law that has an extraterritorial effect.
c) all law that is applied within a nation's courts, including international law and the law of another country.
d) federal law, as opposed to state law.

Q30. *[Multiple Choice] · BLOOM'S: Understand*

To benefit from international trade, individual nations agree to be governed by

a) international law. ✓ correct
b) the Uniform Commercial Code.
c) civil law systems.
d) the laws of other nations.

Q31. *[Multiple Choice] · BLOOM'S: Understand*

International law must accommodate the need of each nation to be the final authority over

a) other nations.
b) international markets.
c) its own affairs. ✓ correct
d) all individuals.

Q32. *[Multiple Choice] · BLOOM'S: Understand*

Many nations employ a civil law system, based on a set of legal principles enacted into law by a legislature, which is called

a) criminal law.
b) administrative law.
c) international law.
d) codified law. ✓ correct

Q33. *[Multiple Choice] · BLOOM'S: Understand*

Which jurist described law as a rule of civil conduct commanding what is right and prohibiting what is wrong?

a) George Washington
b) William Blackstone ✓ correct
c) John Marshall
d) Harlan Fiske Stone

Q34. *[Multiple Choice] · BLOOM'S: Apply*

The legislative body of Maine passed a law that all students must benefit from a secondary school, whether private or public. Under this law, private schools must be nonsectarian to be approved for tuition assistance. What type of law is this?

a) Constitutional
b) Statutory ✓ correct
c) Administrative
d) Common

Q35. *[Multiple Choice] · BLOOM'S: Remember*

Knowing the sources of law and its origins aids in its understanding. There are multiple sources of law. Which of the following is not a source of law?

a) Common
b) Administrative
c) Criminal ✓ correct
d) Constitutional

Q36. *[Multiple Choice] · BLOOM'S: Remember*

Common law, or case law, includes court interpretations of multiple sources. Which of the following is not one of these sources?

a) Customs and social conventions ✓ correct
b) Regulations issued by administrative agencies
c) Statutes enacted bylegislatures
d) Provisions of constitutions

Q37. *[Multiple Choice] · BLOOM'S: Remember*

State laws can differ from state to state. Uniform laws were created to counter issues of trade and commerce among states and to attempt, for various other reasons, to make state laws uniform, or at least more similar, among the states. Which of the following statements is not accurate about states and uniform laws?

a) A state may reject a uniform law.
b) A state's legislature may decide to adopt only part of a uniform law.
c) A state may rewrite sections of the uniform law that it did adopt.
d) A state is responsible for drafting the uniform law for other states to adopt. ✓ correct

Q38. *[Multiple Choice] · BLOOM'S: Remember*

If a court finds that there is no precedent for a case, or there are conflicting precedents, it may not take into consideration which of the following?

a) The money damages being sought ✓ correct
b) Public policy
c) Social values
d) Concepts from other fields of knowledge

Q39. *[Multiple Choice] · BLOOM'S: Apply*

The United States uses a common law system, which is one of the major kinds of legal systems in the world. Which of the following countries does not use common law systems?

a) Canada
b) India
c) Italy ✓ correct
d) Australia

Q40. *[Multiple Choice] · BLOOM'S: Remember*

International law is the body of laws, both written and unwritten, observed by independent nations in their relations with other nations. Which of the following are sources of international law?

a) National law and international treaties
b) Government authorities and federal statutes
c) International customs and treaties ✓ correct
d) Constitutions and statutes

True/False (35)

Q41. *[True/False] · BLOOM'S: Remember*

Law consists of enforceable rules governing individuals and their society.

a) true ✓ correct
b) false

Correct answer: True

Q42. *[True/False] · BLOOM'S: Remember*

Laws and government regulations affect almost all business activities.

a) true ✓ correct
b) false

Correct answer: True

Q43. *[True/False] · BLOOM'S: Understand*

Businesspeopledo not need to understand court processes because if they are sued, the lawyers will know those rules.

a) true
b) false ✓ correct

Correct answer: False

Q44. *[True/False] · BLOOM'S: Remember*

The study of business law involves an ethical dimension.

a) true ✓ correct
b) false

Correct answer: True

Q45. *[True/False] · BLOOM'S: Understand*

Small-business owners are company leaders who do not have to deal with management issues and understand the detailed laws.

a) true
b) false ✓ correct

Correct answer: False

Q46. *[True/False] · BLOOM'S: Understand*

Precedents are court decisions that guide future legal decisions to createstability, consistency, and predictability.

a) true ✓ correct
b) false

Correct answer: True

Q47. *[True/False] · BLOOM'S: Understand*

A business owner is likely to face legal questions when determining ways to test their new products, such as a prototype of a driverless car on public roads.

a) true ✓ correct
b) false

Correct answer: True

Q48. *[True/False] · BLOOM'S: Remember*

Administrative agencies make rules and regulations called administrative law.

a) true ✓ correct
b) false

Correct answer: True

Q49. *[True/False] · BLOOM'S: Remember*

*Stare decisis*is a doctrine obligating judges to help persons who have failed to protect their own rights.

a) true

b) false ✓ correct

Correct answer: False

Q50. *[True/False] · BLOOM'S: Remember*

In a common law system, judges are obligated to follow the precedents established within their jurisdictions.

a) true ✓ correct

b) false

Correct answer: True

Q51. *[True/False] · BLOOM'S: Understand*

Courts may depart from precedents.

a) true ✓ correct

b) false

Correct answer: True

Q52. *[True/False] · BLOOM'S: Remember*

Damagestraditionally were awarded by courts of law only.

a) true ✓ correct

b) false

Correct answer: True

Q53. *[True/False] · BLOOM'S: Remember*

Remedies in equity include injunctions.

a) true ✓ correct

b) false

Correct answer: True

Q54. *[True/False] · BLOOM'S: Remember*

In most states, the courts no longer grant "equitable" remedies.

a) true

b) false ✓ correct

Correct answer: False

Q55. *[True/False] · BLOOM'S: Understand*

The term "common law" refers to law that is common throughout the world.

a) true

b) false ✓ correct

Correct answer: False

Q56. *[True/False] · BLOOM'S: Remember*

Constitutional law includes only the U.S. Constitution.

a) true

b) false ✓ correct

Correct answer: False

Q57. *[True/False] · BLOOM'S: Understand*

A state constitution is supreme within the state borders and will govern state issues even if it conflicts with the U.S. Constitution.

a) true
b) false ✓ correct

Correct answer: False

Q58. *[True/False] · BLOOM'S: Remember*

A constitution sets forth a government's general organization.

a) true ✓ correct
b) false

Correct answer: True

Q59. *[True/False] · BLOOM'S: Remember*

Statutory law includes the ordinances passed by cities.

a) true ✓ correct
b) false

Correct answer: True

Q60. *[True/False] · BLOOM'S: Understand*

The National Conference of Commissioners on Uniform State Laws writes laws that are automatically in effect in each state to ensure uniformity across the nation.

a) true
b) false ✓ correct

Correct answer: False

Q61. *[True/False] · BLOOM'S: Remember*

Statutory law does not include county ordinances.

a) true
b) false ✓ correct

Correct answer: False

Q62. *[True/False] · BLOOM'S: Understand*

Statutory law includes state statutes.

a) true ✓ correct
b) false

Correct answer: True

Q63. *[True/False] · BLOOM'S: Understand*

Laws enacted by Congress become statutes.

a) true ✓ correct
b) false

Correct answer: True

Q64. *[True/False] · BLOOM'S: Remember*

One role of courts is to apply the law to a particular set of facts.

a) true ✓ correct
b) false

Correct answer: True

Q65. *[True/False] · BLOOM'S: Remember*

Rules issued by administrative agencies affect almost every aspect of a business's operations.

a) true ✓ correct
b) false

Correct answer: True

Q66. *[True/False] · BLOOM'S: Remember*

Administrative law consists of the rules, orders, and decisions of the president.

a) true
b) false ✓ correct

Correct answer: False

Q67. *[True/False] · BLOOM'S: Understand*

Administrative law includes local regulations.

a) true ✓ correct
b) false

Correct answer: True

Q68. *[True/False] · BLOOM'S: Remember*

Criminal law spells out the rights and duties that exist between individuals.

a) true
b) false ✓ correct

Correct answer: False

Q69. *[True/False] · BLOOM'S: Understand*

Civil law has to do with wrongs committed against the public as a whole.

a) true
b) false ✓ correct

Correct answer: False

Q70. *[True/False] · BLOOM'S: Understand*

Civil law defines the rights and duties existing between persons and between citizens and their government.

a) true ✓ correct
b) false

Correct answer: True

Q71. *[True/False] · BLOOM'S: Remember*

International law governs relations among nations.

a) true ✓ correct
b) false

Correct answer: True

Q72. *[True/False] · BLOOM'S: Remember*

International law includes customs and treaties.

a) true ✓ correct
b) false

Correct answer: True

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Q73. *[True/False] · BLOOM'S: Remember*

A lawsuit is a judicial proceeding for the resolution of a dispute that cannot be resolved amicability.

a) true ✓ correct

b) false

Correct answer: True

Q74. *[True/False] · BLOOM'S: Remember*

Sources of law include rules issued by federal administrative agencies.

a) true ✓ correct

b) false

Correct answer: True

Q75. *[True/False] · BLOOM'S: Remember*

Sources of law include the research of legal scholars.

a) true

b) false ✓ correct

Correct answer: False

Essay (5)

Q76. *[Essay] · BLOOM'S: Apply*

Yasmin is fined by the Environmental Protection Agency for violation of an agency regulation. Yasmin argues that the regulation conflicts with the U.S. Constitution. If there is a conflict, discuss whether the regulation is valid and why or why not. Also discuss the impact of your analysis on this situation.

Suggested answer: *The U.S. Constitution is the supreme law of the land. A law in violation of the Constitution, no matter what its source, will be declared unconstitutional and will not be enforced. Thus, the regulation does not have priority over the Constitution. The regulation would be declared unconstitutional and would be invalid. As a result, Yasmin would not have to pay the fine.*

Q77. *[Essay] · BLOOM'S: Apply*

Discuss the doctrine known as*stare decisis*. What does this doctrine have to do with the American legal system?

Suggested answer: *In a common law legal system, past judicial decisions are binding in current disputes with similar facts. This feature of the common law, which is the basis of the American legal system, is unique because, unlike the law in other legal systems, it is judge-made law. Within the common law system, when possible, judges attempt to be consistent and to base their decisions on the principles suggested by earlier cases. The body of principles and doctrines that form the common law emerged over time as judges applied the principles announced in earlier cases to subsequent legal controversies.*

The practice of deciding cases with reference to former decisions, or precedents—the cornerstone of the American legal system—is called the doctrine ofstare decisis. Under this doctrine, judges are obligated to follow the precedents established within their jurisdictions. This helps courts to be more efficient and makes the law more stable and predictable.

Q78. *[Essay] · BLOOM'S: Apply*

The legal system in Illinois has two pending cases that involve different issues regarding*stare decisis*. First,*Briggs v. Jones,*an earlier Illinois case, decided a computer software issue based on now-outdated technology. A current case,*Alston v. Rawls*, involves a similar issue. In a second case,*Randall v. Palmer*, a technology issue is presented that has never been decided because the technology is new. Is the court in*Alston v Rawls*required to follow the holding in*Briggs v. Jones*? Why or why not? In*Randall v. Palmer,*what may the court base its decision on in the absence of any controlling precedent?

Suggested answer: *The practice of deciding cases with reference to former decisions (or precedents)—the cornerstone of the American legal system—is called the doctrine ofstare decisis. Under this doctrine, judges are obligated to follow the precedents established within their jurisdictions. This helps courts to be more efficient and makes the law more stable and predictable. Although courts are obligated to follow precedents, sometimes a court will depart from the rule of precedent. If a court decides that a precedent is simply incorrect or that technological or social changes have rendered the precedent inapplicable, the court may rule contrary to the precedent, and this is likely in the first scenario here. Regarding the second scenario, occasionally, courts must decide cases for which no precedents exist, called cases of first impression. When deciding cases of first impression, courts often look at persuasive authorities. A persuasive authority is a legal authority that a court may consult for guidance but that is not binding on the court. A court may consider precedents from other jurisdictions, for instance, although those precedents are not binding. A court may also consider legal principles and policies underlying previous court decisions or existing statutes. Additionally, a court might look at fairness, social values and customs, and public policy (governmental policy based on widely held societal values). Federal courts can also look at unpublished opinions (those not intended for publication in a printed legal reporter) as sources of persuasive authority.*

Q79. *[Essay] · BLOOM'S: Analyze*

Local government in Clare Township passes a noise ordinance. The Environmental Protection Agency passes a regulation regarding air pollution. The U.S. Constitution is amended to allow sixteen-year-olds the right to vote. The Michigan state constitution is amended to allow women the right to reproductive health care under a right to privacy. A federal statute is passed that requires all medical marijuana dispensaries to pay 40 percent of their profits to the federal government. List these laws and regulations in hierarchical order and explain the reasons for your listing.

Suggested answer: *Primary sources of American law include the following: The U.S. Constitution and the constitutions of the various states, statutory law—including laws passed by Congress, state legislatures, and local governing bodies, regulations created by administrative agencies and case law (court decisions). The U.S. Constitution is the basis of all law in the United States. It provides a framework for statutes and regulations and thus is the supreme law of the land. A law in violation of the U.S. Constitution, if challenged, will be declared unconstitutional and will not be enforced, no matter what its source. Unless it conflicts with the U.S. Constitution or a federal law, a state constitution is supreme within that state's borders. Thus, the amendment to the U.S. Constitution is the highest law here, and the amendment to the Ohio state constitution is the next highest law here. Laws enacted by legislative bodies at any level of government make up the body of law generally referred to as statutory law. Statutory law also includes local ordinances. An ordinance is a regulation passed by a municipal or county governing unit to deal with matters not covered by federal or state law. A federal statute, of course, applies to all states. A state statute, in contrast, applies only within the state's borders. State laws thus may vary from state to state. No federal statute may violate the U.S. Constitution, and no state statute or local ordinance may violate the U.S. Constitution or the relevant state constitution. Thus, the next highest law is the federal statute and then, the local government noise ordinance. Finally, administrative law consists of the rules, orders, and decisions of administrative agencies. Rules issued by various administrative agencies affect almost every aspect of a business's operations. The EPA regulation is thus the law at the end of this list.*

Q80. *[Essay] · BLOOM'S: Apply*

What is the difference between civil law and criminal law?

Suggested answer: *The huge body of law is broken into several classifications. An important classification divides law into civil law and criminal law. Civil law spells out the rights and duties that exist between persons and between citizens and their governments. In a civil case, one party tries to make the other party comply with a duty or pay for the damage caused by a failure to do so. An example is contract law.*
Criminal law has to do with a wrong committed against the public as a whole. Criminal acts are prohibited by local, state, or federal government statutes. In a criminal case, the government seeks to impose a penalty (a monetary penalty and/or imprisonment) on an allegedly guilty person. Criminal law defines crimes and subjects criminals to punishment.