

SHORT ANSWER QUESTIONS

1) Much of the origins of the law dealt with issues related to_____.

Answer: property ownership

Explanation:

Diff: 2

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Understand

AACSB: Analytical Thinking

2) When the United States Supreme Court formally recognized its role in achieving equality for all Americans during the civil rights movement, it was following a_____philosophy.

Answer: legal realism

Explanation:

Diff: 3

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Analyze

AACSB: Analytical Thinking

3) Attorneys who work for a company and are part of the executive or midlevel management team are specifically referred to as_____counsel.

Answer: in-house

Explanation:

Diff: 1

Topic: Role of Counsel

Learning Objective: 01-04 Articulate the role of counsel in legal decision making in a business context.

Bloom's: Remember

AACSB: Analytical Thinking

4) Attorneys, particularly in a business context, are also referred to as_____.

Answer: counsel

Explanation:

Diff: 1

Topic: Role of Counsel

Learning Objective: 01-04 Articulate the role of counsel in legal decision making in a business context.

Bloom's: Remember

AACSB: Analytical Thinking

5) Measures of judicial action intended to compensate an injured party in a civil lawsuit are called _____.

Answer: remedies

Explanation:

Diff: 2

Topic: Law versus Equity

Learning Objective: 01-08 Differentiate between the concepts of law and equity.

Bloom's: Understand

AACSB: Analytical Thinking

6) Equitable rules intended to be broad statements of rules that are based on notions of fairness and justice are referred to as equitable _____.

Answer: maxims

Explanation:

Diff: 1

Topic: Law versus Equity

Learning Objective: 01-09 Identify and apply important equitable maxims.

Bloom's: Remember

AACSB: Analytical Thinking

7) A judicial opinion is also referred to as the _____ of the case.

Answer: holding

Explanation:

Diff: 1

Topic: Stare Decisis and Precedent

Learning Objective: 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Remember

AACSB: Analytical Thinking

8) A collection of uniform legal principles focused on a particular area of traditional state law is called *The _____ of the Law*.

Answer: Restatements

Explanation:

Diff: 2

Topic: Stare Decisis and Precedent; Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.; 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Understand

AACSB: Communication

9) Trial lawyers from outside firms, often selected by general counsel when a particular field of expertise is needed, are referred to as_____.

Answer: litigators

Explanation:

Diff: 1

Topic: Role of Counsel

Learning Objective: 01-04 Articulate the role of counsel in legal decision making in a business context.

Bloom's: Remember

AACSB: Analytical Thinking

10) _____ are recognized as binding between two parties even though no specific statute or regulation provides for the rights of the parties.

Answer: Private laws

Explanation:

Diff: 2

Topic: Public Law versus Private Law

Learning Objective: 01-09 Identify and apply important equitable maxims.

Bloom's: Understand

AACSB: Analytical Thinking

MULTIPLE CHOICE QUESTIONS

11) Jurisprudence is roughly defined as the science and philosophy of law.

A) True

B) False

Answer: A

Explanation:

Diff: 1

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Remember

AACSB: Analytical Thinking

12) Law today is crucial to business by creating some degree of reliability to be used in business planning and commercial transactions and promoting good faith dealing among merchants.

A) True

B) False

Answer: A

Explanation:

Diff: 3

Topic: Purposes of Law

Learning Objective: 01-02 List and explain the purposes of the law.

Bloom's: Apply

AACSB: Reflective Thinking

- 13) It is less common for States to amend their constitutions than it is for Congress to amend the U.S. Constitution.
- A) True
 - B) False
- Answer: B
- Explanation:
- Diff: 2
- Topic: Sources and Levels of American Law
- Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.
- Bloom's: Understand
- AACSB: Analytical Thinking
-
- 14) A presidential veto may be overridden by a two-thirds majority vote of the Senate.
- A) True
 - B) False
- Answer: B
- Explanation:
- Diff: 3
- Topic: Sources and Levels of American Law
- Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.
- Bloom's: Apply
- AACSB: Analytical Thinking
-
- 15) Most schools of jurisprudential thought center on the government's role in creating the law.
- A) True
 - B) False
- Answer: B
- Explanation:
- Diff: 2
- Topic: Introduction to Law
- Learning Objective: 01-01 Understand the broad definition and origins of law.
- Bloom's: Understand
- AACSB: Analytical Thinking
-
- 16) Courts routinely question and overturn administrative-agency decisions involving how and when an agency enforces a regulation.
- A) True
 - B) False
- Answer: B
- Explanation:
- Diff: 2
- Topic: Sources and Levels of American Law
- Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.
- Bloom's: Understand
- AACSB: Analytical Thinking

17) The power of courts to establish law in matters not specifically addressed by statutes is very limited in common law countries.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

18) Equitable remedies are available to compensate injured parties in both civil and criminal lawsuits.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Law versus Equity

Learning Objective: 01-08 Differentiate between the concepts of law and equity.

Bloom's: Understand

AACSB: Analytical Thinking

19) Most states have combined courts of law and equity.

- A) True
- B) False

Answer: A

Explanation:

Diff: 2

Topic: Law versus Equity

Learning Objective: 01-08 Differentiate between the concepts of law and equity.

Bloom's: Understand

AACSB: Analytical Thinking

20) A statute of limitations determines the maximum and minimum amounts of monetary relief that may be granted in different types of civil lawsuits.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Law versus Equity

Learning Objective: 01-09 Identify and apply important equitable maxims.

Bloom's: Understand

AACSB: Analytical Thinking

21) The purpose of secondary sources of law is to increase uniformity and fairness across courts in the 50 states.

- A) True
- B) False

Answer: A

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

22) A single wrongful act may violate civil law or criminal law but cannot violate both simultaneously.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Understand

AACSB: Analytical Thinking

23) A zoning law that regulates what a landowner may or may not do with his or her privately owned property is an example of a public law.

- A) True
- B) False

Answer: A

Explanation:

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Apply

AACSB: Analytical Thinking

24) Laws requiring that the police show reasonable cause and obtain a search warrant before entering a place of business to search for evidence are examples of substantive laws.

- A) True
- B) False

Answer: B

Explanation:

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Analyze

AACSB: Analytical Thinking

25) Criminal law allows a party to be compensated for money lost as a result of another's unlawful conduct.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Understand

AACSB: Analytical Thinking

26) Statutes and ordinances are examples of private laws that provide for the rights of parties involved in private or business transactions, such as contracts for services.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Understand

AACSB: Analytical Thinking

27) Criminal law can be characterized as public law but can never be considered private law.

- A) True
- B) False

Answer: A

Explanation:

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Analyze

AACSB: Reflective Thinking

28) Freedom of speech, as defined in the Constitution, is an example of substantive law.

- A) True
- B) False

Answer: A

Explanation:

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Analyze

AACSB: Reflective Thinking

29) *Restatements of the Law* are written and revised by Congress and state legislatures as needed.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

30) All statutes have both a statutory scheme and a legislative history.

- A) True
- B) False

Answer: A

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

31) The common law is the law that all states follow to avoid confusion and to promote consistency from state to state.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Reflective Thinking

32) Civil law systems reject and prohibit the use of precedent, relying solely on strict interpretations of statutes.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Reflective Thinking

33) When a Pennsylvania appellate court makes a decision, stare decisis requires that Delaware trial courts follow the case precedent when a case with a similar fact situation arises.

- A) True
- B) False

Answer: B

Explanation:

Diff: 3

Topic: Stare Decisis and Precedent

Learning Objective: 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Apply

AACSB: Reflective Thinking

34) Aggressive litigation generally results in a high monetary cost for a corporation.

- A) True
- B) False

Answer: A

Explanation:

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Evaluate

AACSB: Reflective Thinking

35) Although arbitration and mediation are legitimate dispute resolution methods, they may not always result in a satisfactory outcome for both sides of the dispute.

- A) True
- B) False

Answer: A

Explanation:

Diff: 2

Topic: Legal Decisions in a Business Environment: Theory to Practice

Learning Objective: 01-03 Explain the importance and benefits of legal awareness for business owners and managers in creating a strategy and adding value to a company.

Bloom's: Understand

AACSB: Reflective Thinking

36) Ordinances will preempt state-level statutes.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Reflective Thinking

37) Most companies employ in-house counsel for their legal needs.

- A) True
- B) False

Answer: B

Explanation:

Diff: 1

Topic: Role of Counsel

Learning Objective: 01-04 Articulate the role of counsel in legal decision making in a business context.

Bloom's: Remember

AACSB: Reflective Thinking

38) Laws relating to contracts for the sale of goods are primarily found in the common law.

- A) True
- B) False

Answer: B

Explanation:

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

39) The U.S. system of common law is deep-seated in the French common law established by the Norman kings around 1066.

- A) True
- B) False

Answer: B

Explanation:

Diff: 1

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Remember

AACSB: Reflective Thinking

40) Enumerated powers are specific powers granted to the federal government by the Constitution.

- A) True
- B) False

Answer: A

Explanation:

Diff: 1

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Remember

AACSB: Analytical Thinking

41) *Black's Law Dictionary*, as cited in the textbook, defines the term "law" as including each of the following except

- A) a body of rules.
- B) conduct prescribed by a controlling authority.
- C) having the power to bind persons.
- D) a tool for regulating personal ethics.

Answer: D

Explanation: A) The author generally defines "law" as a body of rules of action or conduct prescribed by a controlling authority and having legal binding force. The definition does not refer to ethics.
B) The author generally defines "law" as a body of rules of action or conduct prescribed by a controlling authority and having legal binding force. The definition does not refer to ethics.
C) The author generally defines "law" as a body of rules of action or conduct prescribed by a controlling authority and having legal binding force. The definition does not refer to ethics.
D) The author generally defines "law" as a body of rules of action or conduct prescribed by a controlling authority and having legal binding force. The definition does not refer to ethics.

Diff: 2

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Understand

AACSB: Analytical Thinking

42) Jurisprudence is defined as

- A) adjudication of lawsuits.
- B) the enactment of laws by a government body.
- C) the science and philosophy of law.
- D) the duties and obligations owed by a citizen.

Answer: C

Explanation: A) Jurisprudence is defined as the science and philosophy of law.
B) Jurisprudence is defined as the science and philosophy of law.
C) Jurisprudence is defined as the science and philosophy of law.
D) Jurisprudence is defined as the science and philosophy of law.

Diff: 2

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Understand

AACSB: Analytical Thinking

43) Philip believes that certain behaviors are inherently wrong, and that moral values inherent in humankind should form the basis of law. To that end, he believes that these principles are a higher authority than human-made law. Philip is a proponent of

- A) natural law.
- B) legal realism.
- C) legal positivism.
- D) social law.

Answer: A

Explanation: A) Natural law values moral values over national law.
B) Natural law values moral values over national law.
C) Natural law values moral values over national law.
D) Natural law values moral values over national law.

Diff: 3

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Apply

AACSB: Analytical Thinking

44) Joshua is a highly accomplished soccer player and a successful coach. He is often hired by other coaches to run soccer clinics and soccer camps for their teams. If Joshua decides to incorporate and sell stock to finance the corporation, the area of law that he would need to be aware of with regard to the stock sales would be

- A) securities law.
- B) intellectual property law.
- C) employment discrimination law.
- D) antitrust law.

Answer: A

Explanation: A) Stocks are securities, which are subject to securities laws.
B) Stocks are securities, which are subject to securities laws.
C) Stocks are securities, which are subject to securities laws.
D) Stocks are securities, which are subject to securities laws.

Diff: 2

Topic: Legal Decisions in a Business Environment: Theory to Practice

Learning Objective: 01-03 Explain the importance and benefits of legal awareness for business owners and managers in creating a strategy and adding value to a company.

Bloom's: Understand

AACSB: Analytical Thinking

- 45) Mega Corporation has developed a strategic plan that calls for an emphasis on appealing to a younger demographic. If it decided that such an appeal to a younger market would necessitate a change in the corporate logo and trademark, such changes would require an understanding of
- A) securities law.
 - B) intellectual property law.
 - C) contract law.
 - D) antitrust law.

Answer: B

Explanation: A) Corporate logos and trademarks are subject to intellectual property law.
B) Corporate logos and trademarks are subject to intellectual property law.
C) Corporate logos and trademarks are subject to intellectual property law.
D) Corporate logos and trademarks are subject to intellectual property law.

Diff: 2

Topic: Role of Counsel

Learning Objective: 01-04 Articulate the role of counsel in legal decision making in a business context.

Bloom's: Understand

AACSB: Analytical Thinking

- 46) The state of Delaware has passed a new law banning cell phone use while driving a motor vehicle within the state. This law would be defined as
- A) an ordinance.
 - B) a regulation.
 - C) a statute.
 - D) a common law.

Answer: C

Explanation: A) When a law is passed by a state legislature, that law is a statute.
B) When a law is passed by a state legislature, that law is a statute.
C) When a law is passed by a state legislature, that law is a statute.
D) When a law is passed by a state legislature, that law is a statute.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Analyze

AACSB: Analytical Thinking

- 47) New York City has passed a law banning cigarette and cigar smoking in public bars and restaurants. This law would be defined as
- A) an ordinance.
 - B) a regulation.
 - C) a statute.
 - D) a common law.

Answer: A

Explanation: A) When a law is passed at a local level, that law is an ordinance.
B) When a law is passed at a local level, that law is an ordinance.
C) When a law is passed at a local level, that law is an ordinance.
D) When a law is passed at a local level, that law is an ordinance.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Analyze

AACSB: Analytical Thinking

48) The official publication of federal statutory law is the

- A) *Federal Register*.
- B) *Consolidated Statutes of the United States*.
- C) Code of Congressional Statutes.
- D) United States Code.

Answer: D

- Explanation:
- A) The United States Code arranges all existing federal laws in a system organized by title and divided into chapters and sections.
 - B) The United States Code arranges all existing federal laws in a system organized by title and divided into chapters and sections.
 - C) The United States Code arranges all existing federal laws in a system organized by title and divided into chapters and sections.
 - D) The United States Code arranges all existing federal laws in a system organized by title and divided into chapters and sections.

Diff: 1

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Remember

AACSB: Analytical Thinking

49) Kathy, a fashion model, witnessed a motor vehicle accident but did not stop because she was late for her pedicure and simply didn't want to get involved. Had she stopped, she could have saved the life of Tom, who was thrown from the car and landed in a water-filled ditch, without danger to herself. When Tom's widow hears that Kathy could have easily saved Tom's life but chose to ignore the situation, she sues Kathy. The state has no "Good Samaritan" laws or duty-to-assist laws, but such cases have been brought in the past. Which of the following will the court apply when making a decision in this case?

- A) statutory law
- B) administrative law
- C) common law
- D) equity law

Answer: C

- Explanation:
- A) In the absence of written law, courts will look to the common law and case precedent.
 - B) In the absence of written law, courts will look to the common law and case precedent.
 - C) In the absence of written law, courts will look to the common law and case precedent.
 - D) In the absence of written law, courts will look to the common law and case precedent.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Evaluate

AACSB: Reflective Thinking

- 50) Bradley collects historic memorabilia, and one of his prized possessions is the pistol used by Aaron Burr in his duel with Alexander Hamilton. After reading an article in a magazine, Bradley discovers that Sam owns the matching pistol, used by Hamilton in the duel. Bradley contacts Sam and offers him \$500,000 for the pistol. Sam e-mails Bradley that he accepts his offer but that the transaction must be for cash and face to face. Bradley responds that he'll be at Sam's home at noon the next day with the money. When he arrives, Sam informs him that he's received an offer of \$600,000 for the pistol and states that Bradley must pay that amount or he'll sell to the other buyer. Bradley wants the weapon to complete the set. If he sues Sam, what course of action will best provide him the results he desires?
- A) Sue for breach of contract and seek a legal remedy.
 - B) Sue for an injunction.
 - C) Bring a suit in equity and seek monetary damages.
 - D) Sue for breach of contract and seek a decree of specific performance.

Answer: D

- Explanation:
- A) Specific performance is an equitable remedy available only when monetary damages will not be a sufficient remedy.
 - B) Specific performance is an equitable remedy available only when monetary damages will not be a sufficient remedy.
 - C) Specific performance is an equitable remedy available only when monetary damages will not be a sufficient remedy.
 - D) Specific performance is an equitable remedy available only when monetary damages will not be a sufficient remedy.

Diff: 3

Topic: Law versus Equity

Learning Objective: 01-08 Differentiate between the concepts of law and equity.

Bloom's: Analyze

AACSB: Analytical Thinking

- 51) Which of the following outcomes would not be available in a court of equity?
- A) an order for the payment of money damages for a breach of contract
 - B) an order prohibiting the building of a 16-foot fence in a residential neighborhood
 - C) an order requiring teachers to stop picketing in a particular area
 - D) an order requiring a party to turn over goods after being found guilty of breach of contract

Answer: A

- Explanation:
- A) Remedies in equity do not include monetary damages.
 - B) Remedies in equity do not include monetary damages.
 - C) Remedies in equity do not include monetary damages.
 - D) Remedies in equity do not include monetary damages.

Diff: 2

Topic: Law versus Equity

Learning Objective: 01-08 Differentiate between the concepts of law and equity.

Bloom's: Understand

AACSB: Analytical Thinking

- 52) In *Kauffman-Harmon v. Kauffman*, when Mr. Kauffman sued his children to have all stock given to them transferred back to him, claiming their possession was only a temporary trust, the court found that
- A) a temporary trust had indeed been created and Mr. Kauffman was the equitable owner of the stock.
 - B) Mr. Kauffman was the equitable owner of the stock because the children had participated in a fraud when accepting ownership of the stock.
 - C) the children owned the stock because Mr. Kauffman's request for the return of the stock and the subsequent lawsuit came after the statute of limitations had run, so he was barred from recovery.
 - D) the children owned the stock and Mr. Kauffman's claims were barred by the clean hands doctrine.

Answer: D

Explanation: A) Kauffman tried to shield assets from creditors and did not exhibit "clean hands."
B) Kauffman tried to shield assets from creditors and did not exhibit "clean hands."
C) Kauffman tried to shield assets from creditors and did not exhibit "clean hands."
D) Kauffman tried to shield assets from creditors and did not exhibit "clean hands."

Diff: 3

Topic: Equitable Maxims

Learning Objective: 01-08 Differentiate between the concepts of law and equity.

Bloom's: Evaluate

AACSB: Reflective Thinking; Ethics

- 53) A state's appellate court has made a decision in a particular case. That decision becomes case precedent in all cases except the cases heard in
- A) the state's supreme or highest court.
 - B) the state's special courts, such as family or probate court.
 - C) the state's general trial court.
 - D) the state's inferior or small-claims court.

Answer: A

Explanation: A) Stare decisis requires that only lower courts follow case precedent.
B) Stare decisis requires that only lower courts follow case precedent.
C) Stare decisis requires that only lower courts follow case precedent.
D) Stare decisis requires that only lower courts follow case precedent.

Diff: 2

Topic: Stare Decisis and Precedent

Learning Objective: 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Understand

AACSB: Analytical Thinking

- 54) In *Flagiello v. Pennsylvania Hospital*, the court had to balance the hospital's negligence against the charitable immunity doctrine to determine whether Flagiello could recover for injuries sustained on the hospital's property. In its holding, the court determined that
- A) the charitable immunity doctrine was specifically and clearly written; therefore, the court was bound to follow the clear intent of the statutory scheme and find for the hospital.
 - B) the charitable immunity doctrine had been litigated in the past and stare decisis required that the court adhere to established case precedent and find for the hospital.
 - C) current societal norms rendered the charitable immunity doctrine inapplicable to this case and fundamental fairness allowed the court to deviate from established case precedent and find for Flagiello.
 - D) the charitable immunity doctrine can be repealed or overturned only by the state's legislature, and stare decisis required that case precedent be followed; however, due to the severity of Flagiello's injuries, the charitable immunity doctrine allowed for certain exceptions, permitting Flagiello to recover in this case.

Answer: C

- Explanation:
- A) Case precedent can be rejected by the court if changes in law and society indicate a need for change.
 - B) Case precedent can be rejected by the court if changes in law and society indicate a need for change.
 - C) Case precedent can be rejected by the court if changes in law and society indicate a need for change.
 - D) Case precedent can be rejected by the court if changes in law and society indicate a need for change.

Diff: 3

Topic: Stare Decisis and Precedent

Learning Objective: 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Analyze

AACSB: Reflective Thinking; Ethics

- 55) Which of the following types of law is not primarily based on statutes?
- A) zoning laws
 - B) contracts for services
 - C) contracts for the sale of goods
 - D) employment discrimination

Answer: B

- Explanation:
- A) Contracts for services are primarily common law issues.
 - B) Contracts for services are primarily common law issues.
 - C) Contracts for services are primarily common law issues.
 - D) Contracts for services are primarily common law issues.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

- 56) The clean hands doctrine is primarily applied to
- A) plaintiffs.
 - B) defendants.
 - C) both plaintiffs and defendants equally.
 - D) the judge and jury deciding the case.

Answer: A

- Explanation:
- A) The clean hands doctrine is primarily applied to plaintiffs. For a plaintiff to successfully sue a defendant, the plaintiff must come to court unstained by bad faith, misrepresentations, or deceit.
 - B) The clean hands doctrine is primarily applied to plaintiffs. For a plaintiff to successfully sue a defendant, the plaintiff must come to court unstained by bad faith, misrepresentations, or deceit.
 - C) The clean hands doctrine is primarily applied to plaintiffs. For a plaintiff to successfully sue a defendant, the plaintiff must come to court unstained by bad faith, misrepresentations, or deceit.
 - D) The clean hands doctrine is primarily applied to plaintiffs. For a plaintiff to successfully sue a defendant, the plaintiff must come to court unstained by bad faith, misrepresentations, or deceit.

Diff: 2

Topic: Law versus Equity

Learning Objective: 01-09 Identify and apply important equitable maxims.

Bloom's: Understand

AACSB: Ethics

- 57) Secondary sources of law

- A) are used as precedent when there is no primary source of law that applies to the facts of a case.
- B) are considered a legally binding and valid independent authority.
- C) apply to both federal and state legal issues.
- D) have no legally binding effect.

Answer: D

- Explanation:
- A) Secondary sources of law are generally advisory and may or may not be adopted or followed as a state sees fit.
 - B) Secondary sources of law are generally advisory and may or may not be adopted or followed as a state sees fit.
 - C) Secondary sources of law are generally advisory and may or may not be adopted or followed as a state sees fit.
 - D) Secondary sources of law are generally advisory and may or may not be adopted or followed as a state sees fit.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

- 58) Under the American legal system, subject to some exceptions, costs of litigation regarding both the plaintiff and the defendant
- A) are all paid by the loser.
 - B) are all paid by the winner.
 - C) are paid for by each side, with the plaintiff and defendant paying for their own legal costs.
 - D) are divided equally by the presiding judge between the plaintiff and the defendant.

Answer: C

- Explanation:
- A) Under the American system, both sides generally bear their own costs of litigation unless the court orders otherwise.
 - B) Under the American system, both sides generally bear their own costs of litigation unless the court orders otherwise.
 - C) Under the American system, both sides generally bear their own costs of litigation unless the court orders otherwise.
 - D) Under the American system, both sides generally bear their own costs of litigation unless the court orders otherwise.

Diff: 2

Topic: Role of Counsel; Legal Decisions in a Business Environment: Theory to Practice

Learning Objective: 01-04 Articulate the role of counsel in legal decision making in a business context.; 01-03 Explain the importance and benefits of legal awareness for business owners and managers in creating a strategy and adding value to a company.

Bloom's: Understand

AACSB: Analytical Thinking

- 59) Regulations created and enforced by federal regulatory agencies are examples of
- A) administrative laws.
 - B) antitrust laws.
 - C) labor laws.
 - D) securities laws.

Answer: A

- Explanation:
- A) Laws pertaining to regulatory agencies fall under the category of administrative law.
 - B) Laws pertaining to regulatory agencies fall under the category of administrative law.
 - C) Laws pertaining to regulatory agencies fall under the category of administrative law.
 - D) Laws pertaining to regulatory agencies fall under the category of administrative law.

Diff: 2

Topic: Legal Decisions in a Business Environment: Theory to Practice

Learning Objective: 01-03 Explain the importance and benefits of legal awareness for business owners and managers in creating a strategy and adding value to a company.

Bloom's: Understand

AACSB: Analytical Thinking

- 60) Which of the following best represents the progression of preemption, from the highest level to lowest level of sources of law?
- A) federal common law; federal statutes; U.S. Constitution
 - B) state statutory law; federal common law; federal administrative law
 - C) state common law; state administrative law; state statutory law
 - D) federal administrative law; federal common law; state statutory law

Answer: D

- Explanation:
- A) In the hierarchy of primary sources of federal and state law, federal administrative law is higher than federal common law, and both are higher than state statutory law.
 - B) In the hierarchy of primary sources of federal and state law, federal administrative law is higher than federal common law, and both are higher than state statutory law.
 - C) In the hierarchy of primary sources of federal and state law, federal administrative law is higher than federal common law, and both are higher than state statutory law.
 - D) In the hierarchy of primary sources of federal and state law, federal administrative law is higher than federal common law, and both are higher than state statutory law.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Evaluate

AACSB: Reflective Thinking

- 61) The National Conference of Commissioners on Uniform State Laws (NCCUSL) was formed by _____ for the purpose of establishing uniform standards in areas of law where national interests would be achieved through the use of uniform laws.
- A) Congress
 - B) the American Bar Association
 - C) the American Legal Institute
 - D) the National Conference of Governors

Answer: B

- Explanation:
- A) The National Conference of Commissioners on Uniform State Laws (NCCUSL) was formed by the American Bar Association.
 - B) The National Conference of Commissioners on Uniform State Laws (NCCUSL) was formed by the American Bar Association.
 - C) The National Conference of Commissioners on Uniform State Laws (NCCUSL) was formed by the American Bar Association.
 - D) The National Conference of Commissioners on Uniform State Laws (NCCUSL) was formed by the American Bar Association.

Diff: 1

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Remember

AACSB: Analytical Thinking

62) Which of the following is not a primary source of law?

- A) uniform model law
- B) administrative law
- C) federal common law
- D) state common law

Answer: A

Explanation: A) Uniform model laws are secondary sources of law.
B) Uniform model laws are secondary sources of law.
C) Uniform model laws are secondary sources of law.
D) Uniform model laws are secondary sources of law.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

63) The U.S. system of common law

- A) is derived from the French common law.
- B) is derived from the British common law.
- C) was established primarily by the U.S. Constitution.
- D) is a secondary source of law established in various *Restatements of the Law*.

Answer: B

Explanation: A) U.S. common law has its basis in English common law.
B) U.S. common law has its basis in English common law.
C) U.S. common law has its basis in English common law.
D) U.S. common law has its basis in English common law.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Diversity

64) Statutes of limitations fall under which of the following equitable maxims?

- A) The clean hands doctrine.
- B) Substance over form.
- C) Remedies at law are preferred over remedies in equity.
- D) Equity aids the vigilant.

Answer: D

- Explanation:
- A) One must be vigilant and be sure to file a lawsuit before the statute of limitations runs, barring the suit.
 - B) One must be vigilant and be sure to file a lawsuit before the statute of limitations runs, barring the suit.
 - C) One must be vigilant and be sure to file a lawsuit before the statute of limitations runs, barring the suit.
 - D) One must be vigilant and be sure to file a lawsuit before the statute of limitations runs, barring the suit.

Diff: 3

Topic: Law versus Equity

Learning Objective: 01-09 Identify and apply important equitable maxims.

Bloom's: Evaluate

AACSB: Reflective Thinking

65) The Uniform Commercial Code has been adopted in every state except

- A) California.
- B) Mississippi.
- C) Louisiana.
- D) Iowa.

Answer: C

- Explanation:
- A) Louisiana, a state with deep civil law roots, has not adopted the Uniform Commercial Code.
 - B) Louisiana, a state with deep civil law roots, has not adopted the Uniform Commercial Code.
 - C) Louisiana, a state with deep civil law roots, has not adopted the Uniform Commercial Code.
 - D) Louisiana, a state with deep civil law roots, has not adopted the Uniform Commercial Code.

Diff: 1

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Remember

AACSB: Reflective Thinking

- 66) The source of bankruptcy law is a combination of
- A) statutory and common law.
 - B) constitutional and common law.
 - C) statutory and administrative law.
 - D) administrative and common law.

Answer: C

- Explanation:
- A) Bankruptcy law is derived from both federal statutes and federal administrative law.
 - B) Bankruptcy law is derived from both federal statutes and federal administrative law.
 - C) Bankruptcy law is derived from both federal statutes and federal administrative law.
 - D) Bankruptcy law is derived from both federal statutes and federal administrative law.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Analytical Thinking

- 67) Once stare decisis and case precedent is established
- A) it may be disregarded and overturned by a court if it deems such action appropriate.
 - B) it may not be disregarded by a court but may be overturned by state statute.
 - C) it may not be disregarded by a court or be overturned by state statute but may only be changed by amendment to the state's constitution.
 - D) it may not be disregarded or overturned once established and must be followed without exception.

Answer: A

- Explanation:
- A) Case precedent must be followed unless a court determines that the prior decision is not reflective of the current law and social climate.
 - B) Case precedent must be followed unless a court determines that the prior decision is not reflective of the current law and social climate.
 - C) Case precedent must be followed unless a court determines that the prior decision is not reflective of the current law and social climate.
 - D) Case precedent must be followed unless a court determines that the prior decision is not reflective of the current law and social climate.

Diff: 3

Topic: Stare Decisis and Precedent

Learning Objective: 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Evaluate

AACSB: Analytical Thinking

- 70) A state statute mandates that the statute of limitations for a negligence lawsuit is two years and the plaintiff is barred from filing the suit if he or she files after that time. This statute is an example of a
- A) private law. B) procedural law. C) criminal law. D) substantive law.

Answer: B

- Explanation:
- A) Because a statute of limitation sets the structure and rules for when a plaintiff may pursue his or her rights, it is an example of procedural law.
 - B) Because a statute of limitation sets the structure and rules for when a plaintiff may pursue his or her rights, it is an example of procedural law.
 - C) Because a statute of limitation sets the structure and rules for when a plaintiff may pursue his or her rights, it is an example of procedural law.
 - D) Because a statute of limitation sets the structure and rules for when a plaintiff may pursue his or her rights, it is an example of procedural law.

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Analyze

AACSB: Analytical Thinking

ESSAY QUESTIONS

- 71) A case of first impression comes before a state court in Illinois. While the issue has not been heard in Illinois courts, appellate courts in the states of Wisconsin, Iowa, and Indiana have definitively ruled on the issue, although the outcomes of the various cases were slightly different in each case. Further, the case heard by the Indiana court was definitively ruled upon by the U.S. Supreme Court. Explain whether the court in Illinois is bound by the decision of any of the other courts, and why.

Answer: The Illinois court would be bound by the ruling of the Supreme Court, but not the courts in Wisconsin, Iowa, or Indiana. Precedent established in one state's court will have no bearing on the courts of other states, but when a state court is facing an issue for the first time, it may look to other states for guidance and insight. However, once an issue has been ruled upon by the Supreme Court, its holding is binding on all lower state courts.

Diff: 3

Topic: Stare Decisis and Precedent; Hierarchy of Primary Sources of Federal and State Law

Learning Objective: 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Analyze; Evaluate

AACSB: Analytical Thinking

72) Mike is a high school dropout employed as a counter worker at Bob's Roasted Chicken (BRC), a local fast food franchise in Georgia. Mike is voted Employee of the Month and awarded a trip to visit the home office of BRC in Knoxville, Tennessee. While on a tour of the offices at BRC's headquarters, Mike notices an open wall safe, and when he looks inside, he discovers the original, handwritten copy of the secret family chicken recipe. He quickly makes a copy and returns the original to the safe. Once he arrives home, he contacts a number of local fried-chicken restaurants and offers to sell them the recipe. When BRC's president, Bob, discovers what Mike is doing, BRC immediately sues Mike. However, it quickly discovers that there are no applicable trade secret statutes. What effect does the lack of an applicable statute have on BRC's claim, and what, if anything, can BRC rely upon to maintain its claim? What relief should BRC seek against Mike?

Answer: When there are no applicable statutes, the court will look to the common law for case precedent. If a case with a similar fact situation has previously been decided, the doctrine of stare decisis will mandate that the court follow the established case precedent in most cases. Initially, BRC should ask for an equitable remedy in the form of an injunction to prevent the sale until binding decisions can be made. Equitable relief is necessary, as damages awarded at the end of the case may be insufficient to protect BRC from irreparable harm from the disclosure of the recipe.

Diff: 3

Topic: Law versus Equity; Stare Decisis and Precedent; Sources and Levels of American Law

Learning Objective: 01-09 Identify and apply important equitable maxims.; 01-05 Recognize, explain, and give examples of sources of American law.; 01-06 Understand the legal doctrine of stare decisis.

Bloom's: Evaluate

AACSB: Analytical Thinking; Reflective Thinking

73) Name the three essential functions of the U.S. Constitution.

Answer: The Constitution addresses three broad areas: (1) establishing a state and federal government structure with qualifications for certain offices and positions and rules for amending the Constitution; (2) granting specific powers to the three branches of the federal government; and (3) providing procedural protections for U.S. citizens from wrongful government actions.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Reflective Thinking

74) Define and explain the concepts of permanence and preemption as they apply regarding the U.S. Constitution.

Answer: *Permanence* refers to the concept that a constitution is thought to reflect the basic principles of a society and should be amended only in extraordinary cases and only when a majority of its constituents agree over a certain period of time. *Preemption*, in terms of the Constitution, stands for the concept that constitutional law is supreme over all other sources of law.

Diff: 2

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Understand

AACSB: Reflective Thinking

75) Congratulations! You have just been named as a judge in your state's general trial court. Your first case involves a complicated environmental statute. What resources might you use to interpret and apply the statute to your case?

Answer: Two things that must be considered are the statute's statutory scheme and its legislative history. The statutory scheme is the format and wording used, which gives an indication of the legislature's intent regarding the statute's application. The statute's legislative history includes all records pertinent to the introduction, debate, and voting regarding the particular statute. The debate history, in particular, will show the thought processes used by the legislature when discussing, amending, and passing the law.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Apply

AACSB: Analytical Thinking

76) Describe the similarities and differences among statutes, ordinances, and regulations.

Answer: Statutes, ordinances, and regulations are similar in that each is a form of a written law or rule of public law. The differences have to do with where they originate. Statutes are written laws passed by Congress or a state legislature. Ordinances are written laws that are enacted by local government bodies below a state legislature level. Regulations are written laws and rules created by administrative agencies.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Analyze

AACSB: Reflective Thinking

77) Discuss the differences between the common law and civil law with regard to precedent and the court's right to establish new law.

Answer: Under the common law, in the absence of statutory law, judges may make decisions creating law, which becomes case precedent in future cases unless subsequently preempted by statute. Civil law recognizes the general notion of precedent, but its role is substantially reduced. The power of courts to make new law in matters not specifically addressed by the country's civil code is very limited under civil law.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Analyze

AACSB: Reflective Thinking

78) Tom has attacked Kathy in the parking lot of a bar. He knocked her to the ground and stole her wallet, breaking her arm in the process. Kathy works as a data input specialist at a bank and missed eight weeks of work due to her injury. Discuss how her case could be handled under both the criminal law and civil law systems, including possible remedies available under each system.

Answer: Criminal law protects society by making certain conduct unlawful. Knocking Kathy to the ground and stealing her wallet would certainly be criminal offenses. Penalties if Tom is convicted could include fines and/or imprisonment. Civil law is designed to compensate individuals for losses due to another person's conduct. Reimbursement for lost wages and for Kathy's medical bills would be available along with other possible monetary damages.

Diff: 3

Topic: Categories of Law

Learning Objective: 01-07 Classify the law into several broad categories.

Bloom's: Analyze

AACSB: Analytical Thinking

79) Identify and discuss the various types of secondary law. How does secondary law affect the American legal system?

Answer: The two most important forms of secondary law are *Restatements of the Law* and model state statutes. *Restatements of the Law* are prepared, from time to time, by professors, judges, and lawyers who are members of the American Law Institute. These Restatements capture the state of the law at the time the restatement is written and provide a basis for interpretation, which allows for consistency and general conformity. Model state statutes, written by the National Conference of Commissioners on Uniform State Laws, were formed through the American Bar Association for the purpose of establishing uniform standards in areas of law where national interest would be achieved through the use of uniform laws. Both forms of secondary law feature commentary and examples but possess no independent authority and have no legally binding effect. They are advisory, and states are free to reject all, adopt all, or adopt part of proposed secondary laws.

Diff: 3

Topic: Sources and Levels of American Law

Learning Objective: 01-05 Recognize, explain, and give examples of sources of American law.

Bloom's: Evaluate

AACSB: Analytical Thinking; Reflective Thinking

80) In 2010, the state of Arizona passed an immigration law that allowed law enforcement officers to check the immigration status of individuals charged with a crime. Which legal philosophy best fits the theory of jurisprudence used by Arizona lawmakers to justify this law?

Answer: Legal realism is based on the concept that law is a social institution and that law should be used to promote fairness by taking into account social and economic realities when arriving at a legal conclusion. Arguments made by Arizona lawmakers center on issues relating to crime, a social issue, and increased costs for essential services, which relate to economic issues. In terms of fairness, the argument that has been put forward is that citizens' lives are being negatively affected by uncontrolled illegal immigration.

Diff: 3

Topic: Introduction to Law

Learning Objective: 01-01 Understand the broad definition and origins of law.

Bloom's: Evaluate

AACSB: Reflective Thinking; Ethics