

Student name: _____

Law is a considered to be a formal social force.

true

false

The first known written set of laws was the Code of King Solomon.

true

false

Under the rule of law, laws that are made are generally and equally applicable.

true

false

The term “common property” applies to resources owned by the government (or "state") like roads, public buildings, public lands, and monuments.

true

false

Tort law compensates owners whose resources are wrongfully injured by the acts of others.

true

false

Regulatory law forbids owners from monopolizing classes of resources and sets rules for how businesses can compete to acquire ownership in new resources.

true

false

Jurisprudence is the philosophy of law.

true

false

Natural law theory asserts that law contains universal moral principles.

true

false

Proponents of sociological jurisprudence believe that contemporary law should focus on legal principles that have survived the test of time in a nation.

true

false

The word jurisprudence can refer to the general body of law interpretations by judges as different from legislation passed by legislators.

true

false

Legal realism is the idea that courts should understand the meaning of the Constitution relative to the times in which they interpret it.

true

false

The countries that were colonized by England, such as the United Kingdom, Canada, the United States, and India, follow the civil law.

true

false

The common law arose in the 11th and 12th centuries as the English monarch appointed royal judges to ride circuits around the countryside and to resolve disputes in their name.

true

false

Louisiana is one of several U.S. states that follows a partial civil law system.

true

false

The common law relies more on legislation than judicial decisions to determine what the law is.

true

false

In public law matters, a government official represents society, or "the people," and that official is responsible for seeking justice to achieve the ends of society.

true

false

Property law only recognizes an exclusive right in tangible resources.

true

false

Contract law often, but not always, requires actual injury to the owner's resources.

true

false

Judges in civil law courts believe they are obligated to follow precedents.

true

false

In a common law legal system, a judge would not use *stare decisis* to make current judicial decisions.

true

false

In the United States, there is only a federal court system that decides all legal issues.

true

false

In constitutional law, originalism is synonymous with constitutional relativity.

true

false

The legislation passed by Congress is called an ordinance.

true

false

The Second Amendment to the Constitution holds that “No State shall . . . deprive any person of life, liberty or property without due process of law.”

true

false

A zoning board is an administrative state or local agency that helps plan local development by specifying where businesses and housing can be located.

true

false

The disadvantages of case law do not destroy the benefits of certainty, predictability, and stability provided by case law and *stare decisis*.

true

false

Judges in future cases are not so likely to follow the dicta in prior cases as they are the holdings.

true

false

Under *stare decisis*, judges in current cases follow, whenever possible, the interpretation of law determined by judges in prior cases.

true

false

If a dispute arises involving different laws in multiple states, judges apply conflicts of law rules to determine which state's substantive rules of law should be used to resolve the matter.

true

false

In the hierarchy of sources of law, case law prevails over local ordinances.

true

false

The Fourteenth Amendment to the U.S. Constitution recognizes that the law is enforced by taking a person's life, freedom, or the resources that they own.

true

false

Regardless of whether it is stated in the contract, the injured party will usually recover their attorney's fees as part of their compensatory damages in a breach of contract suit.

true

false

Most lawsuits heard by courts today, especially federal courts, involve one business suing another business for breach of contract.

true

false

Tort law helps protect property boundaries by providing compensation when someone wrongfully crosses such boundaries.

true

false

In addition to compensatory damages, breach-of-contract cases may award punitive damages when the breaching party knew or had reason to know that special circumstances existed that would cause the other party to suffer additional losses if the contract were breached.

true

false

A strict liability tort requires the plaintiff to show that a defendant injured what was proper to the plaintiff through unreasonable behavior.

true

false

Sanctions for breach of contract include death sentences.

true

false

The threat of sanctions usually results in compliance with the requirements of law.

true

false

Corporate governance rules do not safeguard the property interest that owners have in corporations.

true

false

Corporate governance can fail even when corporate managers do nothing illegal.

true

false

Article 6 of the Treaty on European Union, called the Maastricht Treaty, says the EU is “founded” on _____.

specific performance

the law of eminent domain

stare decisis

the rule of law

constitutional relativity

Which of the following statements is true of the rule of law?

There are four universal principles that define the rule of law, according to the World Justice Project.

Under the rule of law, laws that are made are not generally and equally applicable.

Its only aim is to prevent special interest groups from benefitting at the expense of others.

It adopts laws supporting the growth of the public markets over private markets, increasing economic growth of nations.

It removes the power of the courts and creates an autocratic regime where businesses can freely invest and economic growth is high.

_____ property is an ownership fence, which applies to resources like land that more than one individual owns jointly.

Private

Civil

Public

Common

Tort

_____ property applies to resources that you own as an individual.

Public

Private

Common

Shared

Government

A property-based legal system _____.

is unimportant in Western legal systems

holds that law is simply the commands of the state backed up by force and punishments

is contrary to the philosophy of natural law

does not allow for the transfer of private resources

allows people to exclude others from interfering with what their efforts produce

_____ can be thought of as the central element providing the basis for Western legal systems.

Dictum

Morals

Contract

Property

Common law

In the context of property, contract law _____.

enables an owner to exchange resources, especially at a future date

compensates owners whose resources are wrongfully harmed by the actions of others

punishes those who harm an owner's resources in particular ways

identifies how individuals can own and use private resources in groups

protects ownership and sets limits on private resource use

_____ law both protects ownership and sets limits on private resource use.

Tort

Antitrust

Securities

Regulatory

Contract

_____ specifically protects the owners of a business entity from the managers who run it for them.

Corporate governance

Criminal law

Constitutional governance

Conflicts of law

Civil law

_____ law forbids owners of businesses from monopolizing classes of resources and sets rules for how businesses can compete to obtain ownership in new resources.

Environmental

Antitrust

Securities

Antidiscrimination

Labor

The ideas and philosophies that explain the origin of law and its justification are called _____.

the rule of law

torts

stare decisis

jurisprudence

statutes

_____ law jurisprudence believes that law is simply the commands of the state backed up by force and punishments.

Positive

Natural

Historical

Sociological

Tort

Which of the following schools of jurisprudence emphasizes that contemporary law should focus on legal principles that have withstood the test of time in a nation?

Sociological

Legal realism

Positive law

Historical

Natural law

_____ jurisprudence supports the idea that law can and should change to meet new developments in society.

Historical

Natural

Sociological

Positive law

Legal realism

Which of the following philosophies of law tries to go beyond just the words of law to examine what law enforcement officials, administrators, prosecutors, and judges are actually doing as they carry out, interpret, and apply laws?

Positive law jurisprudence

Sociological jurisprudence

Historical school of jurisprudence

Natural law theory

Legal realism

Positive law is contrary to _____.

civil law

legal realism

historical jurisprudence

natural law

sociological jurisprudence

John has written a book, Battlefield, and was talking to some interested parties about making a Broadway musical based on it. However, he turned down an offer due to conflicting opinions of who should play the lead roles. A year later, Battlefield was made into a musical but it did not acknowledge John as the author. This scenario best reflects a violation of _____ law.

property

administrative

tort

common

contract

Kate Ace is a luxury purse brand that has its own distinctive logo . The company recently discovered that another retailer has been selling counterfeit Kate Ace bags. The legal dispute that will arise here is most likely to be governed by _____ law.

securities

environmental

property

tort

antitrust

Mary was driving her four kids to soccer practice one day when she was rear-ended by Ted. Ted was driving his Porsche too fast and did not see that traffic was at a standstill. Mary's minivan was damaged and required extensive repairs. Mary also had to go to the chiropractor for whiplash injuries she sustained in the accident. Mary meets with an attorney to discuss filing a lawsuit against Ted to recover compensation for her injuries and the damage to her vehicle. If the attorney takes the case, she will likely file which type of claim against Ted?

Administrative law

Contract law

Property law

Tort law

Constitutional law

The role of judges in the United States is so significant that they determine the meaning of the U.S. Constitution and can declare void the legislation of Congress and the acts of the president. This illustrates that the legal system in the United States is based on _____ law.

civil

religious

common

hybrid

constitutional

What type of courts do not make law and have judges who do not think themselves obligated to follow prior judicial decisions called precedents?

Civil law courts

Criminal law courts

Common law courts

Appeals courts

Traffic law courts

_____ law covers the legal principles that apply to government agencies, bureaus, boards, or commissions.

Administrative

Constitutional

Tort

Criminal

Contract

Which of the following would be governed by the rules of property law?

An individual's right to wear religious clothing in the workplace

An incident in which a driver negligently operates a vehicle and harms a pedestrian

The negotiation of a merger between two companies

The issuing of a fine for violating a city ordinance

The patent of an invention

Which of the following statements is true of civil cases?

They typically involve a representative of government attempting to prove the wrong committed against society and seeking to have the wrongdoer punished by the court system.

They typically involve a request for damages or other appropriate relief that does not involve punishment of the wrongdoer.

They typically include matters that involve the regulation of society as opposed to individuals interacting.

They typically include matters that involve the interpretation and application of either the federal or state constitutions.

They typically include legal principles that apply to government agencies, bureaus, boards, or commissions.

Which of the following statements is true of tort law?

It involves the recognition of an exclusive right in either tangible or intangible resources, such as copyrights, patents, and trademarks.

It covers the rules of how owners transfer resources by exchanging them.

It specifies various offenses against the proper order of the state.

It covers the legal principles that apply to government agencies, bureaus, boards, or commissions.

It establishes rules for compensation when an owner's legal boundaries are wrongfully crossed by another.

Michael has agreed to buy a townhouse from Kate. They enter into a binding real estate agreement for the sale and purchase of the home. When Michael meets to complete the deal, Kate no longer wants to go through with the transaction. Which of the following best categorizes Kate and Michael's issue in the context of classification of laws?

This is a private law issue regarding tort law.

This is a public law issue regarding contract law.

This is a public law issue regarding procedural law.

This is a private law issue regarding contract law.

This is a public law issue regarding constitutional law.

The time allowed for one party to sue another and other rules governing the process of a lawsuit are examples of _____.

tort laws

procedural laws

international laws

substantive laws

property laws

Which of the following statements is true of substantive law?

The rules of law governing the process of a lawsuit are substantive in nature.

It deals with the method and means by which procedural law is made and administered.

The time allowed for one party to sue another is an example of substantive law.

Enforcement of a contractual promise is substantive in nature.

It provides the machinery for enforcing rights and duties.

Public law traditionally includes which type of law?

Copyright law

Tort law

Contract law

Property law

Criminal law

Private law traditionally includes _____ law.

international

property

administrative

constitutional

criminal

The _____ in prior cases are precisely what was necessary to the decision reached.

dicta

holdings

citations

statutes

ordinances

According to _____, judges in current cases follow, whenever possible, the interpretation of law determined by judges in prior cases.

stare decisis

writ of certiorari

ratio decidendi

constitutional relativism

legal realism

When judges who decide appeals from trial courts make decisions on legal issues, they set out their reasons for the decision in a(n) _____.

citation

opinion

code

statute

ordinance

Which of the following are judicial decisions that interpret the relevant constitutional, legislative, and regulatory laws?

Citations

Injunctions

Case law

Dicta

Statutes

In constitutional law, the idea that courts should understand the meaning of the Constitution, relative to the times in which they interpret it, is known as _____.

constitutional holding

legal realism

legal originalism

constitutional relativity

constitutional governance

_____ stands for the idea that courts should interpret the Constitution only according to the intentions of those who wrote it.

Constitutional relativity

Originalism

Legal realism

Dicta

Constitutional holding

One important advantage of *stare decisis* was _____.

increased emphasis on dicta compared to the holding

the elimination of alternative dispute resolution methods

security in the right of property

the limited volume of cases

the rejection of precedent

Which of the following ranks highest in the hierarchy of sources of law?

Local ordinances

State constitutions

Statutes of Congress

State administrative regulations

U.S. Constitution and Amendments

The Latin meaning of the term *stare decisis* is “_____.”

speak the truth

let the prior decision stand

friend of the court

let the plaintiff beware

in good faith

Collections of legislation, often on the same subject, passed by the Congress are called _____.

precedents

opinions

ordinances

codes

citations

After months of debating the issue, the House of Representatives and the Senate have both agreed to pass a bill that will increase the tax on alcohol sales. This type of legislation is called a(n) _____.

statute

rule

precedent

amendment

constitution

The administrative agencies in the Town of Oceanview, a beach-side community, have passed a written law banning patrons from entering restaurants and bars barefoot. This legislation is an example of a(n) _____.

statute

amendment

code

ordinance

jurisprudence

Which of the following are essential to locate prior precedents?

Codes

Remediations

Citations

Dicta

Torts

Which of the following refers to judicial decisions that apply to legal problems and interpret the relevant constitutional, legislative, and regulatory laws?

Case law

Procedural law

Substantive law

Commercial law

Tort law

The source of law that ranks the lowest among all the others is _____.

local ordinances

statutes

case law

state administrative regulations

federal administration regulations

_____ are, in effect, a form of punishment for violating the law and have a preventive function.

Ordinances

Statutes

Sanctions

Torts

Opinions

The right of an individual to take another person's resources because that person has failed to meet the requirements of the law is known as a _____.

precedent

citation

remedy

dicta

holding

A _____ is a civil wrong other than a breach of contract.

caucus

tort

sanction

remedy

dicta

Which of the following statements is true of a breach of contract?

A breach of contract is a type of tort.

Damages make most parties whole because they generally include attorney's fees.

A contract can only be rescinded if both parties to the contract agree to it.

The remedy of an injured party may sometimes be a decree of specific performance.

Breach-of-contract cases may not award any consequential damages under any circumstances.

Which of the following is an order by the court commanding the other party actually to perform a bargain as agreed?

De novo judicial review

Obiter dicta

Stare decisis

Specific performance

Eminent rationality

Which of the following sanctions are awarded with the objective of ensuring that a party be in as good a position as they would have been in had the contract been performed?

Punitive damages

Compensatory damages

Incidental damages

Exemplary damages

Liquidated damages

Coach Racket is the head coach of the softball team at Riverdale Junior High School. After a disappointing loss to a rival team, Coach Racket becomes angry with one of the players, and he pushes the player into the dugout. The player's legs are badly bruised and their wrist is sprained from trying to break their fall. In this scenario, Coach Racket could be sued for committing a(n) _____.

negligent act

strict liability tort

intentional tort

punitive tort

nuisance

In intentional or severe tort cases, the court might order that the wrongdoer _____.

pay punitive damages

be removed from office

serve a prison sentence

perform a bargain as agreed

pay a criminal fine

In a broad general sense, _____ includes the legal property relations that large businesses have with each other, with their customers, and with society.

corporate governance

specific performance

stare decisis

tort law

strict liability

_____ refers to the legal rules that structure, empower, and regulate the agents of organizations and define their relationships to the owners.

Voir dire

Res judicata

Corporate relativity

Corporate governance

Categorical imperative

Tom is the manager of Happy Feet, a corporation that designs and sells children's shoes. As manager, Tom gets an insider tip and decides to sell some of his stock in the company, making a ton of money for himself. What is Tom's insider trading an example of?

The proper responsibility of a corporate manager

Corporate misgovernance

A wise business deal

An act of fiduciary duty

The normal job responsibility of a manager

Which of the following usually require a plaintiff to prove only that a defendant has injured something proper to the plaintiff?

Torts of negligence

Intentional torts

Strict liability torts

Torts of conversion

Torts of nuisance

Which of the following is an entity chartered by the state to do business as a legal person in a certain form of organization?

A partnership

A cooperative

A corporation

A sole proprietorship

An administration

Why is law considered to be a formal social force?

Why is law considered to be the most significant of social forces in modern nations?

Briefly explain the rule of law.

When defining property in the legal sense of the word, there are three main types of ownership fences. Describe the three types of ownership fences.

What is the basic definition of property? Explain how the concept of property relates to the areas of constitutional law, administrative and regulatory law, contract law, and tort law.

Compare natural law and positive law in jurisprudence.

Illustrate the concept of sociological jurisprudence with an example.

How do procedural law and substantive law differ?

Briefly describe judges' roles in the two major legal systems: common law and civil law.

Describe public law and its categories.

What is private law? What are the categories of private law?

Briefly describe the differences between civil law and criminal law cases.

Briefly describe the legal doctrine of *stare decisis*.

Briefly explain the importance and hierarchy of federal law.

What are federal acts, statutes, and codes?

What are opinions, precedents, and citations?

Briefly describe the information that can be obtained from the case citation, 675 F.3d 23 (2014).

Briefly outline the disadvantages and advantages of case law.

Distinguish between holding and dicta in prior precedent.

What is constitutional relativity? How does it affect *stare decisis*?

Briefly explain conflicts of law.

List the various sources of law in their order of hierarchy.

The Fourteenth Amendment to the U.S. Constitution recognizes that law may be enforced by taking resources owned by a citizen. Describe the circumstances under which someone's resources may be legally taken.

Differentiate between an intentional tort and negligence.

What are exemplary damages?

What sanctions may be imposed for violating statutes and regulations?

Define a corporation.

How does corporate governance break down due to the illegal actions of managers?

What are compensatory damages?

Contract law often, but not always, requires actual injury to the owner's resources.

true

false

Answer Key

Test name: Ch1_The Legal and Regulatory Environment of
Business_19e

TRUE

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