

Chapter 02

Dispute Settlement

True / False Questions

1. Mediators award decisions based on the merits of a dispute.
True False
2. The U.S. Supreme Court generally disfavors arbitration as a way to settle disputes.
True False
3. The parties to an arbitration proceeding can select an arbitrator in any way they desire.
True False
4. In international trade disputes, a losing party is not given time to comply with its trade obligations.
True False
5. International arbitration agreements are enforced through multilateral treaties.
True False
6. Mini trials are also known as summary jury trials.
True False
7. When the issue in a case no longer exists or has become pointless, that issue is considered moot.
True False
8. Sally files a lawsuit against Jim in a Tennessee court. Jim does not live in Tennessee and has never been to the state. The Tennessee court may not decide the case unless it can demonstrate that Jim somehow has a close connection with the state.
True False

9. Erik filed a case in a municipal court against Leela for a minor criminal violation. Dissatisfied with the decision of the court, Erik can now appeal the case in a court of record.
- True False
10. Small claims courts are courts of record.
- True False
11. An individual who is dissatisfied with the decision of a lower court can always take it all the way to the U.S. Supreme Court.
- True False
12. All opinions of the Supreme Court judges can be cited as precedents.
- True False
13. The adversary system in the United States is based on the idea that the truth will emerge in courtrooms through a "battle of words" between two lawyers.
- True False
14. In a civil case, the plaintiff need not have the preponderance of the evidence on his or her side.
- True False
15. A new trial is required for cases remanded by an appellate court.
- True False

Multiple Choice Questions

16. Under the Uniform Arbitration Act, a court:
- A. cannot hold that the dispute was not arbitrable under the agreement of the parties.
 - B. will not review the wisdom of the decision of an arbitrator.
 - C. cannot hold that the arbitrator exceeded his or her authority.
 - D. can publish its arbitration awards.

17. Which of the following statements is true about a minitrial?

- A. A minitrial involves a six-member mock jury empaneled by the court that hears a shortened presentation of the case by the lawyers for each side and renders an advisory verdict.
- B. A minitrial often involves a neutral third-party advisor who will render a nonbinding opinion, if a settlement is not reached, regarding how a dispute is likely to be resolved if it goes to trial.
- C. A minitrial is conducted under court guidance.
- D. A minitrial differs from mediation in that the third-party to whom the dispute is submitted decides the outcome.

18. In the private judging method of dispute resolution, _____.

- A. a hired judge renders a binding opinion after hearing the evidence and arguments of the parties
- B. executives of the disputing companies, who have settlement authority, hear a shortened presentation of the case by the lawyers for each side
- C. a six-member mock jury empaneled by the court hears a shortened presentation of the case by the lawyers for each side
- D. executives of the disputing companies meet with lawyers for each side to negotiate a settlement

19. An individual appointed within an organization to settle disputes is called a(n) _____.

- A. private judge
- B. arbitrator
- C. mediator
- D. ombudsperson

20. Jurisdiction is defined as:

- A. the authority of a court to hear and determine disputes.
- B. the unlimited authority of the court.
- C. the process by which legal cases are decided.
- D. the power an individual appointed within an organization possesses to settle disputes.

21. Adia filed a case against Chang in the court at Ohio. However, Chang had never visited Ohio and had no personal ties with anyone in Ohio. Chang could successfully argue that the court:

- A. lacked personal jurisdiction.
- B. was in proximity to the place where Chang resides.
- C. was limited by subject matter jurisdiction.
- D. did not have judges that would understand the language spoken by him.

22. Municipal courts:

- A. are courts of record.
- B. are known as superior courts.
- C. are known as justice of the peace courts in rural areas.
- D. are courts that handle civil disputes involving large amounts of money.

23. Trial courts differ from inferior courts in that the trial courts:

- A. are courts of limited jurisdiction.
- B. are limited by the amount of civil damages that can be awarded.
- C. are courts of record, and their decisions can be appealed.
- D. are called municipal courts in urban areas.

24. Generally, the role of appellate courts is to:

- A. hear witnesses once again.
- B. establish new facts for all cases.
- C. accept the findings of the trial court with minor changes even if it goes against all the evidence.
- D. review the proceedings in the trial court and correct legal errors made by the trial judge.

25. A certain court receives an appeal by parties dissatisfied with the decision of a trial court. However, neither does it hear any witnesses nor does it review new facts about the case. The court discussed in the example is a(n) _____.

- A. municipal court
- B. inferior court
- C. appellate court
- D. justice of peace court

26. Karl, a resident of Ohio, was convicted of a bank robbery worth \$90,000 in California. In which of the following courts should his case be filed?

- A. Small claims court
- B. Tax court
- C. District court
- D. Justice of peace court

27. District courts:

- A. only review the legal conclusions reached by lower federal courts.
- B. are the intermediate courts of the federal court system.
- C. have both fact-finding and law-finding functions.
- D. are specialized courts in the federal court system.

28. A U.S. court of appeals is empowered to:

- A. take up appeals only from other districts.
- B. review legal conclusions reached by lower federal courts.
- C. hear cases that have been appealed from Supreme Court decisions.
- D. take the final responsibility for interpretation of the Constitution and federal statutes.

29. The primary way a case can be appealed to the Supreme Court is through a _____.

- A. writ of habeas corpus
- B. writ of quo warranto
- C. writ of certiorari
- D. writ of mandamus

30. Writ of certiorari (cert.) may be granted when:

- A. a person does not want to appeal to the Supreme Court.
- B. there have been conflicting decisions in similar cases by different courts of appeal.
- C. the Supreme Court has too many cases to be heard and has no time to take up a new case.
- D. a case has the validity of a federal statute in agreement.

31. Which of the following statements about the adversary system is true?

- A. The adversary system represents the idea that truth is best discovered through the presentation of competing ideas.
- B. The judge, in an adversary system, is actively involved in determining the facts of a case.
- C. The lawyers, in an adversary system, do not persuade the judge that the other party's view of the facts is in error.
- D. The judges have a duty to direct the search for truth rather than expecting it to emerge from the efforts of the lawyers for the parties.

32. Which of the following is a criticism of the adversary system?

- A. Honest witnesses can be confused by hostile questioning.
- B. The system concentrates on the competition to win, which discourages overstatement of the truth.
- C. The judge's role, in the adversary system, is active.
- D. The system does not work when the opposing lawyers are of unequal skill, giving an advantage to the poor and the needy.

33. The Smiths, an affluent family, own a hospitality chain called Smith Hotels Inc. When a lawsuit was filed against the hotel for serving stale food to its guests, the managers of the hotel decided to hire a lawyer who practices in an adversary system. How is this situation advantageous to Smith Hotels Inc.?

- A. The system makes it easier for a biased judge to control the outcome of a case.
- B. The wealthy can hire better lawyers as the system does not work when the opposing lawyers are of unequal skill.
- C. The system lays emphasis on the competition to win which discourages overstatement of the truth.
- D. The adversary system resents the idea that truth is best discovered through the presentation of competing ideas.

34. Which of the following statements is true of pleadings?

- A. The first step in starting a lawsuit is the serving of a summons on the defendant.
- B. These are the first documents filed with the court, and they start and define the lawsuit.
- C. The case is set for trial on the court calendar once the pleadings have commenced.
- D. Both disputed and undisputed matters in the pleadings are tried in court.

35. In the context of filing a lawsuit, a complaint:
- A. must contain sufficient facts to show that the plaintiff is entitled to some legal relief.
 - B. is a rule of law enabling the defendant to win even if all of the plaintiff's allegations are true.
 - C. was created to help deal with the increasing congestion of cases in most civil courts.
 - D. is a procedural device that is designed to narrow down issues to be proved at trial.
36. A rule of law enabling a defendant to win even if all of plaintiff's allegations are true is a(n) _____.
- A. counterclaim
 - B. affirmative defense
 - C. deposition
 - D. judgment notwithstanding the verdict
37. A new claim stating that plaintiff owes defendant damages because of harm resulting from the incident alleged in the complaint is called a(n) _____.
- A. counterclaim
 - B. affirmative defense
 - C. cross-claim
 - D. dissenting opinion
38. A motion to dismiss made by a defendant is granted when:
- A. the defendant is scared of losing the case.
 - B. it is clear that the plaintiff does not have a case, and it would be wasteful to continue.
 - C. either party feels that the judge is not impartial.
 - D. people or groups other than the parties involved are interested in the outcome of a certain appeal.
39. Salim files a case against Nina for nonpayment of dues. Before the trial, Nina is examined under oath in the presence of Salim's attorney. This process of examination is known as a(n) _____.
- A. deposition
 - B. interrogatory
 - C. pretrial conference
 - D. default judgment

40. A procedural device that is designed to narrow issues to be proved at trial or to facilitate a settlement is the ____.
- A. alternative dispute resolution
 - B. mediation agreement
 - C. judgment notwithstanding the verdict
 - D. pretrial conference
41. Which of the following statements is true of the presentation of testimony?
- A. Under direct examination, each witness is sworn and then examined by the defendant's attorney.
 - B. A defendant's attorney may cross-examine each witness, trying to raise doubts as to the person's credibility or trustworthiness.
 - C. A defendant's attorney may conduct a redirect examination to clarify the plaintiff's view of the facts.
 - D. During a witness's testimony, the opposing attorney cannot object to the presentation of certain evidence.
42. A ____ is designed to reach things belonging to the debtor that are in the hands of third parties.
- A. writ of quo warranto
 - B. writ of garnishment
 - C. writ of certiorari
 - D. writ of mandamus
43. Which of the following is true of the burden of proof in a criminal trial?
- A. It should be "beyond a reasonable doubt."
 - B. It is placed on the defendant.
 - C. During the closing of a case, when the defendant's attorney goes first, he or she has the burden of proof.
 - D. It is similar to that for civil cases.

44. The term *amicus curiae* means:

- A. friendly cure or the amicable resolution to a mediated dispute.
- B. friend of the court and refers to briefs filed by third parties interested in the outcome of a certain appeal.
- C. small couriers or the briefs, originally used by foot messengers, which are used to communicate between lawyers and the courts.
- D. the name for the conductor of an arbitration, a position originally filled by medieval clergy.

45. In order to appeal a decision, _____.

- A. a party must claim that the court made an error of law or that the evidence in the trial did not support the trial court's decision.
- B. a party need not have objected to a judge's action at the time the alleged error was made.
- C. a party must prepare for a new fact-finding process and must be dissatisfied with the judgment of the court.
- D. the defendant must show that the errors made were not material.

46. A record in writing of the entire trial proceedings including the testimony of all the witnesses and any discussions between the judge and the attorneys that must be prepared and forwarded to the appeals court is called a _____.

- A. treatise
- B. citation
- C. transcript
- D. brief

Short Answer Questions

47. The employees of Claudio Inc. were on strike for 30 days and that led to huge losses for the business. Owing to loss of business and wages, both parties wanted to settle the dispute but were unable to negotiate successfully. Which method of dispute settlement is best suited to them? Why?

48. Explain the differences between trial courts and inferior courts.

49. The function of a judge in the United States differs from that in Europe. Explain.

50. Under what conditions can one or more members of a class may sue or be sued as representative of a class? What type of lawsuit can their claims be consolidated into?

51. Explain the concept of a motion to dismiss.

Chapter 02 Dispute Settlement **Answer Key**

True / False Questions

1. Mediators award decisions based on the merits of a dispute.

(p. 27)

FALSE

AACSB: Analytic

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-01 Describe the various ways to settle disputes.

Topic: Means of Dispute Settlement

2. The U.S. Supreme Court generally disfavors arbitration as a way to settle disputes.

(p. 28)

FALSE

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.

Topic: Means of Dispute Settlement

3. The parties to an arbitration proceeding can select an arbitrator in any way they desire.

(p. 28)

TRUE

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.

Topic: Means of Dispute Settlement

4. In international trade disputes, a losing party is not given time to comply with its trade obligations.

(p. 29)

FALSE

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.

Topic: Means of Dispute Settlement

5. International arbitration agreements are enforced through multilateral treaties.
(p. 29)

TRUE

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

6. Mini trials are also known as summary jury trials.
(p. 29)

FALSE

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

7. When the issue in a case no longer exists or has become pointless, that issue is considered
(p. 30-31) moot.

TRUE

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

8. Sally files a lawsuit against Jim in a Tennessee court. Jim does not live in Tennessee and has
(p. 31) never been to the state. The Tennessee court may not decide the case unless it can demonstrate that Jim somehow has a close connection with the state.

TRUE

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: Means of Dispute Settlement

9. Erik filed a case in a municipal court against Leela for a minor criminal violation. Dissatisfied
(p. 33) with the decision of the court, Erik can now appeal the case in a court of record.

FALSE

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: State Courts

10. Small claims courts are courts of record.
(p. 33)

FALSE

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: State Courts

11. An individual who is dissatisfied with the decision of a lower court can always take it all the way to the U.S. Supreme Court.
(p. 36)

FALSE

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.
Topic: Federal Courts

12. All opinions of the Supreme Court judges can be cited as precedents.
(p. 36)

FALSE

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.
Topic: Federal Courts

13. The adversary system in the United States is based on the idea that the truth will emerge in courtrooms through a "battle of words" between two lawyers.
(p. 36)

TRUE

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.
Topic: The Adversary System

14. In a civil case, the plaintiff need not have the preponderance of the evidence on his or her side.
(p. 45)

FALSE

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure

15. A new trial is required for cases remanded by an appellate court.
(p. 47)

TRUE

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-06 Discuss how an appeal works and why most appeals fail.
Topic: Appellate Procedure

Multiple Choice Questions

16. Under the Uniform Arbitration Act, a court:
(p. 28)

- A. cannot hold that the dispute was not arbitrable under the agreement of the parties.
- B.** will not review the wisdom of the decision of an arbitrator.
- C. cannot hold that the arbitrator exceeded his or her authority.
- D. can publish its arbitration awards.

Most states have passed the Uniform Arbitration Act, which makes both the agreement of parties to arbitrate and the arbitration award enforceable in court. A court will not review the wisdom of the decision of an arbitrator. It may, however, hold that the dispute was not arbitrable under the agreement of the parties, or that the arbitrator exceeded his or her authority, or acted arbitrarily, capriciously, or in a discriminatory manner.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

17. Which of the following statements is true about a minitrial?
(p. 29)

- A. A minitrial involves a six-member mock jury empaneled by the court that hears a shortened presentation of the case by the lawyers for each side and renders an advisory verdict.
- B.** A minitrial often involves a neutral third-party advisor who will render a nonbinding opinion, if a settlement is not reached, regarding how a dispute is likely to be resolved if it goes to trial.
- C. A minitrial is conducted under court guidance.
- D. A minitrial differs from mediation in that the third-party to whom the dispute is submitted decides the outcome.

The minitrial often involves a neutral third-party advisor. If a settlement is not reached, she or he will render a nonbinding opinion regarding how the dispute is likely to be resolved if it goes to trial, and how the court is likely to rule on factual and evidentiary issues.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

18. In the private judging method of dispute resolution, _____.
(p. 30)

- A.** a hired judge renders a binding opinion after hearing the evidence and arguments of the parties
- B. executives of the disputing companies, who have settlement authority, hear a shortened presentation of the case by the lawyers for each side
- C. a six-member mock jury empaneled by the court hears a shortened presentation of the case by the lawyers for each side
- D. executives of the disputing companies meet with lawyers for each side to negotiate a settlement

In the private judging, or "rent-a-judge," method of dispute resolution, a hired judge (who is often a retired judge) renders a binding opinion after hearing the proofs and arguments of the parties.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

19. An individual appointed within an organization to settle disputes is called a(n) _____.
(p. 30)

- A. private judge
- B. arbitrator
- C. mediator
- D. ombudsperson**

An ombudsperson is an individual appointed within an organization to settle disputes.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-01 Describe the various ways to settle disputes.
Topic: Means of Dispute Settlement

20. Jurisdiction is defined as:
(p. 31)

- A. the authority of a court to hear and determine disputes.**
- B. the unlimited authority of the court.
- C. the process by which legal cases are decided.
- D. the power an individual appointed within an organization possesses to settle disputes.

Jurisdiction is the authority of a court to hear and determine disputes.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: Means of Dispute Settlement

21. Adia filed a case against Chang in the court at Ohio. However, Chang had never visited Ohio and had no personal ties with anyone in Ohio. Chang could successfully argue that the court:

(p. 31)

- A. lacked personal jurisdiction.
- B. was in proximity to the place where Chang resides.
- C. was limited by subject matter jurisdiction.
- D. did not have judges that would understand the language spoken by him.

In this scenario, Chang can successfully argue that the court lacks personal jurisdiction. A court may not decide a legal dispute unless it has personal jurisdiction over the defendant. Personal jurisdiction generally does not exist unless the defendant has some close connection with the territory where the suit is brought. Personal jurisdiction is likely to exist if the defendant is a resident of the territory where the court is located or if a nonresident defendant is physically present in that territory.

AACSB: Reflective Thinking

Blooms: Apply

Difficulty: 3 Hard

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.

Topic: Means of Dispute Settlement

22. Municipal courts:

(p. 33)

- A. are courts of record.
- B. are known as superior courts.
- C. are known as justice of the peace courts in rural areas.
- D. are courts that handle civil disputes involving large amounts of money.

Inferior courts may be called municipal courts in urban areas and justice of the peace courts in rural areas.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.

Topic: State Courts

23. Trial courts differ from inferior courts in that the trial courts:
(p. 33)

- A. are courts of limited jurisdiction.
- B. are limited by the amount of civil damages that can be awarded.
- C. are courts of record, and their decisions can be appealed.
- D. are called municipal courts in urban areas.

Trial courts differ from inferior courts in that the trial courts are courts of general jurisdiction; they are not limited by the amount of civil damages that can be awarded or the criminal penalties that can be imposed. Their geographic jurisdiction is often a county. In addition, trial courts are courts of record. Thus, an appeal can be taken from a trial court decision.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: State Courts

24. Generally, the role of appellate courts is to:
(p. 34)

- A. hear witnesses once again.
- B. establish new facts for all cases.
- C. accept the findings of the trial court with minor changes even if it goes against all the evidence.
- D. review the proceedings in the trial court and correct legal errors made by the trial judge.

As the name implies, state appeals courts hear cases that have been appealed from trial court decisions or state administrative agency rulings. Generally, appellate courts do not hear witnesses or determine facts. Their job is to review the proceedings in the trial court and correct legal errors made by the trial judge. Appellate courts must accept the trial court's findings of fact unless it goes against all the evidence.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: State Courts

25. A certain court receives an appeal by parties dissatisfied with the decision of a trial court.
(p. 34) However, neither does it hear any witnesses nor does it review new facts about the case. The court discussed in the example is a(n) _____.

- A. municipal court
- B. inferior court
- C. appellate court**
- D. justice of peace court

As the name implies, state appeals courts hear cases that have been appealed from trial court decisions or state administrative agency rulings. Generally, appellate courts do not hear witnesses or determine facts. Their job is to review the proceedings in the trial court and correct legal errors made by the trial judge.

AACSB: Analytic
Blooms: Understand
Difficulty: 3 Hard
Topic: State Courts

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.

26. Karl, a resident of Ohio, was convicted of a bank robbery worth \$90,000 in California. In which
(p. 35) of the following courts should his case be filed?

- A. Small claims court
- B. Tax court
- C. District court**
- D. Justice of peace court

Karl's case should be filed in a district court. Cases heard in the federal courts fall into one of two classes: They are either cases involving a federal question or cases in which there is diversity of citizenship between the parties. If the parties are from different states, and the amount involved in the dispute is \$75,000 or more, the plaintiff may choose to bring suit in either state or federal court. With few exceptions, lawsuits brought in federal courts must be started in district courts. These are the federal trial courts.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: Federal Courts

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.

27. District courts:
(p. 35)

- A. only review the legal conclusions reached by lower federal courts.
- B. are the intermediate courts of the federal court system.
- C.** have both fact-finding and law-finding functions.
- D. are specialized courts in the federal court system.

With few exceptions, lawsuits brought in federal courts must be started in district courts. These are the federal trial courts. Like state trial courts, they have both fact finding (by the judge or jury) and law-finding (by the judge) functions.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: Federal Courts

28. A U.S. court of appeals is empowered to:
(p. 35)

- A. take up appeals only from other districts.
- B.** review legal conclusions reached by lower federal courts.
- C. hear cases that have been appealed from Supreme Court decisions.
- D. take the final responsibility for interpretation of the Constitution and federal statutes.

An appeal from a district court is taken to a U.S. court of appeals. Like state intermediate appellate courts, the U.S. courts of appeals generally do not have a fact-finding function. They only review the legal conclusions reached by lower federal courts. The courts of appeal also hear appeals from many federal administrative agency decisions.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.
Topic: Federal Courts

29. The primary way a case can be appealed to the Supreme Court is through a _____.
(p. 36)

- A. writ of habeas corpus
- B. writ of quo warranto
- C. writ of certiorari**
- D. writ of mandamus

The primary way a case can be appealed to the Supreme Court is through writ of certiorari (cert.).

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.
Topic: Federal Courts

30. Writ of certiorari (cert.) may be granted when:
(p. 36)

- A. a person does not want to appeal to the Supreme Court.
- B. there have been conflicting decisions in similar cases by different courts of appeal.**
- C. the Supreme Court has too many cases to be heard and has no time to take up a new case.
- D. a case has the validity of a federal statute in agreement.

The primary way a case can be appealed to the Supreme Court is through writ of certiorari (cert.). Hearing such cases is entirely discretionary with the Court. If there have been conflicting decisions in similar cases by different courts of appeals, the Court may grant *cert.* It may also grant *cert.* in a case from the highest court of a state where a right is claimed under the Constitution or where the validity of a federal statute is in question.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.
Topic: Federal Courts

31. Which of the following statements about the adversary system is true?
(p. 36)

- A.** The adversary system represents the idea that truth is best discovered through the presentation of competing ideas.
- B. The judge, in an adversary system, is actively involved in determining the facts of a case.
- C. The lawyers, in an adversary system, do not persuade the judge that the other party's view of the facts is in error.
- D. The judges have a duty to direct the search for truth rather than expecting it to emerge from the efforts of the lawyers for the parties.

The adversary system represents the idea that truth is best discovered through the presentation of competing ideas. It is the lawyer's job to present the client's view of the facts to the judge, or to the jury if one is used. The judge's role, under the adversary system, is viewed as not only unbiased but also essentially passive. In essence, a trial judge acts as a referee.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.
Topic: The Adversary System

32. Which of the following is a criticism of the adversary system?
(p. 37)

- A.** Honest witnesses can be confused by hostile questioning.
- B. The system concentrates on the competition to win, which discourages overstatement of the truth.
- C. The judge's role, in the adversary system, is active.
- D. The system does not work when the opposing lawyers are of unequal skill, giving an advantage to the poor and the needy.

Critics argue that honest witnesses can be confused by hostile questioning in the adversary system. They say that the system does not work when the opposing lawyers are of unequal skill.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-04 Explain the advantages and disadvantages of the adversary system.
Topic: The Adversary System

33. The Smiths, an affluent family, own a hospitality chain called Smith Hotels Inc. When a lawsuit was filed against the hotel for serving stale food to its guests, the managers of the hotel decided to hire a lawyer who practices in an adversary system. How is this situation advantageous to Smith Hotels Inc.?

(p. 37)

- A. The system makes it easier for a biased judge to control the outcome of a case.
- B.** The wealthy can hire better lawyers as the system does not work when the opposing lawyers are of unequal skill.
- C. The system lays emphasis on the competition to win which discourages overstatement of the truth.
- D. The adversary system resents the idea that truth is best discovered through the presentation of competing ideas.

Critics argue that the adversary system does not work when the opposing lawyers are of unequal skill. This gives an advantage to the wealthy, such as the Smiths, who can hire better lawyers.

AACSB: Reflective Thinking

Blooms: Apply

Difficulty: 2 Medium

Learning Objective: 02-04 Explain the advantages and disadvantages of the adversary system.

Topic: The Adversary System

34. Which of the following statements is true of pleadings?

(p. 37)

- A. The first step in starting a lawsuit is the serving of a summons on the defendant.
- B.** These are the first documents filed with the court, and they start and define the lawsuit.
- C. The case is set for trial on the court calendar once the pleadings have commenced.
- D. Both disputed and undisputed matters in the pleadings are tried in court.

Pleadings include complaints, answers, and replies. These are the first documents filed with the court, and they start and define the lawsuit. They serve two major functions: They inform the parties of each other's claims, and they form the basis for a trial. Only those matters that are disputed in the pleadings are tried in court.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-05 Identify the different stages of a lawsuit.

Topic: Procedure

35. In the context of filing a lawsuit, a complaint:
(p. 39)

- A.** must contain sufficient facts to show that the plaintiff is entitled to some legal relief.
- B. is a rule of law enabling the defendant to win even if all of the plaintiff's allegations are true.
- C. was created to help deal with the increasing congestion of cases in most civil courts.
- D. is a procedural device that is designed to narrow down issues to be proved at trial.

A complaint must contain sufficient facts to show that the plaintiff is entitled to some legal relief and to give the defendant reasonable notice of the nature of the plaintiff's claim.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-05 Identify the different stages of a lawsuit.

Topic: Procedure

36. A rule of law enabling a defendant to win even if all of plaintiff's allegations are true is a(n)
(p. 39) _____.

- A. counterclaim
- B.** affirmative defense
- C. deposition
- D. judgment notwithstanding the verdict

An answer that responds to a complaint may also state an affirmative defense. An affirmative defense is a rule of law enabling the defendant to win even if all of the plaintiff's allegations are true. For example, the plaintiff may allege that the defendant breached their contract. The defendant might respond by admitting that the contract had been breached but that he or she should not be held liable because the contract had been induced by the plaintiff's fraudulent misrepresentations.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-05 Identify the different stages of a lawsuit.

Topic: Procedure

37. A new claim stating that plaintiff owes defendant damages because of harm resulting from the incident alleged in the complaint is called a(n) _____.
(p. 39)

- A.** counterclaim
- B. affirmative defense
- C. cross-claim
- D. dissenting opinion

A counterclaim is a new claim stating that plaintiff owes defendant damages because of harm resulting from the incident alleged in the complaint.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure

38. A motion to dismiss made by a defendant is granted when:
(p. 39)

- A. the defendant is scared of losing the case.
- B.** it is clear that the plaintiff does not have a case, and it would be wasteful to continue.
- C. either party feels that the judge is not impartial.
- D. people or groups other than the parties involved are interested in the outcome of a certain appeal.

A defendant may make a motion to dismiss the case rather than give an answer. If it is clear that the plaintiff has no case, it would be wasteful for the case to continue, and the motion would be granted.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure

39. Salim files a case against Nina for nonpayment of dues. Before the trial, Nina is examined under oath in the presence of Salim's attorney. This process of examination is known as a(n) _____.

- A.** deposition
- B. interrogatory
- C. pretrial conference
- D. default judgment

A deposition is an examination under oath, much like the questioning at a trial, in the presence of the attorney for the other party.

AACSB: Reflective Thinking

Blooms: Apply

Difficulty: 2 Medium

Learning Objective: 02-05 Identify the different stages of a lawsuit.

Topic: Procedure

40. A procedural device that is designed to narrow issues to be proved at trial or to facilitate a settlement is the _____.

- A. alternative dispute resolution
- B. mediation agreement
- C. judgment notwithstanding the verdict
- D.** pretrial conference

A procedural device that is designed to narrow issues to be proved at trial or to facilitate a settlement is the pretrial conference. It was created to help deal with the increasing congestion in most civil courts.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-05 Identify the different stages of a lawsuit.

Topic: Procedure

41. Which of the following statements is true of the presentation of testimony?
(p. 45)

- A. Under direct examination, each witness is sworn and then examined by the defendant's attorney.
- B. A defendant's attorney may cross-examine each witness, trying to raise doubts as to the person's credibility or trustworthiness.**
- C. A defendant's attorney may conduct a redirect examination to clarify the plaintiff's view of the facts.
- D. During a witness's testimony, the opposing attorney cannot object to the presentation of certain evidence.

A plaintiff's attorney presents the evidence through witnesses and exhibits. Each witness is sworn and then examined by the plaintiff's attorney; this is called direct examination. The defendant's attorney may cross-examine each witness, trying to raise doubts as to the person's credibility or trustworthiness. The plaintiff's attorney may then conduct a redirect examination to clarify the plaintiff's view of the facts and perhaps to minimize whatever negative effect was created in the cross-examination. During a witness's testimony, the opposing attorney may object to the presentation of certain evidence.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure

42. A _____ is designed to reach things belonging to the debtor that are in the hands of third parties.
(p. 46)

- A. writ of quo warranto
- B. writ of garnishment**
- C. writ of certiorari
- D. writ of mandamus

A writ of garnishment is designed to reach things belonging to the debtor that are in the hands of third parties, such as wages, bank accounts, and accounts receivable. Garnishment proceedings, like execution sales, are highly regulated by statute.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure

43. Which of the following is true of the burden of proof in a criminal trial?
(p. 45)

- A.** It should be "beyond a reasonable doubt."
- B. It is placed on the defendant.
- C. During the closing of a case, when the defendant's attorney goes first, he or she has the burden of proof.
- D. It is similar to that for civil cases.

The attorneys make closing arguments that sum up a case. Normally the defendant's attorney goes first. This gives the plaintiff, who has the burden of proof, the last word. The burden of proof for a criminal case is different from that for a civil case. In a criminal case the state, as plaintiff, must convince the fact finder—jury or judge—beyond a reasonable doubt of the defendant's guilt.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure

44. The term *amicus curiae* means:
(p. 46)

- A. friendly cure or the amicable resolution to a mediated dispute.
- B.** friend of the court and refers to briefs filed by third parties interested in the outcome of a certain appeal.
- C. small couriers or the briefs, originally used by foot messengers, which are used to communicate between lawyers and the courts.
- D. the name for the conductor of an arbitration, a position originally filled by medieval clergy.

When people or groups other than the parties involved are interested in the outcome of a certain appeal, they may request to be permitted to file *amicus curiae* (friend of the court) briefs.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-06 Discuss how an appeal works and why most appeals fail.
Topic: Appellate Procedure

45. In order to appeal a decision, _____.
(p. 46)

- A. a party must claim that the court made an error of law or that the evidence in the trial did not support the trial court's decision.
- B. a party need not have objected to a judge's action at the time the alleged error was made.
- C. a party must prepare for a new fact-finding process and must be dissatisfied with the judgment of the court.
- D. the defendant must show that the errors made were not material.

To be able to appeal, a party must claim that the court made an error of law or that the evidence in the trial did not support the trial court's decision. The appellate courts hear no witnesses and gather no new evidence.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-06 Discuss how an appeal works and why most appeals fail.
Topic: Appellate Procedure

46. A record in writing of the entire trial proceedings including the testimony of all the witnesses and any discussions between the judge and the attorneys that must be prepared and forwarded to the appeals court is called a _____.
(p. 46)

- A. treatise
- B. citation
- C. transcript
- D. brief

A transcript of the entire trial proceeding, including the testimony of all the witnesses and any discussions between the judge and the attorneys, must be prepared and forwarded to the appeals court.

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-06 Discuss how an appeal works and why most appeals fail.
Topic: Appellate Procedure

Short Answer Questions

47. The employees of Claudio Inc. were on strike for 30 days and that led to huge losses for the business. Owing to loss of business and wages, both parties wanted to settle the dispute but were unable to negotiate successfully. Which method of dispute settlement is best suited to them? Why?
- (p. 27-28)

The method of dispute settlement that is best suited to them is mediation. Mediation is the best suited method to resolve the dispute in the given case because a mediator often tries first to communicate the positions of the parties to each other. It allows the parties to settle the case by appointing a mediator who merely facilitates the negotiation by proposing a basis for settlement and does not give awards or opinions on the merits of the dispute. It is a suitable method when the two parties, here the employees of Claudio Inc. and the management, have a continuing relationship because it allows them to compromise and to reach a solution themselves.

AACSB: Reflective Thinking

Blooms: Apply

Difficulty: 3 Hard

Learning Objective: 02-01 Describe the various ways to settle disputes.

Topic: Means of Dispute Settlement

48. Explain the differences between trial courts and inferior courts.
- (p. 33)

Trial courts differ from inferior courts in that the trial courts are courts of general jurisdiction; they are not limited by the amount of civil damages that can be awarded or the criminal penalties that can be imposed. Their geographic jurisdiction is often a county. They also differ in that the judge must be a lawyer, and juries are provided for. The juries decide the facts and, under instructions from the judge about the applicable law, reach a verdict. In addition, trial courts are courts of record. Thus, an appeal can be taken from a trial court decision.

AACSB: Analytic

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 Define jurisdiction and explain the jurisdictional limits of small claims; trial; and appellate courts.

Topic: State Courts

49. The function of a judge in the United States differs from that in Europe. Explain.
(p. 37)

The function of a judge in the United States differs from that in Europe in a few ways. In Europe, judges have a duty to direct the search for truth but the judges in the United States expect the truth to emerge from the efforts of the lawyers for the parties. Also in Europe, judges assume a more active role in directing the proceedings in the court, in requesting certain evidence, and in questioning witnesses. On the other hand, the judges in the United States are merely responsible for the correct application of the law to the facts of the case and instructing the jury regarding the law.

AACSB: Diversity

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-03 Explain why all cases can't be appealed all the way to the Supreme Court.

Topic: The Adversary System

50. Under what conditions can one or more members of a class may sue or be sued as
(p. 38) representative of a class? What type of lawsuit can their claims be consolidated into?

Lawsuits can have more than one plaintiff and/or defendant. Sometimes, when a defendant's actions have injured many plaintiffs, their claims may be consolidated into a class action lawsuit. One or more members of a class may sue or be sued as representative of a class if (1) the class is so numerous that joinder of all members is impracticable, (2) there are questions of law or fact common to the class, (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class, and (4) the representative parties will fairly and adequately protect the interests of the class.

AACSB: Analytic

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-05 Identify the different stages of a lawsuit.

Topic: Procedure

51. Explain the concept of a motion to dismiss.
(p. 39)

A defendant may make a motion to dismiss the case rather than give an answer. If it is clear that the plaintiff has no case, it would be wasteful for the case to continue, and the motion would be granted. The ground for such a motion might be that the facts given in the plaintiff's complaint are not legally sufficient to "state a cause of action"—that is, even if the facts alleged can be proved, the law does not give a remedy for the type of injury alleged.

*AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 02-05 Identify the different stages of a lawsuit.
Topic: Procedure*