

Chapter 001 Our System of Law

True / False Questions

1. It is necessary for the average person to understand some of the general principles of law, how to avoid common problem and pitfalls, and know when to seek professional help.

Answer: True

LO: 01-02 Provide examples of how the application of law affects (a) one's personal or social life, (b) business or business operations, and (c) governments

Topic: Applications of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The average person should understand the principles of law.

2. Unlike the federal constitution, state constitutions provide safeguards for the rights of individuals within that particular state.

Answer: True

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: State constitutions provide safeguards for the rights of individuals within that particular state.

3. Court decisions are recorded in writing so that lawyers and judges can refer to them when preparing or hearing a case.

Answer: True

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Application of Knowledge

Feedback: Court decisions are recorded in writing so that lawyers and judges can refer to them.

4. The laws enacted by local government, such as a city council, are often known as ordinances.

Answer: True

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

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Feedback: A law that is passed by a local government, such as a city council, is often called an ordinance.

5. Administrative law is the body of rules, regulations, and decisions created by administrative agencies.

Answer: True

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Administrative law is the body of rules, regulations, and decisions created by administrative agencies.

6. Administrative agencies lack the authority to establish rules that have the force of law.

Answer: False

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Both federal agencies and state agencies have the authority to establish rules that have the force of law, to maintain “courts” that are often called appeal boards, and to conduct “trials” that are often called hearings.

7. Administrative agencies include federal agencies such as the National Labor Relations Board.

Answer: True

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Administrative agencies include federal agencies such as the National Labor Relations Board.

8. The Uniform Commercial Code has been adopted, at least partly, by all 50 states.

Answer: True

LO: 01-04 Explain the reasons for the preparation of the Uniform Commercial Code.

Topic: Uniform Commercial Code

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Not every state has adopted the entire UCC. For example, Louisiana has adopted only parts of the Code.

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9. The State of Louisiana had earlier been a Spanish territory, and therefore, has greatly been influenced by the Spanish civil laws.

Answer: False

LO: 01-04 Explain the reasons for the preparation of the Uniform Commercial Code.

Topic: Uniform Commercial Code

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Louisiana, having been a French territory and therefore greatly influenced by the French civil law, has adopted only parts of the Code.

10. The Uniform Commercial Code is a set of laws governing various commercial transactions designed to bring uniformity to the laws of the states.

Answer: True

LO: 01-04 Explain the reasons for the preparation of the Uniform Commercial Code.

Topic: Uniform Commercial Code

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The UCC is a set of laws that govern various commercial transactions and are designed to bring uniformity to the laws of the states.

11. Many legal obligations are based on moral obligations, but not all moral obligations are legally enforceable.

Answer: True

LO: 01-06 Distinguish moral law from legal obligations.

Topic: Moral Law

LO: 01-06

Blooms: Analyze

Difficulty: 1 Easy

AACSB: Ethics

Feedback: Many legal obligations are based on moral obligations, but not all moral obligations are legally enforceable; a person's conscience is often the only means of enforcement of moral obligations.

12. A court has appellate jurisdiction if it has the authority to hear appeals from other courts.

Answer: True

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: If a court has the power to review the decisions of another court, it has appellate jurisdiction (the authority to hear appeals).

13. Federal district courts have original jurisdiction to hear all appeals from state trial courts.

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Answer: False

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The federal district courts have original jurisdiction in cases involving federal statutes and in cases when the parties are citizens of different states and the amount involved is greater than \$75,000.00.

14. There are 50 federal circuit courts of appeal, one for each state.

Answer: False

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: There are 13 federal circuit courts of appeals.

Multiple Choice Questions

15. The person against whom a lawsuit is brought or who is charged with a violation of the law is called a _____.

- A. defendant
- B. plaintiff
- C. judgment debtor
- D. decree holder

Answer: A

LO: 01-01 Discuss the application of law in today's world.

Topic: The Law in Our World

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: A defendant is the person against whom a lawsuit is brought or who is charged with a violation of the law.

16. State laws require that barbers and pharmacists pass examinations to be _____.

- A. employed by federal institutions
- B. licensed to practice
- C. immune from lawsuits
- D. enrolled in the Bar Council

Answer: B

LO: 01-02 Provide examples of how the application of law affects (a) one's personal or social life, (b) business or business operations, and (c) governments.

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Topic: Applications of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: State laws require that barbers and pharmacists pass examinations to be licensed.

17. The principles and ideals that protect individual liberty and freedom are incorporated in the _____.

A. Executive Order No. 1579 of the President

B. Constitution of the United States

C. Memorandum of Articles of a Corporation

D. Civil Rights Act of 1965

Answer: B

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: In the United States, the principles and ideals that protect individual liberty and freedom are incorporated in the Constitution of the United States (the federal Constitution).

18. In the United States, the federal Constitution gives _____.

A. unlimited powers exclusively to the federal government

B. unlimited powers to both the federal and state governments

C. reasonable powers exclusive to state governments

D. reasonable powers to the federal government

Answer: D

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The Constitution gives the federal government certain reasonable powers and, at the same time, clearly limits the use of those powers.

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19. The practice of relying on previous decisions is known as _____.

- A. res sub-judice
- B. res judicata
- C. obiter dicta
- D. stare decisis

Answer: D

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The practice of relying on previous decisions is known as stare decisis, which means "to stand on decided cases".

20. The literal translation of "*stare decisis*" would mean _____.

- A. "during the pendency of a proceeding"
- B. "to postpone hearing without a date"
- C. "to send a summons"
- D. "to stand on decided cases"

Answer: D

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The practice of relying on previous decision is known as *stare decisis*, which means "to stand on decided cases."

21. Decisions made by the U.S. Supreme Court must _____ by other courts.

- A. not be followed
- B. be followed
- C. not be referred to
- D. be reviewed

Answer: B

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Decisions made by the U.S. Supreme Court must be followed by other courts.

22. A court decision upon which courts later rely in similar cases is known as a(n) _____.

- A. precedent
- B. example

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- C. judicial review
- D. statutory review

Answer: A

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: A model case that a court can follow when facing a similar situation is known as a precedent.

23. The laws passed by Congress and by state legislatures are called _____.

- A. statutes
- B. executive orders
- C. stare decisis
- D. notices

Answer: A

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The laws passed by Congress and by state legislatures are called statutes, and the field of the law that deals with these statutes is known as statutory law.

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24. A law that is passed by a local government, such as a city council, is often called a(n) _____.

- A. ratio decidendi
- B. obiter dicta
- C. ordinance
- D. stare decisis

Answer: C

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: A law that is passed by a local government, such as a city council, is often called an ordinance.

25. Statutes are the laws enacted by _____.

- A. old English courts
- B. the Supreme Court
- C. state courts
- D. state and federal legislatures

Answer: D

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The laws passed by Congress and by state legislatures are called statutes, and the field of the law that deals with these statutes is known as statutory law.

26. The Uniform Commercial Code was _____.

- A. enacted in 1962 by Congress
- B. prepared in 1952 by the National Conference of Commissioners
- C. adopted by all 50 states in 1943
- D. upheld by the Supreme Court as constitutional in 1971

Answer: B

LO: 01-04 Explain the reasons for the preparation of the Uniform Commercial Code.

Topic: Uniform Commercial Code

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The Uniform Commercial Code (UCC) was prepared in 1952 by the National Conference of Commissioners on Uniform State Laws.

27. The law concerned with the unenforceable obligations that people have to one another is known as _____.

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- A. country law
- B. common law
- C. constitutional law
- D. moral law

Answer: D

LO: 01-06 Distinguish moral law from legal obligations.

Topic: Moral Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Moral law is the “law” concerned with the unenforceable obligations that people have to one another.

28. The enforcement of any and all moral obligations results from _____.

- A. the effect on a person's conscience
- B. actions by state courts
- C. actions by federal courts
- D. peer pressure

Answer: A

LO: 01-06 Distinguish moral law from legal obligations.

Topic: Moral Law

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: A person’s conscience is often the only means of enforcement of moral obligations.

29. Most legal scholars agree that today's laws provide adequate protection of the _____ of the individual.

- A. power
- B. rights
- C. duties
- D. responsibility

Answer: B

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Most legal scholars agree that today’s laws provide adequate protection of the rights of the individual.

30. The authority or power of a court to hear cases, as granted by a constitution or legislative act, is known as the court's _____.

- A. jurisdiction
- B. ratio decidendi

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C. obiter dicta

D. quotient

Answer: A

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The authority or power of a court to hear cases, as granted by a constitution or legislative act is known as the court's jurisdiction.

31. Courts that are given the power to hear only certain kinds of cases have _____ jurisdiction.

A. original

B. appellate

C. pecuniary

D. special

Answer: D

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of courts

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: Courts that are given the power to hear only certain kinds of cases have special jurisdiction. Examples are family courts, traffic courts, and tax courts.

32. The U.S. Supreme Court hears _____.

A. all appeals directly from the federal trial courts

B. all appeals directly from the state trial courts

C. a large percentage of appeals from both the federal and state appellate courts

D. a small percentage of appeals as it has no legal obligation to hear all appeals from lower courts

Answer: D

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Understand

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The Supreme Court actually hears only a small percentage of appeals because it has no legal obligation to review decisions of lower courts, except in very limited cases.

33. The federal district courts have original jurisdiction in cases involving _____.

A. criminal matters

B. probate matters

C. federal questions

D. cases in which state law conflicts with county ordinances

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Answer: C

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Remember

Difficulty: 1 Easy

AACSB: Reflective Thinking

Feedback: The federal district courts have original jurisdiction in cases involving federal statutes and in cases when the parties are citizens of different states and the amount involved is greater than \$75,000.00.

34. Appeals of the decisions of federal administrative agencies are made to the _____.

A. U.S. Supreme Court

B. U.S. Circuit Courts of Appeals

C. U.S. District Courts

D. International Court of Justice

Answer: B

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Remember

Difficulty: 1 Easy

AACSB: Knowledge Application

Feedback: Appeals of the decisions of federal administrative agencies, such as the Federal Trade Commission (FTC), are made to the U.S. Circuit Courts of Appeals

Short Answer Questions

35. How are precedents set and followed?

Answer: A precedent is a court decision on which later courts rely in similar cases. In some instances, a court may be influenced by precedent; in other cases it may not. Whether a court follows a precedent or decides to overrule depends on the court that has ruled on the case and whether the previous case was decided by the highest court in the same state.

LO: 01-03 Identify the principal sources of law in the United States.

Topic: Sources of Law

Blooms: Understand

Difficulty: 2 Medium

AACSB: Reflective Thinking

Feedback: A precedent is a court decision on which later courts rely in similar cases. In some instances, a court may be influenced by precedent; in other cases it may not. Whether a court follows a precedent or decides to overrule depends on the court that has ruled on the case and whether the previous case was decided by the highest court in the same state.

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36. There was a time when state constitutions and laws differed from state to state with the result that interstate commerce was affected. What resolved the conflicting statutes regulating business activity among the states?

Answer: The conflicts in the laws of the various states were largely solved with the adoption of Uniform Commercial Code.

LO: 01-04 Explain the reasons for the preparation of the Uniform Commercial Code.

Topic: Uniform Commercial Code

Blooms: Understand

Difficulty: 2 Medium

AACSB: Reflective Thinking

Feedback: The conflicts in the laws of the various states were largely solved with the adoption of Uniform Commercial Code.

37. Write a brief explanation of the state court system.

Answer: State court systems vary; however, all states have general trial courts, which are courts of original jurisdiction, authorized to hear cases that are not otherwise restricted to specialized courts. If one of the parties in a case feels that he or she did not have a fair trial in the court of original jurisdiction, he or she can, with the aid of an attorney, seek an appeal in the state appellate court. Beyond the courts of appeals are higher-level courts, often called Supreme Courts, which make final determinations on matters of law.

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Understand

Difficulty: 2 Medium

AACSB: Reflective Thinking

Feedback: State court systems vary; however, all states have general trial courts, which are courts of original jurisdiction, authorized to hear cases that are not otherwise restricted to specialized courts. If one of the parties in a case feels that he or she did not have a fair trial in the court of original jurisdiction, he or she can, with the aid of an attorney, seek an appeal in the state appellate court. Beyond the courts of appeals are higher-level courts, often called Supreme Courts, which make final determinations on matters of law.

38. In what court would a case involving an appeal of a decision made by the Federal Trade Commission be tried?

Answer: The U.S. Circuit Court of Appeals would have jurisdiction in this case.

LO: 01-07 Describe the structure of our federal and state court systems.

Topic: A System of Courts

Blooms: Understand

Difficulty: 2 Medium

AACSB: Reflective Thinking

Feedback: The U.S. Circuit Court of Appeals would have jurisdiction in this case.