

Student name: _____

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

Laws are the rules of conduct that protect the rights of individuals and businesses.

true

false

In the business world, there are laws to protect businesses from harm.

true

false

A privacy policy is a list of rules of conduct for employees relating to the creation, usage, control, and maintenance of personal information.

true

false

Businesses must follow the guidelines of the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, when collecting and using personal information from their customers.

true

false

PIPEDA dictates that a business may only use the personal information it collects solely for the purpose it collects it

true

false

A business need only obtain consent once for the personal information it collects.

true

false

When drafting a privacy policy, it is important to include what information is being collected and how it is being collected.

true

false

Business law encompasses all the laws that a business requires to form and run a business.

true

false

Business laws are in place to protect the business, the owner, and the public.

true

false

Laws guide the businessperson in the proper and lawful way to conduct the business.

true

false

Businesses must retain documents or run the risk of losing a lawsuit if they are sued.

true

false

Businesses need not retain documentation, in any case.

true

false

A business that understands its obligations to the law and to the public, protects its rights.

true

false

Risk management allows a business to understand and assess risks associated with doing business.

true

false

Good risk management may allow a business to avoid legal consequences.

true

false

Business ethics refers to the moral decisions made by the stakeholders of a business.

true

false

How to manage a conflict of interest with an employee is **not** an example of an ethical decision.

true

false

How to submit information to the Canada Revenue Agency to maximize profits while following rules is an example of an ethical decision.

true

false

You need to know and understand all of the laws that pertain to your business.

true

false

Canada has a civil legal system and a common law legal system.

true

false

Canada has two (2) types of law.

true

false

Public law governs the relationship between individuals.

true

false

Public law sets the rules for the relationship between society and business.

true

false

Private law governs the relationship between individuals.

true

false

Private law sets the rules for the relationship between society and business.

true

false

Public law dictates how a business resolves a dispute with the government.

true

false

Businesses need not be concerned with white-collar crime.

true

false

Criminal law is designed to protect society from crimes.

true

false

Criminal law is a set of rules that individuals and not businesses must obey.

true

false

Constitutional law limits the exercise of governmental power over individuals and businesses through the protection of fundamental rights and freedoms.

true

false

Administrative laws set out broad policy statements and establish a board commission or agency to ensure compliance by business.

true

false

Businesses are required to follow the laws set out in administrative law statutes.

true

false

In response to COVID-19 following March 2020, the federal and provincial government enacted new administrative laws and regulations that businesses must abide by to keep Canadians and their businesses safe.

true

false

A business may litigate a tax dispute with government in The Tax Court of Canada.

true

false

Civil or private law is also called tort law.

true

false

A person can be sued in civil law even if they face criminal charges.

true

false

A slip and fall outside your business is an example of civil law.

true

false

In civil law, the Crown tries to prove that the accused is guilty beyond a reasonable doubt.

true

false

Common law is used in all courts of Canada.

true

false

Canada adopted civil law from Britain.

true

false

Statute law is a set of codes, rules, and regulations that have been enacted by government.

true

false

Common law is case law or judge made precedent law.

true

false

Stare

decisis means that judges in lower courts must follow decisions from higher courts in their provinces.

true

false

A business can use common law as precedent to help make its decisions involving legal risks.

true

false

The *Constitution Act 1867* outlines the executive and legislative powers of federal and provincial governments.

true

false

The *Constitution Act 1982* entrenches the *Canadian Charter of Rights and Freedoms* as well as other rights such as Aboriginal rights.

true

false

A statute is a law enacted at the municipal, provincial, or federal level.

true

false

Regulations are laws developed by departments and other organizations in specific areas.

true

false

A business needs to only be aware of statutes made for the province in which it does business.

true

false

Canada has three (3) branches of government.

true

false

The role of the judiciary is to interpret and apply the law.

true

false

The executive branch of government has the power to make, alter, and repeal the laws.

true

false

The Municipal level of government deals with the responsibilities of a city, town, or district such as parks, water, parking, local police.

true

false

The executive branch of government is responsible for administering and enforcing the laws.

true

false

The *Charter of Rights and Freedoms* is a part of the Canadian Constitution and was included in the *Constitution Act* in 1982. The *Charter* protects Canadians' fundamental freedoms that are important to every Canadian citizen, permanent resident, or newcomer in a free and democratic country.

true

false

Court decisions are based on what the law says and what the evidence proves.

true

false

The hierarchy of courts is the same in each province.

true

false

Alternative Dispute Resolution is a process to resolve disputes in a way that does not involve going to court.

true

false

Mediation and arbitration are examples of ADR.

true

false

A benefit of ADR is that it creates goodwill—preserves diplomatic relationship between the parties because they work together toward a solution both sides can live with.

true

false

ADR is usually more expensive than litigation.

true

false

ADR maintains the privacy of the parties.

true

false

ADR is usually more time consuming than litigation.

true

false

ADR does not increase compliance—parties are not more likely to comply with a mutual decision.

true

false

ADR is usually less private than litigation.

true

false

ADR is not binding on the parties.

true

false

ADR can harm the goodwill between the parties.

true

false

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

Which of the following is **not** required to be put into a privacy policy?

A pledge to protect the client's privacy.

Details of the impact of the information on the business.

Details on how the information is being kept secure.

How the information is going to be shared with third parties.

The *Personal Information Protection and Electronics Documents Act* is:

A federal statute that applies in all provinces.

A federal statute that applies in none of the provinces.

A provincial statute that applies in all provinces.

A provincial statute that applies in one province only.

Which of the following is an example of when business documentation is essential and necessary to defend a lawsuit.

When a patron is suing the business for a slip and fall inside the premises of the business.

When a successful sale transaction is closed and the contract is completed.

When the business purchases supplies for operations.

When the business is preparing its marketing plan.

Risk Management Components include:

Avoid, transfer, mitigate, acceptance

Transfer, accept, maximize opportunity

Avoidance and acceptance.

Those components that the business model created.

Mitigation, as a risk management strategy is when:

A business reduces its services in all cases.

A business chooses not to have a contingency plan in place.

A business creates a strategy to minimize losses or damages as a result of an unforeseen event before it happens.

The business does nothing.

The difference between law and ethics is that:

Law tells us what we should do and ethics tells us what we must do

Law tells us what we must do and ethics tells us what we should do

Law tells us what others must do and ethics tells us what we must do

Law tells us what others should do and ethics tells us what we must do

Which one of the following is **not** a business stakeholder?

Customers

Employees

Shareholders

Suppliers

Which of the following is **not** an area of public law?

Administrative law

Contract law

Criminal law

Tax law

Which of the following is **not** a white-collar crime?

Assault & battery

Bankruptcy fraud

Identity theft

Tax evasion

Which of the following activities does **not** constitute a criminal activity?

A business owner forgets to advise the accountant that he or she sold an asset

A business owner seeks insurance compensation for a property he or she lost in a fire

A business owner tells a friend about an undisclosed merger that will increase his or her business's value

A business owner transfers his or her land to a related person before declaring bankruptcy

The Simpson brothers have applied to the Liquor License Board of their province to obtain a wine and beer license for their new restaurant. Which of the following is **not** true?

The Board is an administrative tribunal, not a court of law

The decisions of the Board become part of the administrative law of the province

The Simpsons will deal with civil servants rather than elected representatives while applying for their license

All decisions of the Board are subject to approval by the provincial legislature

When judges apply the principle of *stare decisis* in deciding a case before them they are, in effect, applying:

Civil law

Constitutional law

Precedent law

Statute law

Which of the following statutes outlines the executive and legislative powers of federal and provincial governments?

Charter

of

Rights

and

Freedoms

Constitution

Act

1867

Constitution

Act

1967

Constitution

Act

1982

Section 91 includes:

Food and Drug regulations, Competition Act

Property law, employment standards and Income Tax Act

Income Tax Act, Public Health and Property Tax

All federal and provincial laws.

The legislative branch of government refers to which of the following?

Courts and Judges

Members of Parliament

Prime Minister and Cabinet

The Senate

The executive branch of government refers to which of the following?

Courts and Judges

Members of Parliament

Prime Minister and Cabinet

The Senate

The judicial branch of government refers to which of the following?

Courts and Judges

Members of Parliament

Prime Minister and Cabinet

The Senate

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

Explain why PIPEDA is such an important consideration in the development of a company's privacy policy.

What are three (3) ethical decisions a business has to make?

What are the four (4) strategies for dealing with risk?

Answer Key

Test name: Ch1_Canadian Business Law Today_2nd

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C

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Short Answer

PIPEDA is privacy legislation that is required to be followed by businesses to inform the public about privacy laws, what is done with the private information, how it is stored, and whether it is shared. Aside from it being legally mandated, it is also important because of the dangers of identity theft and potential litigation against a business which does not safeguard private and confidential client information.

Short Answer

How to submit information to the Canada Revenue Agency regarding taxes.

How to manage a conflict of interest when a new applicant for a manager job happens to be a best friend.

How to deal with instructions from a CEO when instructions are unethical.

Short Answer

Avoid. Transfer. Mitigate. Acceptance.