



TEXTBOOK TESTBANKS

# Test Bank for Dynamic Business Law: The Essentials 2026 Release 1st Kubasek

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Correct answers located at the end of the chapter.

**TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.**

- 1) Business law consists of the enforceable rules of conduct that govern governmental relationships.  
☐ true  
☐ false
- 2) No market transactions occur without legal guidelines.  
☐ true  
☐ false
- 3) Law is rules of conduct in any organized society that are enforced by the people of the community.  
☐ true  
☐ false
- 4) The respect we give to the law as a source of authority is in part a recognition of the fact that in the absence of law, we would rely solely on the goodwill and dependability of one another.  
☐ true  
☐ false
- 5) Crimes are prosecuted by individuals.  
☐ true  
☐ false
- 6) Public law involves disputes between private individuals or groups and their government.  
☐ true  
☐ false
- 7) If a pet store dumps waste from its business behind its building, it is a violation of a private law.  
☐ true  
☐ false
- 8) The U.S. Constitution is the foundation for all laws in the United States.  
☐ true  
☐ false
- 9) The legislative branch of government creates case law.  
☐ true  
☐ false
- 10) An alternative name for case law is common law.  
☐ true  
☐ false
- 11) Judicial decisions are law unless the legislative branch should revoke them later by enacting new statutory law.  
☐ true  
☐ false

- 12) The term *stare decisis* means to "stare the government in the eye."  
☐ true  
☐ false
- 13) The purpose of *stare decisis* is to create greater predictability for businesses and individuals.  
☐ true  
☐ false
- 14) *Stare decisis* is a legal principle that rulings made by higher courts are binding on lower courts in the same jurisdiction.  
☐ true  
☐ false
- 15) A decision of a state appeals court is binding on a trial court located in the same jurisdiction of the same state.  
☐ true  
☐ false
- 16) A decision from the Kentucky Supreme Court is binding on a Wyoming trial court, even if Wyoming has no applicable law on the issue involved.  
☐ true  
☐ false
- 17) The United States Code regularly urges states to enact model laws to provide greater uniformity of law.  
☐ true  
☐ false
- 18) Presidents claim the power to issue executive orders on the basis of the Article II, Section 1 constitutional power to "take care that the laws be faithfully executed."  
☐ true  
☐ false
- 19) A treaty is a binding agreement between two states or international organizations.  
☐ true  
☐ false
- 20) Comparing and studying the laws in different countries is known as comparative law.  
☐ true  
☐ false

**MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.**

21) Which of the following is one of the six functional areas of business that sits on a foundation of business law?

- A) environmental law
- B) production and transportation
- C) social networking
- D) ethics
- E) state and federal taxation

22) A commercial firm that seeks to merge with another firm must obey the laws of antitrust. This is an example of:

- A) business law
- B) equity
- C) ethics
- D) The Uniform Contracts Code
- E) The International Contracts Code

23) "Guaranteeing personal freedoms" is:

- A) the exclusive purpose of the law.
- B) one of the numerous purposes fulfilled by the law.
- C) a purpose of criminal, but not civil, law.
- D) a purpose of civil, but not criminal, law.
- E) a cultural, but not legal, expectation.

24) Which of the following is one of the numerous purposes fulfilled by the law?

- A) Discouraging social justice
- B) Limiting personal freedoms
- C) Serving as a moral guide by indicating maximum expectations of citizens and organizations
- D) Providing order such that one can depend on a promise or an expectation of obligations
- E) Serving as a supplement to fighting

25) Which of the following is not one of the numerous purposes fulfilled by the law?

- A) Providing order such that one can depend on a promise or an expectation of obligations
- B) Serving as an alternative to fighting
- C) Facilitating change without requiring a rational consideration of options
- D) Encouraging social justice
- E) Serving as a moral guide by indicating minimal expectations of citizens and organizations

26) The Environmental Protection Agency and the Occupational Safety and Health Administration are examples of:

- A) Courts
- B) Legislative bodies
- C) Administrative agencies
- D) Executive authorities
- E) Private entities

- 27) Which of the following is not a purpose of the law as set forth in the text?
- A) Encouraging taxation
  - B) Serving as a moral guide by indicating minimal expectations of citizens and organizations
  - C) Encouraging social justice
  - D) Guaranteeing personal freedoms
  - E) Providing order such that one can depend on a promise or an expectation of obligations
- 28) When classifying law, which of the following is a way in which law is classified?
- A) Modern vs. ancient
  - B) Philosophical vs. ethical
  - C) Equitable vs. inequitable
  - D) Private vs. public
  - E) Personal vs. community
- 29) If Payne steals an automobile from Becky and he is caught by the authorities and prosecuted, which type of law is applicable?
- A) Civil law
  - B) Public law
  - C) Governmental law
  - D) Criminal law
  - E) Ethical law
- 30) When Austin, Texas decides to implement a new tax code that will impose a new tax on business owners within its city limits, which law is applicable?
- A) Private law
  - B) Public law
  - C) Federal law
  - D) Criminal law
  - E) State law
- 31) Carter was stopped by the police and accidentally mistaken as a wanted criminal. He was taken to the police station and held for four days. If he were to sue, what law would be applicable?
- A) Criminal law
  - B) Civil law
  - C) Private law
  - D) Criminal and private law
  - E) Civil and criminal law
- 32) Jeffrey and Maurice are suburban neighbors. One day Maurice brings home three hundred pigs and puts them in her backyard. Jeffrey takes Maurice to court when Maurice refuses to relocate the pigs. What type of law applies?
- A) Private law
  - B) Criminal law
  - C) Procedural law
  - D) Common law
  - E) Administrative law

- 33) In 2009, Mississippi Valley Silica Company was ordered to pay a plaintiff \$9 million because the court ruled that it sold sand to the plaintiff's employer with the knowledge that using the sand on a regular basis would expose a worker to a form of cancer, and Mississippi Valley did not alert those who bought the sand about the risk. The \$9 million recovery is an example of which of the following? \_\_\_\_\_.
- A) frivolous lawsuit
  - B) jury nullification
  - C) public law remedy
  - D) civil law remedy
  - E) criminal law remedy
- 34) 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 \_\_\_\_\_.
- A) the electoral college
  - B) good faith and fair dealing
  - C) *respondeat superior*
  - D) *stare decisis*
  - E) the law
- 35) Lenny and Kravits enter into an agreement where Lenny will purchase 200 units of new storage bins from Kravits. Kravits, however, breaches the contract and does not supply Lenny with the contracted bins. This deals with which of the following types of laws?
- A) public law
  - B) federal law
  - C) criminal law
  - D) private law
  - E) equity
- 36) If a computer store dumps waste behind its building in violation of local, state, or federal environmental regulations, the resulting dispute focuses on \_\_\_\_\_ law.
- A) public
  - B) preferential
  - C) consensual
  - D) private
  - E) established
- 37) Which type of law involves the rights and responsibilities involved in relationships between persons, and between persons and their government?
- A) Criminal
  - B) Procedural
  - C) Civil
  - D) Natural
  - E) Positive

- 38) When a crime is committed against the public such as insider trading, price fixing, or embezzlement, who prosecutes the crime?
- A) Any person affected by the wrongdoing
  - B) State or federal governments
  - C) Federal governments only
  - D) State governments only
  - E) Local municipalities where the crime happened
- 39) Assume a restaurant is forced to pay damages to a person who suffered food poisoning after eating at the restaurant. What type of law is involved?
- A) Public law only
  - B) Private law only
  - C) Civil law only
  - D) Public, private, and civil law
  - E) Private law and civil law
- 40) Assume the United States government prosecutes someone for insider trading. That prosecution is an example of \_\_\_\_\_.
- A) criminal law
  - B) procedural law
  - C) civil law
  - D) natural law
  - E) adherence to the Uniform Criminal Code
- 41) The collection of rules and decisions made by administrative agencies to fill in particular details missing from the constitutions and statutes is what source of law?
- A) Executive law
  - B) Criminal law
  - C) Private law
  - D) Administrative law
  - E) Model law
- 42) What establishes the fundamental principles and rules by which the United States and individual states are governed?
- A) Administrative rules
  - B) The U.S. Constitution only
  - C) State constitutions only
  - D) State bylaws
  - E) Both the U.S. Constitution and the constitutions of each state
- 43) Which of the following contains executive orders created by the president?
- A) United States Code
  - B) Uniform Commercial Code
  - C) Executive Order Code
  - D) Constitution
  - E) Code of Federal Regulations

- 44) Terrance is looking to find the law that Georgia passed in regard to mud flaps required on 18-wheel semi-trucks. Where would he look to find the law?
- A) The United States Code
  - B) State mandate Laws
  - C) State codes
  - D) The State Reporter
  - E) The State Code of Law Enforcement
- 45) The United States Congress enacted a law that penalized businesses if they did not offer health insurance to workers in certain major industries. Where could a business owner look to determine if his or her business was exempt from the new law?
- A) The United States Code
  - B) The Congressional Register
  - C) The Uniform Register
  - D) The Uniform Congressional Code
  - E) The Restatement of Business Laws
- 46) Summaries of common law rules in a particular area of law are:
- A) codified laws
  - B) restatements of law
  - C) classifications of law
  - D) report holders
  - E) common laws
- 47) Temecula, California has instituted a new code regarding motorized scooters. This is an example of a(n):
- A) city statute
  - B) ordinance
  - C) federal classification
  - D) city report
  - E) restrictive covenant
- 48) Paired with the publications of the American Law Institute, what became the source of the Uniform Commercial Code?
- A) The Uniform Contracts Code Committee
  - B) State legislatures
  - C) The U.S. Senate and House of Representatives
  - D) The National Conference of Commissioners on Uniform State Laws
  - E) The National Uniform Code Committee

- 49) If a uniform law is proposed, what are the requirements that each state must follow?
- A) A state legislature can ignore the proposed uniform law, adopt it in full, or adopt it in part.
  - B) All states must adopt the uniform statute within six months.
  - C) All states must adopt the uniform statute within one year.
  - D) A state legislature is not required to adopt the uniform statute, but if the state legislature decides to do so, the statute must be adopted in its entirety.
  - E) States are not required to do anything; the law takes effect one year from the date of the proposed uniform law.

- 50) When judges make legal interpretations, this is often referred to as case law or \_\_\_\_\_.
- A) statutory law
  - B) civil law
  - C) constitutional law
  - D) common law
  - E) federal law

- 51) Which of the following terms means that past decisions guide future decisions?
- A) civil law
  - B) common law
  - C) precedent
  - D) *respondeat superior*
  - E) futuristic law

- 52) Which of the following topics is regulated by the Uniform Commercial Code?

- A) Bank deposits
- B) Real estate foreclosures
- C) Securities sales
- D) Medical malpractice
- E) State taxes

- 53) When courts rely on precedent, they are obeying *stare decisis* which means:

- A) “standing by the decision”
- B) “this is the final rule”
- C) “no law shall change”
- D) “decision by the court”
- E) “decisions are meant to change”

- 54) A case that has been used in accordance with *stare decisis* as a binding precedent is \_\_\_\_\_, which abolished discriminatory policies for individuals of different racial backgrounds.

- A) *Curtis v. School Board*
- B) *Laughlin v. Glover*
- C) *Grover v. Sidwell*
- D) *Brown v. Board of Education*
- E) *Story v. Price*

55) In which of the following cases did the U.S. Supreme Court illustrate how important knowledge of business law and precedent can be?

- A) *Story v. Price*
- B) *Brown v. Board of Education*
- C) *Air Wisconsin Airlines Corp. v. Hoyer*
- D) *Grover v. University of Mississippi*
- E) *Adkins v. Price*

56) Restatements of law can best be described as \_\_\_\_\_

- A) laws that are restated according to what each state believes the law should be.
- B) summaries of common law rules in a particular area of the law that have been enacted by most states.
- C) restatements of classical cases that are still used today.
- D) laws that are followed at the federal level and forced on the states to follow.
- E) summaries of new statutes that are implemented by states each year.

57) Which of the following overrules all federal, state, and local law that conflict with it?

- A) U.S. Constitution
- B) Executive orders
- C) Statutes
- D) Common law
- E) Administrative regulations

58) According to Exhibit 1-2 in the textbook, which of the following administrative agencies is an independent agency?

- A) The Equal Employment Opportunity Commission
- B) The General Services Administration
- C) The Small Business Administration
- D) The National Science Foundation
- E) The Veterans Administration

59) According to Exhibit 1-2 in the textbook, which of the following is an example of an executive agency?

- A) The Federal Trade Commission
- B) Consumer Product Safety Commission
- C) National Aeronautics and Space Administration
- D) Interstate Commerce Commission
- E) Securities and Exchange Commission

60) When the United States president negotiates a treaty as part of his or her executive duties, how many U.S. senators does it take to ratify the treaty to make it binding?

- A) One-half of the Senate
- B) One-third of the Senate
- C) Two-thirds of the Senate
- D) One-fourth of the Senate
- E) Treaties must be unanimously approved by the Senate.

- 61) Which of the following schools of jurisprudence holds that context must be considered as well as law?
- A) Identification with the vulnerable
  - B) Historical school
  - C) Originalism
  - D) Legal realism
  - E) Comparative realism
- 62) Which of the following replaced the General Agreement on Tariffs and Trade?
- A) World Trade Organization
  - B) European Union
  - C) North American Free Trade Agreement
  - D) World Health Organization
  - E) International Alliance on Trade
- 63) The theory of interpretation that believes legal texts should be interpreted according to their “original meaning” is referred to as:
- A) Originalism
  - B) Legal realism
  - C) Custom
  - D) Legal positivism
  - E) Cultural retrenchment
- 64) What is the purpose of the World Trade Organization?
- A) To require laws to be uniform across all nations
  - B) To stimulate negotiations among member nations to reduce barriers to international trade
  - C) To establish non-tariff trade barriers among nations
  - D) To allow non-member states to participate in the General Agreement on Tariffs and Trade
  - E) To set fair tariffs across all nations
- 65) Why is it important to understand comparative law as a businessperson?
- A) All businesspeople must know all international laws to do business effectively.
  - B) Businesses must abide by all treaties that are in place in all countries.
  - C) Federal law requires that businesses get federally licensed to do business abroad.
  - D) Because of advances in technology and transportation, trade with other countries is far easier today than it was in past years.
  - E) The European Union mandates that all U.S. businesses be certified in international law.

66) Candy wants to start an Internet business. The Chinese government tells her 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?

- A) 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.
- B) Candy is within her rights only if she petitioned her state senator and obtained his or her permission to proceed.
- C) If Candy wants to do business in China, she must abide by Chinese law.
- D) 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.
- E) 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.

67) The Stolen Book. Betty tells Susan that Bob stole Susan's business law book from her car. The next day Susan confronts Bob and slaps him for stealing her book. Bob has Susan arrested for slapping him. Susan sues Bob for damages in the amount of the book and for maliciously having her arrested. Claiming that she lied, Bob sues Betty for defamation. The lawsuit Susan has against Bob for damages for stealing her book involves which of the following?

- A) Public law
- B) Private law
- C) Administrative law
- D) Both public and private law
- E) Comprehensive law

68) The Stolen Book. Betty tells Susan that Bob stole Susan's business law book from her car. The next day Susan confronts Bob and slaps him for stealing her book. Bob has Susan arrested for slapping him. Susan sues Bob for damages in the amount of the book and for maliciously having her arrested. Claiming that she lied, Bob sues Betty for defamation. The prosecution by the government against Susan for slapping Bob involves which of the following?

- A) Public law
- B) Private law
- C) Administrative law
- D) Both public and private law
- E) Comprehensive law

69) The Stolen Book. Betty tells Susan that Bob stole Susan's business law book from her car. The next day Susan confronts Bob and slaps him for stealing her book. Bob has Susan arrested for slapping him. Susan sues Bob for damages in the amount of the book and for maliciously having her arrested. Claiming that she lied, Bob sues Betty for defamation. The action Bob has against Betty for defamation involves which of the following?

- A) Criminal law
- B) Civil law
- C) Insider law
- D) Both criminal and civil law
- E) Administrative law

70) The Stolen Book. Betty tells Susan that Bob stole Susan's business law book from her car. The next day Susan confronts Bob and slaps him for stealing her book. Bob has Susan arrested for slapping him. Susan sues Bob for damages in the amount of the book and for maliciously having her arrested. Claiming that she lied, Bob sues Betty for defamation. Bob is anxious to see Susan punished for slapping him. Which of the following is true regarding action Bob can take?

- A) Bob can hire his own lawyer to prosecute Susan and send her to jail but cannot bring a civil action if he prosecutes criminally.
- B) Bob's privately retained lawyer may not prosecute Susan alone but may insist on jointly trying the criminal case with the government lawyer.
- C) Bob can bring an additional civil action against Susan for slapping him only if he loses the criminal case.
- D) Bob can hire his own lawyer to prosecute Susan and send her to jail, and Bob can also bring an additional civil action against Susan for slapping him.
- E) Bob's privately retained lawyer may not prosecute Susan because that is the government's job, but the privately retained lawyer can bring a civil action against Susan.

71) To the Dogs. Alice loves all animals and is starting a new grooming business for dogs. She believes that animals are very important and plans to exceed any applicable regulations regarding cleanliness and health standards. Alice thinks some local regulations make no sense. For example, there is a local ordinance that all dogs must be kept on a leash at all times when not in a fenced area. Although Alice lives on a large lot with plenty of room for dogs to run free, she plans to obey the leash regulation and all others. She is aware, however, that members of the community have had success in changing local regulations by petitioning the city council. Alice plans to proceed in that manner to attempt a change in the leash law. Alice's plan to seek change through following what others have done in the past by petitioning city council is rooted in which of the following?

- A) Legal positivism
- B) The historical school
- C) Legal realism
- D) Natural law
- E) Originalism

72) International Expansion. Zach wants to expand his coffee business internationally - into Zeno, a small remote country in Africa. His best friend Zora asks him if he plans to hire legal counsel for the expansion. Zach replies, "Of course not. The U.S. has the strictest laws regarding contracts, employment, and business practices. So long as I'm legal here, I'm legal anywhere. Besides, I studied up on Zeno law ten years ago, and I know it all." Zach proceeds and lands in jail in the remote country of Zeno for violating recently passed laws protecting employees and mandating certain benefits. Authorities there claim that he sexually harassed an employee, failed to pay sufficient wages, and failed to give employees Zeno's mandated 12 weeks of vacation per year. The type of law involved in comparing laws between the U.S. and Zeno is \_\_\_\_\_.

- A) comparative law
- B) contributory law
- C) comprehensive law
- D) complete law
- E) delineated law

73) International Expansion. Zach wants to expand his coffee business internationally - into Zeno, a small remote country in Africa. His best friend Zora asks him if he plans to hire legal counsel for the expansion. Zach replies, "Of course not. The U.S. has the strictest laws regarding contracts, employment, and business practices. So long as I'm legal here, I'm legal anywhere. Besides, I studied up on Zeno law ten years ago, and I know it all." Zach proceeds and lands in jail in the remote country of Zeno for violating recently passed laws protecting employees and mandating certain benefits. Authorities there claim that he sexually harassed an employee, failed to pay sufficient wages, and failed to give employees Zeno's mandated 12 weeks of vacation per year. Which of the following is true regarding Zach's legal problems in Zeno?

- A) Zach can rely upon the federal statutory laws of the U.S. as a defense but not his U.S. Constitutional rights.
- B) Zach is entitled to all U.S. Constitutional rights in Zeno because he is a U.S. citizen, but he cannot rely on U.S. statutory rights.
- C) Zach can rely upon the federal statutory laws of the U.S. as a defense, and he is also entitled to all U.S. Constitutional rights in Zeno because he is a U.S. citizen.
- D) Zach must obey the laws of Zeno when operating a business in Zeno and cannot rely upon U.S. laws as a defense.

E) Zach is subject to civil laws but not criminal laws of Zeno.

74) International Expansion. Zach wants to expand his coffee business internationally - into Zeno, a small remote country in Africa. His best friend Zora asks him if he plans to hire legal counsel for the expansion. Zach replies, "Of course not. The U.S. has the strictest laws regarding contracts, employment, and business practices. So long as I'm legal here, I'm legal anywhere. Besides, I studied up on Zeno law ten years ago, and I know it all." Zach proceeds and lands in jail in the remote country of Zeno for violating recently passed laws protecting employees and mandating certain benefits. Authorities there claim that he sexually harassed an employee, failed to pay sufficient wages, and failed to give employees Zeno's mandated 12 weeks of vacation per year. Which of the following is true regarding Zach's defense that he thought he knew the law of Zeno because he had studied it some years before and that the laws under which he was arrested were new?

- A) Rules in international business change frequently, and Zach 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.
- B) Zach is entitled to rely as a defense on the fact that he had studied the law at one time. Officials in Zeno were charged with publicizing any changes.

- C) If Zach 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 under international law, there is a twelve-month grace period for foreigners.
- D) If Zach 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 under international law, there is a six-month grace period for foreigners.
- E) Zach 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.

75) Inattentive Driving. While cutting class and driving off campus to check on her new dress for the upcoming formal, Molly, a busy college student, is busy talking on her cell phone with her friend Sharon. Molly is trying to talk Sharon into going to the dance with her brother, who has a big crush on Sharon. Unfortunately for Molly, there is a statute in her state outlawing talking on a cell phone while operating a motor vehicle. Molly crashes into the side of Sam's new convertible when she looks down to pick up a can of soda she just dropped onto her new jeans. A police officer just down the street comes over to investigate. Molly explains 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. Around that time Sam comes along. He is furious regarding the significant dent in his new car. Molly says she has insurance and that she will cover the whole incident. Sam says that is insufficient. The officer is annoyed because it is his lunch break. He tells Molly that she must obey the law and proceeds to write several citations to her. Which type or types of law is or are involved in the above situation considering Molly's interaction with both the officer and Sam?

- A) Public law only
- B) Private law only
- C) Civil law and private law only
- D) Criminal law and public law only
- E) Public law, private law, civil law, and criminal law

76) Inattentive Driving. While cutting class and driving off campus to check on her new dress for the upcoming formal, Molly, a busy college student, is busy talking on her cell phone with her friend Sharon. Molly is trying to talk Sharon into going to the dance with her brother, who has a big crush on Sharon. Unfortunately for Molly, there is a statute in her state outlawing talking on a cell phone while operating a motor vehicle. Molly crashes into the side of Sam's new convertible when she looks down to pick up a can of soda she just dropped onto her new jeans. A police officer just down the street comes over to investigate. Molly explains 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. Around that time Sam comes along. He is furious regarding the significant dent in his new car. Molly says she has insurance and that she will cover the whole incident. Sam says that is insufficient. The officer is annoyed because it is his lunch break. He tells Molly that she must obey the law and proceeds to write several citations to her. Which of the following is true regarding Molly's predicament?

- A) Molly can be given a ticket and prosecuted criminally by government officials, but she may not be sued for a civil violation.
- B) Molly can be sued for a civil action and must pay for Sam's car, but she cannot be prosecuted for a criminal violation.

- C) Molly can be sued in a civil action by Sam, and the government can also prosecute her for a criminal violation.
- D) So long as Molly has insurance and can pay for Sam's vehicle damage, she cannot be prosecuted in a civil or criminal action.
- E) Sam can prosecute Molly in a criminal action, but he cannot sue her in a civil action.

77) Inattentive Driving. While cutting class and driving off campus to check on her new dress for the upcoming formal, Molly, a busy college student, is busy talking on her cell phone with her friend Sharon. Molly is trying to talk Sharon into going to the dance with her brother, who has a big crush on Sharon. Unfortunately for Molly, there is a statute in her state outlawing talking on a cell phone while operating a motor vehicle. Molly crashes into the side of Sam's new convertible when she looks down to pick up a can of soda she just dropped onto her new jeans. A police officer just down the street comes over to investigate. Molly explains 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. Around that time Sam comes along. He is furious regarding the significant dent in his new car. Molly says she has insurance and that she will cover the whole incident. Sam says that is insufficient. The officer is annoyed because it is his lunch break. He tells Molly that she must obey the law and proceeds to write several citations to her. The law in Molly's state regulating cell phone usage would be classified as which of the following?

- A) A statute
- B) A type of common law
- C) An executive order
- D) A uniform law
- E) res judicata

78) Which of the following spells out what market participants may and may not legally do?

- A) Ethics
- B) Legislatures
- C) Consumers
- D) Business Owners
- E) Creditors

79) A majority of citizens in a democracy can agree to establish rules for:

- A) business behavior
- B) prosecutions
- C) constitutional amendments
- D) civil procedure
- E) criminal procedure

80) Raul worked for Townsend Industries developing secret genetic testing equipment to sell to hospitals and research facilities. In a financial bind, Raul sold some of the plans for the newest laboratory testing equipment to Townsend Industries' biggest competitor. This involves:

- A) quasi-public law
- B) comparative law
- C) criminal law
- D) public law
- E) the Uniform Criminal Code

81) Although they are not a source of law in the same sense as constitutions and statutory law, \_\_\_\_\_ serve(s) as a basis for some statutory law at the state level.

- A) comparative law
- B) trial court decisions
- C) treaties
- D) model or uniform laws
- E) *res ipsa loquitur*

82) The Family and Medical Leave Act, which mandates that businesses employing more than 50 people provide workers with up to 12 weeks' unpaid leave for family related affairs such as having a child, is an example of what type of jurisprudence?

- A) Historical school
- B) Legal realism
- C) Originalism
- D) *Stare decisis*
- E) Common law

84) Define "*stare decisis*," discuss when it occurs in the legal system, and explain why *stare decisis* is important to businesses and individuals.

85) Explain in what ways a treaty between a foreign country and the United States is similar to a contract.

86) Explain the function of administrative agencies and why they are necessary. List five independent agencies and five executive agencies.

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

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

87) Judge Susie Justice, who is newly appointed to the bench, is presented with a question of law involving a cat named Chester who scratched a neighbor's antique jalopy. The neighbor, George, demands justice in the form of full payment from Chester's owner, Bill, and also requests that Chester be shipped to the local animal shelter. Bill says that he should not have to pay anything because Chester had never scratched before, that Chester should be allowed to stay in the neighborhood, and that he should be reimbursed for his legal fees by George who is a grump and never should have brought the lawsuit. Judge Justice is perplexed and wants to make a good decision since she is new to the bench. Describe 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 this jurisdiction, discuss the applicable legal standard the judge should apply if she finds a relevant statute that conflicts with earlier case law.

88) Describe contrasts between the legal realism school of jurisprudence and the identification with the vulnerable school of jurisprudence.

## Answer Key

Test name: Chapter 0`1

- |           |       |
|-----------|-------|
| 1) FALSE  | 38) B |
| 2) TRUE   | 39) E |
| 3) FALSE  | 40) A |
| 4) TRUE   | 41) D |
| 5) FALSE  | 42) E |
| 6) TRUE   | 43) E |
| 7) FALSE  | 44) C |
| 8) TRUE   | 45) A |
| 9) FALSE  | 46) B |
| 10) TRUE  | 47) B |
| 11) TRUE  | 48) D |
| 12) FALSE | 49) A |
| 13) TRUE  | 50) D |
| 14) TRUE  | 51) C |
| 15) TRUE  | 52) A |
| 16) FALSE | 53) A |
| 17) FALSE | 54) D |
| 18) TRUE  | 55) C |
| 19) TRUE  | 56) B |
| 20) TRUE  | 57) A |
| 21) B     | 58) A |
| 22) A     | 59) C |
| 23) B     | 60) C |
| 24) D     | 61) D |
| 25) C     | 62) A |
| 26) C     | 63) A |
| 27) A     | 64) B |
| 28) D     | 65) D |
| 29) D     | 66) C |
| 30) B     | 67) B |
| 31) B     | 68) A |
| 32) A     | 69) B |
| 33) D     | 70) E |
| 34) E     | 71) B |
| 35) D     | 72) A |
| 36) A     | 73) D |
| 37) C     | 74) A |
|           | 75) E |
|           | 76) C |
|           | 77) A |

- 78) B
- 79) A
- 80) C
- 81) D
- 82) B
- 83) Essay
- 84) Essay
- 85) Essay
- 86) Essay
- 87) Essay
- 88) Essay