

Bus 241- Spring 2015 -- Exam 1 - MC

You have 130 minutes to complete this examination. This is a CLOSED book exam. All other study materials, including backpacks and purses, must be placed on the floor. NO OLD EXAMS OR PRACTICE EXAMS SHOULD BE VISIBLE. FAILURE TO FOLLOW THESE DIRECTIONS MAY RESULT IN YOU RECEIVING A ZERO SCORE FOR THE EXAM

Please be sure to answer all questions on the exam. There are eleven (11) pages and 64 questions to this exam -- 60 multiple choice and four essay questions. Count to make sure that you have all the pages and review your exam to make sure that you do not miss answering any pages or questions of the exam.

PLEASE BE SURE TO TURN IN THE EXAM WITH YOUR NAME ON THE FIRST PAGE OF THE EXAM YOU WERE GIVEN. IF YOU FAIL TO PUT YOUR NAME ON A COPY OF THE EXAM, YOU MAY BE GIVEN A -0- FOR THE EXAM.

MULTIPLE CHOICE ANSWERS SHOULD BE ENTERED ON THE MACHINE READABLE FORM. PLEASE BE SURE TO USE PENCIL SO THAT YOUR ANSWERS CAN BE READ BY THE GRADING MACHINE. PLEASE BE SURE TO ALSO INCLUDE YOUR STUDENT ID NUMBER ON THE ANSWER SHEET.

You should try and provide answers for all questions, as there is no penalty for a wrong answer, and it counts the same as an omitted question. There are often two answers which may appear to potentially be correct. You must choose the response which answers the question the best. Each multiple choice question is worth two (2) points.

In the essay section you must answer one essay question out of each group for a total of two answered essay questions. Each essay question is worth ten (10) points.

You must use a number 2 pencil when filling out the exam. Failure to use a pencil will result in a 5 point penalty. There are two versions to this exam. You must indicate “1” in special codes for version A and “2” in special codes for version B, AND “3” for version C. Failure to provide this information on your answer sheet will result in 10 point penalty. You must put your student id number in where the answer sheet provides for “social security number” Failure to follow these directions will result in a 10 point penalty.

Any lack of clarity with regard to your answer choice may result in you not being awarded points for your answer.
Good Luck.

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- _____ 1. Lewis is a state court judge. Like other judges, Lewis often refers to secondary sources of law for guidance. These sources include
- official comments to statute.
 - other states' statutes.
 - state constitutions.
 - the U.S. Constitution.
- _____ 2. Hawaii enacts a state law that violates the U.S. Constitution. This law can be enforced by
- no one.
 - the federal government only.
 - the state of Hawaii only.
 - the United States Supreme Court only.
- _____ 3. The Federal Trade Commission is a government agency that issues rules, orders, and decisions. The Georgia state legislature enacts statutes. The Jackson County Board and the Peach City Council enacts ordinances. Administrative law includes
- all law that affects a business's operation.
 - the rules, orders, and decisions of the Federal Trade Commission.
 - statutes enacted by the Georgia state legislature.
 - ordinances created by the Jackson County Board and the city council of Peach City, Georgia.
- _____ 4. The Securities Exchange Commission is an administrative agency. The chief purpose of such agencies is to
- act as liaisons between federal and state governments.
 - impose uniform laws on the states.
 - perform specific government functions.
 - standardize laws for the executive and judicial branches.
- _____ 5. In a suit against Evan, Floyd obtains an *injunction*. This is
- an order to do or to refrain from doing a particular act.
 - an order to perform what was promised.
 - a payment of money or property as compensation.
 - the cancellation of a contract.

- _____ 6. In a suit against Vladimir over the performance of a contract, Wyler obtains *rescission*. This is
- an order to do or to refrain from doing a particular act.
 - an order to perform what was promised.
 - a payment of money or property as compensation.
 - the cancellation of a contract.
- _____ 7. In a suit against Sandy, Tippy obtains damages. In the U.S. legal system, this remedy at law is
- equitable.
 - normal.
 - unlikely.
 - unusual.
- _____ 8. In *Export Co. v. Imports, Inc.*, there is no precedent on which the court can base a decision. The court can consider, among other things,
- neither public policy nor social values.
 - public policy only.
 - public policy or social values.
 - social values only.
- _____ 9. A federal statute regulates an employment practice. To resolve a dispute concerning the practice, Paula, a judge, will most likely apply
- a common law doctrine that applied before the statute was enacted.
 - a common law doctrine that applies to other, different practices.
 - Paula's personal philosophy of law.
 - the statute.
- _____ 10. Ginger wants to file a suit against Fred. For a court to hear the case
- Fred must agree.
 - the court must have jurisdiction.
 - the parties must have no minimum contact with each other.
 - the parties must own property.
- _____ 11. Liu files a suit against Macro Sales, Inc., in a New Jersey state court based on a Web site through which New Jersey residents can do business with Macro. The court will most likely exercise jurisdiction over Macro if the interactivity of the site is seen as
- a "substantial enough" connection with the state.
 - "downloading" from the state.
 - not connected with the state.
 - "uploading" to the state.
- _____ 12. Boyd files a suit in a federal district court against Cathy. Cathy loses the suit, appeals to the U.S. Court of Appeals for the Second Circuit, and loses again. Cathy asks the United States Supreme Court to hear the case. The Court is
- not required to hear the case.
 - required to hear the case because Cathy lost in a federal court.
 - required to hear the case because Cathy lost in a lower court.
 - required to hear the case because it is an appeal.

Fact Pattern 2-1A

Java Cafes, Inc., and Kaffe Import Corporation dispute a term in their contract.

- _____ 13. Refer to Fact Pattern 2-1A. The least expensive method to resolve the dispute between Java and Kaffe may be
- arbitration because the case will be heard by a mini-jury.
 - litigation because each party will pay its own legal fees.
 - mediation because the dispute will be resolved by a non-expert.
 - negotiation because no third parties are needed.
- _____ 14. Refer to Fact Pattern 2-1A. If Java and Kaffe have a long-standing business relationship that they would like to continue, a preferred method of settling their dispute may be mediation because
- the case will be heard by a mini-jury.
 - the dispute will eventually go to trial.
 - the process is not adversarial.
 - the resolution of the dispute will be decided an expert.
- _____ 15. Refer to Fact Pattern 2-1A. Resolving the dispute between Java and Kaffe by having a neutral third party render a binding decision is one of the advantages of
- arbitration.
 - conciliation.
 - intervention.
 - mediation.
- _____ 16. Eden Property Sales Corporation and Dion agree to resolve their dispute in arbitration. The arbitrator's decision is called
- a conclusion of law.
 - a finding of fact.
 - an award.
 - a verdict.
- _____ 17. Transnational Corporation and UniShip, Inc., agree to a contract that includes an arbitration clause. If a dispute arises, a court having jurisdiction may
- monitor any arbitration until it concludes.
 - order an arbitrator to rule in a particular way.
 - order a party to bring the dispute to court.
 - order a party to submit to arbitration.

Fact Pattern 3-1A

Mac and Nan engage in a business transaction from which a dispute arises. Mac initiates a lawsuit against Nan by filing a complaint.

- _____ 18. Refer to Fact Pattern 3-1A. If Nan responds to Mac's complaint by filing a counterclaim, then
- Mac will also have to file a response.
 - Mac will have a judgment entered in his favor.
 - Nan will also have to file an amended answer.
 - Nan will have a judgment entered in her favor.

- _____ 19. Indelible Fabrics, Inc. (IFI), makes "Jean's Denim," a famous brand of clothing. Without IFI's consent, Kopy Company (KC) begins to use "jeansdenim" as part of a domain name. IFI files a suit against KC and engages in service of process. Service of process must provide
- a. equality and fairness in adjudication.
 - b. notice and an opportunity to respond.
 - c. space to fill in important information and time in which to do it.
 - d. privacy between the litigants and publicity in the judgment.
- _____ 20. Opal files a complaint in a suit against Phil, and he files an answer. The case may now be
- a. dismissed only after a trial begins.
 - b. dismissed or settled at this point.
 - c. resolved only after a trial ends.
 - d. settled only during a trial.
- _____ 21. Cody files a suit against Delta Corporation. Delta responds that it appears from the pleadings the parties do not dispute the facts and the only question is how the law applies to those facts. Delta supports this response with witnesses' sworn statements. This is
- a. a counterclaim.
 - b. a motion for judgment on the pleadings.
 - c. a motion for summary judgment.
 - d. a motion to dismiss.
- _____ 22. In Restful Motel's suit against Sleepy Hotels, Inc., Restful serves a written request for Sleepy to admit the truth of matters relating to the trial. Sleepy's admission in response is the equivalent of
- a. an admission in court.
 - b. a statement to the media.
 - c. information to which Sleepy has a right of privacy.
 - d. irrelevant evidence.
- _____ 23. Excel Products Company files a suit against Flying Distribution, Inc., over a contract. Before the trial, Excel can obtain from Flying
- a. all documents in Flying's possession relating to the contract.
 - b. any documents in Flying's possession.
 - c. no documents in Flying's possession.
 - d. only those documents that Flying agrees to release.
- _____ 24. During a trial in Gene's suit against Homer over the use of Gene's lakeside cabin, Gene's attorney asks questions of the plaintiff's witness Illya. This is
- a. a cross-examination.
 - b. a deposition.
 - c. a direct examination.
 - d. an interrogatory.

Fact Pattern 3-2A

Fine Dining Corporation files a suit against Eat-at-Joe's, Inc.

- _____ 25. Refer to Fact Pattern 3-2A. During the trial, Fine Dining's attorney questions the plaintiff's witness Floyd. Floyd, who is not an expert in the matter about which he is being asked, can
- testify about any of the facts in the case.
 - testify about only what he personally observed.
 - offer his opinion about any of the evidence.
 - offer his conclusion with regard to the case.
- _____ 26. Refer to Fact Pattern 3-2A. The attorney for Eat-at-Joe's also questions Floyd. This is
- a cross-examination.
 - a direct examination.
 - an interrogatory.
 - a request for admissions.
- _____ 27. Enterprising Markets Coalition (EMC), a political lobbying group, wants a certain policy enacted into law. If EMC's policy conflicts with the U.S. Constitution, a law embodying it can be imposed by
- Congress.
 - a federal court.
 - a state legislature.
 - none of the choices.
- _____ 28. Ulrich, a citizen of Virginia, wants to enforce in the state of Washington certain rights that he has under a contract with Xtreme SnoBoards Inc. A Washington state court is most likely to enforce such rights under
- no provision in the U.S. Constitution.
 - the commerce clause.
 - the full faith and credit clause.
 - the privileges and immunities clause.
- _____ 29. Tami's Tasty Tacos, a mobile vendor, files a suit against the state of Utah, claiming that a Utah state law violates the commerce clause. The court will agree if the statute imposes a substantial burden on
- a local government.
 - interstate commerce.
 - noneconomic activity.
 - the state.
- _____ 30. Congress enacts a law that sets out a medical-device approval process for the Food and Drug Administration to follow. The law includes a preemption provision. A device that goes through the process injures Joe, who files a claim under state law to recover. The court will most likely rule that
- Joe's state law claim preempts the federal law.
 - the federal law and state law claim are concurrent.
 - the federal and state law claim cancel each other out.
 - the federal law preempts Joe's state law claim.
- _____ 31. Mike, an advocate of a certain religion, publishes an article in *New Times* magazine insisting that Congress base all federal law on his religion's principles. The First Amendment guarantees Mike's freedom of
- religion only.
 - speech only.
 - the press only.
 - the press, speech, and religion.

- _____ 32. Beachside City enacts an ordinance that bans the distribution of all printed materials on city streets. Carl opposes the city's latest "revenue-enhancing" measure and wants to protest by distributing handbills. In his suit against the city, a court would likely hold the printed-materials ban to be
- constitutional under the First Amendment.
 - not subject to the U.S. Constitution.
 - unconstitutional under the commerce clause.
 - unconstitutional under the First Amendment.
- _____ 33. Reusable Energy Corporation regularly expresses opinions on political issues. Under the First Amendment, corporate political speech is
- discouraged.
 - forbidden.
 - protected.
 - required.
- _____ 34. The police obtain a search warrant and search Errol's apartment. After yelling obscenities at the officers, Errol confesses to a crime and implicates his friends. The Constitution protects against
- obscene speech.
 - implication of others.
 - unreasonable searches.
 - none of the choices.
- _____ 35. Wyoming enacts a statute that limits the liberty of all persons, including corporations, to broadcast "annoying" radio commercials. This may violate
- equal protection.
 - procedural due process.
 - substantive due process.
 - the right to privacy.
- _____ 36. Myra claims that a Nebraska state statute infringes on her "procedural due process" rights. This claim focuses on
- procedures used in making decisions to take life, liberty, or property.
 - the content of the statute.
 - the similarity of the treatment of similarly situated individuals.
 - the steps to be taken to protect Mary's privacy.
- _____ 37. Mariah works in the public relations department of New Trends Sales Company. Her job includes portraying New Trends's activities in their best light. In this context, ethics consist of
- a different set of principles from those that apply to other activities.
 - the same moral principles that apply to non-business activities.
 - those principles that produce the most favorable financial outcome.
 - whatever saves New Trends's "face."
- _____ 38. Any decision by the management of Fast-Food Franchise Corporation may significantly affect its
- operators only.
 - operators, owners, suppliers, the community, or society as a whole.
 - owners only.
 - suppliers, the community, or society as a whole only.

- _____ 39. Peak & Vale Accountants provides other firms with accounting services. Questions of what is ethical involve the extent to which Peak & Vale has
- a legal duty beyond those duties mandated by ethics.
 - an ethical duty beyond those duties mandated by law.
 - any duty beyond those mandated by both ethics and the law.
 - any duty when it is uncertain whether a legal duty exists.
- _____ 40. Kennedy Capital Corporation provides other firms with funds to expand operations. If Kenney strictly complies with existing laws, the firm will
- fulfill *all* business ethics obligations.
 - fulfill *no* business ethics obligations.
 - fulfill *some* business ethics obligations.
 - not need to fulfill *any* business ethics obligations.
- _____ 41. Made4U Goods, Inc., asks its employees, many of whom are members of the National Machinists Union, to apply the utilitarian theory of ethics. This theory does *not* require
- a choice among alternatives to produce the maximum societal utility.
 - a determination of whom an action will affect.
 - an assessment of the effects of alternatives on those affected.
 - the acquiring of the means of production by workers.
- _____ 42. A common ethical dilemma faced by the management of General Holdings Corporation involves the effect that its decision will have on
- one group as opposed to another.
 - the firm's competitors.
 - the government.
 - the U.S. Chamber of Commerce.
- _____ 43. Fealty Credit Corporation asks its employees to evaluate their actions and get on the ethical business decision-making "bandwagon." Guidelines for judging individual actions include all of the following *except*
- an individual's conscience.
 - business rules and procedures.
 - loopholes in the law or company policies.
 - promises to others.
- _____ 44. Spencer Hydraulics Corporation's ethics committee is asked a business ethics question—should the firm bid low to obtain a contract that it knows it can fulfill only at a higher price? A practical method to investigate and solve this question involves all of the following steps *except*
- absolution.
 - decision.
 - inquiry.
 - justification.
- _____ 45. Bilt-Well Construction Corporation makes a side payment to a government official in Nigeria to obtain a contract. In the United States, this is
- illegal and unethical.
 - illegal but not unethical.
 - unethical but not illegal.
 - legal and ethical.

- _____ 46. Boris pushes Cordelia. She falls and breaks her arm. Boris is liable for the injury
- if he intended to push Cordelia.
 - only if he did *not* intend to break Cordelia's arm.
 - only if he had a bad motive for pushing Cordelia.
 - only if he intended to break Cordelia's arm.
- _____ 47. At Parkside Bistro, Ogden believes that he was overcharged and shoves Nellie, the waiter. Nellie sues Ogden, alleging that the shove was a battery. Ogden is liable
- if Parkside did not overcharge Ogden.
 - if the shove was offensive.
 - if Ogden acted out of malice.
 - under no circumstances—the shove was not a battery.
- _____ 48. Jaqy distributes a handbill among her neighbors accusing one of them—Ked—of being a convicted sex offender. The statement is defamatory only if
- a neighbor repeats it.
 - Ked suffers emotional distress.
 - the statement is true.
 - the statement is false.
- _____ 49. During a heated legislative debate, Representative Peony makes a statement of fact damaging Senator Rose's good reputation. Peony knows the statement is not true. In this situation, Peony is most likely
- liable for defamation.
 - not liable for defamation because only Rose's reputation was hurt.
 - not liable for defamation because Peony enjoys a privilege.
 - not liable for defamation because nobody listens to such debates.
- _____ 50. Great Tans, Inc., uses, in its radio ads, a recording by Holly, who owns the rights, without paying for the use. Over time, the song comes to be associated with Great Tans. In Holly's suit against Great Tans, the firm is most likely liable for
- appropriation.
 - conversion.
 - wrongful interference with a customary relationship.
 - none of the choices.
- _____ 51. Jim is an appliance salesperson. To make a sale, he asserts that a certain model of a Kitchen Helper refrigerator is the "best one ever made." This is
- fraud if the statement is the truth.
 - fraud if Jim believes that this statement is not true.
 - fraud if Jim is stating his opinion, not the facts.
 - not fraud.
- _____ 52. Joy invites Ken into her apartment. Ken commits trespass to land if he
- enters the apartment with fraudulent intent.
 - harms the apartment in any way.
 - makes disparaging remarks about Joy to others.
 - refuses to leave when Joy asks him to go.

- _____ 53. As a joke, Fran hides Gary's business law textbook so that he cannot find it during the week before the exam. Fran is liable for
- appropriation.
 - disparagement of property.
 - trespass to personal property.
 - wrongful interference with a business relationship.
- _____ 54. In a newspaper ad, Select Used Motors falsely accuses Top Value Vehicles, a competitor, of selling stolen cars. Top Value's sales decrease. Select has most likely committed
- defamation.
 - no tort.
 - slander of quality.
 - slander of title.

Fact Pattern 7-1A

Roy owns an apartment building that contains units of different sizes. The sidewalks around the building are in poor repair. Many sections have buckled from the growth of tree roots over the years.

- _____ 55. Refer to Fact Pattern 7-1A. As the owner of the building, Roy has a duty to
- arrange to escort anyone who walks onto the property.
 - do nothing.
 - repair the sidewalks.
 - repair the sidewalks only if he is notified that it is a problem.
- _____ 56. Leon files a suit against Moira, a medical doctor, alleging negligence. As a physician, Moira is held to the standard of
- a blameless individual.
 - a faultless ordinary person.
 - a reliable professional.
 - a reasonable physician.
- _____ 57. John sees that Kris is about to step into the path of an oncoming bus. If John does not warn Kris of the danger, John is liable
- only if Kris is injured.
 - only if Kris is not injured.
 - regardless of the consequences to Kris.
 - under no circumstances.
- _____ 58. Kay carelessly bumps into Lyle, knocking him to the ground. Kay has committed the tort of negligence
- only if Lyle is injured.
 - only if Lyle is not injured.
 - under any circumstances.
 - under no circumstances.
- _____ 59. Nadine is a spectator at the Metro City Softball Tournament, an athletic competition. Regarding the risk of injury, Nadine assumes the risks
- attributable to the tournament in any way.
 - different from the risks normally associated with the tournament.
 - greater than the risks normally associated with the tournament.
 - normally associated with the tournament.

Name: _____

ID: A

- _____ 60. Beth is injured in a car accident and sues Cash, alleging negligence. Cash claims that Beth was driving more carelessly than he was. Comparative negligence may reduce Beth's recovery
- a. even if Beth was only slightly at fault.
 - b. only if Beth was as equally at fault as Cash.
 - c. only if Beth was less at fault than Cash.
 - d. only if Beth was more at fault than Cash.

Bus 241- Spring 2015 -- Exam 1 - MC

Answer Section

MULTIPLE CHOICE

- | | | | |
|---|--------|------------|-------------------------------------|
| 1. ANS: A | PTS: 1 | REF: p. 4 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 2. ANS: A | PTS: 1 | REF: p. 4 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 3. ANS: B | PTS: 1 | REF: p. 5 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 4. ANS: C | PTS: 1 | REF: p. 5 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 5. ANS: A | PTS: 1 | REF: p. 7 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 6. ANS: D | PTS: 1 | REF: p. 7 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 7. ANS: B | PTS: 1 | REF: p. 7 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 8. ANS: C | PTS: 1 | REF: p. 10 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: = | | | |
| 9. ANS: D | PTS: 1 | REF: p. 12 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: = | | | |
| 10. ANS: B | PTS: 1 | REF: p. 30 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 11. ANS: A | PTS: 1 | REF: p. 34 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: = | | | |
| 12. ANS: A | PTS: 1 | REF: p. 40 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 13. ANS: D | PTS: 1 | REF: p. 41 | |
| NAT: AACSB Reflective AICPA Risk Analysis | | | KEY: Test Bank A |
| TYP: = | | | |
| 14. ANS: C | PTS: 1 | REF: p. 41 | |
| NAT: AACSB Reflective AICPA Risk Analysis | | | KEY: Test Bank A |
| TYP: = | | | |
| 15. ANS: A | PTS: 1 | REF: p. 42 | |
| NAT: AACSB Reflective AICPA Risk Analysis | | | KEY: Test Bank A |
| TYP: = | | | |
| 16. ANS: C | PTS: 1 | REF: p. 42 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 17. ANS: D | PTS: 1 | REF: p. 43 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 18. ANS: A | PTS: 1 | REF: p. 52 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |

19. ANS: B PTS: 1 REF: p. 53
 NAT: AACSB Communication | AICPA Critical Thinking KEY: Test Bank A
 TYP: =
20. ANS: B PTS: 1 REF: p. 56 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
21. ANS: C PTS: 1 REF: p. 57 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
22. ANS: A PTS: 1 REF: p. 60 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: N
23. ANS: A PTS: 1 REF: p. 60 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
24. ANS: C PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: N
25. ANS: B PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: N
26. ANS: A PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
27. ANS: D PTS: 1 REF: p. 74 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: +
28. ANS: C PTS: 1 REF: p. 75 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
29. ANS: B PTS: 1 REF: p. 76 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: N
30. ANS: D PTS: 1 REF: p. 78 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: N
31. ANS: D PTS: 1 REF: p. 79 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
32. ANS: D PTS: 1 REF: p. 80
 NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
 TYP: =
33. ANS: C PTS: 1 REF: p. 80 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: N
34. ANS: C PTS: 1 REF: p. 85 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: +
35. ANS: C PTS: 1 REF: p. 87 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
36. ANS: A PTS: 1 REF: p. 87 NAT: AACSB Reflective | AICPA Legal
 KEY: Test Bank A TYP: =
37. ANS: B PTS: 1 REF: p. 93
 NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
 TYP: =
38. ANS: B PTS: 1 REF: p. 93
 NAT: AACSB Reflective | AICPA Risk Analysis KEY: Test Bank A
 TYP: =
39. ANS: B PTS: 1 REF: p. 94
 NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
 TYP: =

40.	ANS: C	PTS: 1	REF: p. 94	
	NAT: AACSB Reflective AICPA Critical Thinking			KEY: Test Bank A
	TYP: =			
41.	ANS: D	PTS: 1	REF: p. 101	
	NAT: AACSB Reflective AICPA Critical Thinking			KEY: Test Bank A
	TYP: =			
42.	ANS: A	PTS: 1	REF: p. 101	
	NAT: AACSB Reflective AICPA Critical Thinking			KEY: Test Bank A
	TYP: +			
43.	ANS: C	PTS: 1	REF: p. 104	
	NAT: AACSB Reflective AICPA Critical Thinking			KEY: Test Bank A
	TYP: N			
44.	ANS: A	PTS: 1	REF: p. 105	
	NAT: AACSB Reflective AICPA Critical Thinking			KEY: Test Bank A
	TYP: N			
45.	ANS: A	PTS: 1	REF: p. 107	
	NAT: AACSB Reflective AICPA Critical Thinking			KEY: Test Bank A
	TYP: =			
46.	ANS: A	PTS: 1	REF: p. 117	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
47.	ANS: B	PTS: 1	REF: p. 118	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: +		
48.	ANS: D	PTS: 1	REF: p. 119	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
49.	ANS: C	PTS: 1	REF: p. 121	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: N		
50.	ANS: A	PTS: 1	REF: p. 122	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
51.	ANS: D	PTS: 1	REF: p. 123	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
52.	ANS: D	PTS: 1	REF: p. 126	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
53.	ANS: C	PTS: 1	REF: p. 127	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
54.	ANS: D	PTS: 1	REF: p. 129	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: +		
55.	ANS: C	PTS: 1	REF: p. 137	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
56.	ANS: D	PTS: 1	REF: p. 139	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
57.	ANS: D	PTS: 1	REF: p. 139	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
58.	ANS: A	PTS: 1	REF: p. 141	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		
59.	ANS: D	PTS: 1	REF: p. 142	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: N		
60.	ANS: A	PTS: 1	REF: p. 144	NAT: AACSB Reflective AICPA Legal
	KEY: Test Bank A	TYP: =		

Bus 241- Spring 2015 -- Exam 1 - MC

You have 130 minutes to complete this examination. This is a CLOSED book exam. All other study materials, including backpacks and purses, must be placed on the floor. NO OLD EXAMS OR PRACTICE EXAMS SHOULD BE VISIBLE. FAILURE TO FOLLOW THESE DIRECTIONS MAY RESULT IN YOU RECEIVING A ZERO SCORE FOR THE EXAM

Please be sure to answer all questions on the exam. There are eleven (11) pages and 64 questions to this exam -- 60 multiple choice and four essay questions. Count to make sure that you have all the pages and review your exam to make sure that you do not miss answering any pages or questions of the exam.

PLEASE BE SURE TO TURN IN THE EXAM WITH YOUR NAME ON THE FIRST PAGE OF THE EXAM YOU WERE GIVEN. IF YOU FAIL TO PUT YOUR NAME ON A COPY OF THE EXAM, YOU MAY BE GIVEN A -0- FOR THE EXAM.

MULTIPLE CHOICE ANSWERS SHOULD BE ENTERED ON THE MACHINE READABLE FORM. PLEASE BE SURE TO USE PENCIL SO THAT YOUR ANSWERS CAN BE READ BY THE GRADING MACHINE. PLEASE BE SURE TO ALSO INCLUDE YOUR STUDENT ID NUMBER ON THE ANSWER SHEET.

You should try and provide answers for all questions, as there is no penalty for a wrong answer, and it counts the same as an omitted question. There are often two answers which may appear to potentially be correct. You must choose the response which answers the question the best. Each multiple choice question is worth two (2) points.

In the essay section you must answer one essay question out of each group for a total of two answered essay questions. Each essay question is worth ten (10) points.

You must use a number 2 pencil when filling out the exam. Failure to use a pencil will result in a 5 point penalty. There are two versions to this exam. You must indicate "1" in special codes for version A and "2" in special codes for version B, AND "3" for version C. Failure to provide this information on your answer sheet will result in 10 point penalty. You must put your student id number in where the answer sheet provides for "social security number" Failure to follow these directions will result in a 10 point penalty.

Any lack of clarity with regard to your answer choice may result in you not being awarded points for your answer.
Good Luck.

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- _____ 1. Liu files a suit against Macro Sales, Inc., in a New Jersey state court based on a Web site through which New Jersey residents can do business with Macro. The court will most likely exercise jurisdiction over Macro if the interactivity of the site is seen as
- "uploading" to the state.
 - not connected with the state.
 - a "substantial enough" connection with the state.
 - "downloading" from the state.
- _____ 2. Joy invites Ken into her apartment. Ken commits trespass to land if he
- enters the apartment with fraudulent intent.
 - makes disparaging remarks about Joy to others.
 - harms the apartment in any way.
 - refuses to leave when Joy asks him to go.
- _____ 3. The Federal Trade Commission is a government agency that issues rules, orders, and decisions. The Georgia state legislature enacts statutes. The Jackson County Board and the Peach City Council enacts ordinances. Administrative law includes
- statutes enacted by the Georgia state legislature.
 - all law that affects a business's operation.
 - ordinances created by the Jackson County Board and the city council of Peach City, Georgia.
 - the rules, orders, and decisions of the Federal Trade Commission.
- _____ 4. Jim is an appliance salesperson. To make a sale, he asserts that a certain model of a Kitchen Helper refrigerator is the "best one ever made." This is
- fraud if the statement is the truth.
 - fraud if Jim believes that this statement is not true.
 - not fraud.
 - fraud if Jim is stating his opinion, not the facts.

- _____ 5. Spencer Hydraulics Corporation's ethics committee is asked a business ethics question—should the firm bid low to obtain a contract that it knows it can fulfill only at a higher price? A practical method to investigate and solve this question involves all of the following steps *except*
- absolution.
 - inquiry.
 - justification.
 - decision.
- _____ 6. Indelible Fabrics, Inc. (IFI), makes "Jean's Denim," a famous brand of clothing. Without IFI's consent, Kopy Company (KC) begins to use "jeansdenim" as part of a domain name. IFI files a suit against KC and engages in service of process. Service of process must provide
- space to fill in important information and time in which to do it.
 - notice and an opportunity to respond.
 - equality and fairness in adjudication.
 - privacy between the litigants and publicity in the judgment.

Fact Pattern 2-1A

Java Cafes, Inc., and Kaffe Import Corporation dispute a term in their contract.

- _____ 7. Refer to Fact Pattern 2-1A. The least expensive method to resolve the dispute between Java and Kaffe may be
- arbitration because the case will be heard by a mini-jury.
 - mediation because the dispute will be resolved by a non-expert.
 - negotiation because no third parties are needed.
 - litigation because each party will pay its own legal fees.
- _____ 8. Refer to Fact Pattern 2-1A. If Java and Kaffe have a long-standing business relationship that they would like to continue, a preferred method of settling their dispute may be mediation because
- the case will be heard by a mini-jury.
 - the process is not adversarial.
 - the resolution of the dispute will be decided an expert.
 - the dispute will eventually go to trial.
- _____ 9. Refer to Fact Pattern 2-1A. Resolving the dispute between Java and Kaffe by having a neutral third party render a binding decision is one of the advantages of
- intervention.
 - conciliation.
 - mediation.
 - arbitration.
- _____ 10. Transnational Corporation and UniShip, Inc., agree to a contract that includes an arbitration clause. If a dispute arises, a court having jurisdiction may
- monitor any arbitration until it concludes.
 - order an arbitrator to rule in a particular way.
 - order a party to bring the dispute to court.
 - order a party to submit to arbitration.

Fact Pattern 3-2A

Fine Dining Corporation files a suit against Eat-at-Joe's, Inc.

- _____ 11. Refer to Fact Pattern 3-2A. During the trial, Fine Dining's attorney questions the plaintiff's witness Floyd. Floyd, who is not an expert in the matter about which he is being asked, can
- offer his opinion about any of the evidence.
 - testify about any of the facts in the case.
 - testify about only what he personally observed.
 - offer his conclusion with regard to the case.
- _____ 12. Refer to Fact Pattern 3-2A. The attorney for Eat-at-Joe's also questions Floyd. This is
- a cross-examination.
 - a request for admissions.
 - an interrogatory.
 - a direct examination.
- _____ 13. Great Tans, Inc., uses, in its radio ads, a recording by Holly, who owns the rights, without paying for the use. Over time, the song comes to be associated with Great Tans. In Holly's suit against Great Tans, the firm is most likely liable for
- wrongful interference with a customary relationship.
 - appropriation.
 - conversion.
 - none of the choices.
- _____ 14. Jaqy distributes a handbill among her neighbors accusing one of them—Ked—of being a convicted sex offender. The statement is defamatory only if
- a neighbor repeats it.
 - the statement is true.
 - Ked suffers emotional distress.
 - the statement is false.
- _____ 15. Fealty Credit Corporation asks its employees to evaluate their actions and get on the ethical business decision-making "bandwagon." Guidelines for judging individual actions include all of the following *except*
- an individual's conscience.
 - promises to others.
 - business rules and procedures.
 - loopholes in the law or company policies.
- _____ 16. A federal statute regulates an employment practice. To resolve a dispute concerning the practice, Paula, a judge, will most likely apply
- a common law doctrine that applies to other, different practices.
 - a common law doctrine that applied before the statute was enacted.
 - the statute.
 - Paula's personal philosophy of law.
- _____ 17. Mike, an advocate of a certain religion, publishes an article in *New Times* magazine insisting that Congress base all federal law on his religion's principles. The First Amendment guarantees Mike's freedom of
- speech only.
 - the press, speech, and religion.
 - religion only.
 - the press only.

- _____ 18. Eden Property Sales Corporation and Dion agree to resolve their dispute in arbitration. The arbitrator's decision is called
- a verdict.
 - a conclusion of law.
 - an award.
 - a finding of fact.
- _____ 19. In a newspaper ad, Select Used Motors falsely accuses Top Value Vehicles, a competitor, of selling stolen cars. Top Value's sales decrease. Select has most likely committed
- no tort.
 - slander of title.
 - defamation.
 - slander of quality.
- _____ 20. Ulrich, a citizen of Virginia, wants to enforce in the state of Washington certain rights that he has under a contract with Xtreme SnoBoards Inc. A Washington state court is most likely to enforce such rights under
- the full faith and credit clause.
 - the privileges and immunities clause.
 - no provision in the U.S. Constitution.
 - the commerce clause.
- _____ 21. Congress enacts a law that sets out a medical-device approval process for the Food and Drug Administration to follow. The law includes a preemption provision. A device that goes through the process injures Joe, who files a claim under state law to recover. The court will most likely rule that
- the federal and state law claim cancel each other out.
 - the federal law and state law claim are concurrent.
 - the federal law preempts Joe's state law claim.
 - Joe's state law claim preempts the federal law.
- _____ 22. Boris pushes Cordelia. She falls and breaks her arm. Boris is liable for the injury
- if he intended to push Cordelia.
 - only if he intended to break Cordelia's arm.
 - only if he did *not* intend to break Cordelia's arm.
 - only if he had a bad motive for pushing Cordelia.
- _____ 23. The police obtain a search warrant and search Errol's apartment. After yelling obscenities at the officers, Errol confesses to a crime and implicates his friends. The Constitution protects against
- unreasonable searches.
 - obscene speech.
 - implication of others.
 - none of the choices.
- _____ 24. Myra claims that a Nebraska state statute infringes on her "procedural due process" rights. This claim focuses on
- procedures used in making decisions to take life, liberty, or property.
 - the similarity of the treatment of similarly situated individuals.
 - the content of the statute.
 - the steps to be taken to protect Mary's privacy.

Fact Pattern 7-1A

Roy owns an apartment building that contains units of different sizes. The sidewalks around the building are in poor repair. Many sections have buckled from the growth of tree roots over the years.

- _____ 25. Refer to Fact Pattern 7-1A. As the owner of the building, Roy has a duty to
- repair the sidewalks.
 - do nothing.
 - repair the sidewalks only if he is notified that it is a problem.
 - arrange to escort anyone who walks onto the property.
- _____ 26. Lewis is a state court judge. Like other judges, Lewis often refers to secondary sources of law for guidance. These sources include
- other states' statutes.
 - state constitutions.
 - official comments to statute.
 - the U.S. Constitution.
- _____ 27. Wyoming enacts a statute that limits the liberty of all persons, including corporations, to broadcast "annoying" radio commercials. This may violate
- equal protection.
 - the right to privacy.
 - procedural due process.
 - substantive due process.
- _____ 28. Bilt-Well Construction Corporation makes a side payment to a government official in Nigeria to obtain a contract. In the United States, this is
- unethical but not illegal.
 - illegal but not unethical.
 - legal and ethical.
 - illegal and unethical.
- _____ 29. In Restful Motel's suit against Sleepy Hotels, Inc., Restful serves a written request for Sleepy to admit the truth of matters relating to the trial. Sleepy's admission in response is the equivalent of
- information to which Sleepy has a right of privacy.
 - an admission in court.
 - a statement to the media.
 - irrelevant evidence.
- _____ 30. In a suit against Evan, Floyd obtains an *injunction*. This is
- an order to perform what was promised.
 - the cancellation of a contract.
 - an order to do or to refrain from doing a particular act.
 - a payment of money or property as compensation.
- _____ 31. Peak & Vale Accountants provides other firms with accounting services. Questions of what is ethical involve the extent to which Peak & Vale has
- any duty beyond those mandated by both ethics and the law.
 - any duty when it is uncertain whether a legal duty exists.
 - a legal duty beyond those duties mandated by ethics.
 - an ethical duty beyond those duties mandated by law.

- _____ 32. Reusable Energy Corporation regularly expresses opinions on political issues. Under the First Amendment, corporate political speech is
- required.
 - forbidden.
 - protected.
 - discouraged.
- _____ 33. At Parkside Bistro, Ogden believes that he was overcharged and shoves Nellie, the waiter. Nellie sues Ogden, alleging that the shove was a battery. Ogden is liable
- if Parkside did not overcharge Ogden.
 - if the shove was offensive.
 - under no circumstances—the shove was not a battery.
 - if Ogden acted out of malice.
- _____ 34. During a trial in Gene's suit against Homer over the use of Gene's lakeside cabin, Gene's attorney asks questions of the plaintiff's witness Illya. This is
- a cross-examination.
 - an interrogatory.
 - a deposition.
 - a direct examination.
- _____ 35. Leon files a suit against Moira, a medical doctor, alleging negligence. As a physician, Moira is held to the standard of
- a blameless individual.
 - a faultless ordinary person.
 - a reasonable physician.
 - a reliable professional.
- _____ 36. Mariah works in the public relations department of New Trends Sales Company. Her job includes portraying New Trends's activities in their best light. In this context, ethics consist of
- those principles that produce the most favorable financial outcome.
 - whatever saves New Trends's "face."
 - a different set of principles from those that apply to other activities.
 - the same moral principles that apply to non-business activities.

Fact Pattern 3-1A

Mac and Nan engage in a business transaction from which a dispute arises. Mac initiates a lawsuit against Nan by filing a complaint.

- _____ 37. Refer to Fact Pattern 3-1A. If Nan responds to Mac's complaint by filing a counterclaim, then
- Nan will have a judgment entered in her favor.
 - Mac will have a judgment entered in his favor.
 - Mac will also have to file a response.
 - Nan will also have to file an amended answer.
- _____ 38. In *Export Co. v. Imports, Inc.*, there is no precedent on which the court can base a decision. The court can consider, among other things,
- public policy or social values.
 - neither public policy nor social values.
 - social values only.
 - public policy only.

- _____ 39. Beachside City enacts an ordinance that bans the distribution of all printed materials on city streets. Carl opposes the city's latest "revenue-enhancing" measure and wants to protest by distributing handbills. In his suit against the city, a court would likely hold the printed-materials ban to be
- not subject to the U.S. Constitution.
 - unconstitutional under the First Amendment.
 - constitutional under the First Amendment.
 - unconstitutional under the commerce clause.
- _____ 40. In a suit against Sandy, Tippy obtains damages. In the U.S. legal system, this remedy at law is
- equitable.
 - unusual.
 - normal.
 - unlikely.
- _____ 41. John sees that Kris is about to step into the path of an oncoming bus. If John does not warn Kris of the danger, John is liable
- only if Kris is injured.
 - under no circumstances.
 - only if Kris is not injured.
 - regardless of the consequences to Kris.
- _____ 42. As a joke, Fran hides Gary's business law textbook so that he cannot find it during the week before the exam. Fran is liable for
- wrongful interference with a business relationship.
 - trespass to personal property.
 - disparagement of property.
 - appropriation.
- _____ 43. Excel Products Company files a suit against Flying Distribution, Inc., over a contract. Before the trial, Excel can obtain from Flying
- all documents in Flying's possession relating to the contract.
 - no documents in Flying's possession.
 - any documents in Flying's possession.
 - only those documents that Flying agrees to release.
- _____ 44. Hawaii enacts a state law that violates the U.S. Constitution. This law can be enforced by
- no one.
 - the United States Supreme Court only.
 - the federal government only.
 - the state of Hawaii only.
- _____ 45. Boyd files a suit in a federal district court against Cathy. Cathy loses the suit, appeals to the U.S. Court of Appeals for the Second Circuit, and loses again. Cathy asks the United States Supreme Court to hear the case. The Court is
- required to hear the case because it is an appeal.
 - not required to hear the case.
 - required to hear the case because Cathy lost in a federal court.
 - required to hear the case because Cathy lost in a lower court.

- _____ 46. Cody files a suit against Delta Corporation. Delta responds that it appears from the pleadings the parties do not dispute the facts and the only question is how the law applies to those facts. Delta supports this response with witnesses' sworn statements. This is
- a motion to dismiss.
 - a motion for summary judgment.
 - a counterclaim.
 - a motion for judgment on the pleadings.
- _____ 47. A common ethical dilemma faced by the management of General Holdings Corporation involves the effect that its decision will have on
- the firm's competitors.
 - one group as opposed to another.
 - the government.
 - the U.S. Chamber of Commerce.
- _____ 48. Kennedy Capital Corporation provides other firms with funds to expand operations. If Kenney strictly complies with existing laws, the firm will
- not need to fulfill *any* business ethics obligations.
 - fulfill *all* business ethics obligations.
 - fulfill *some* business ethics obligations.
 - fulfill *no* business ethics obligations.
- _____ 49. In a suit against Vladimir over the performance of a contract, Wyler obtains *rescission*. This is
- an order to do or to refrain from doing a particular act.
 - a payment of money or property as compensation.
 - the cancellation of a contract.
 - an order to perform what was promised.
- _____ 50. Nadine is a spectator at the Metro City Softball Tournament, an athletic competition. Regarding the risk of injury, Nadine assumes the risks
- greater than the risks normally associated with the tournament.
 - attributable to the tournament in any way.
 - different from the risks normally associated with the tournament.
 - normally associated with the tournament.
- _____ 51. Made4U Goods, Inc., asks its employees, many of whom are members of the National Machinists Union, to apply the utilitarian theory of ethics. This theory does *not* require
- the acquiring of the means of production by workers.
 - a choice among alternatives to produce the maximum societal utility.
 - an assessment of the effects of alternatives on those affected.
 - a determination of whom an action will affect.
- _____ 52. During a heated legislative debate, Representative Peony makes a statement of fact damaging Senator Rose's good reputation. Peony knows the statement is not true. In this situation, Peony is most likely
- not liable for defamation because Peony enjoys a privilege.
 - not liable for defamation because nobody listens to such debates.
 - not liable for defamation because only Rose's reputation was hurt.
 - liable for defamation.

- _____ 53. Beth is injured in a car accident and sues Cash, alleging negligence. Cash claims that Beth was driving more carelessly than he was. Comparative negligence may reduce Beth's recovery
- only if Beth was less at fault than Cash.
 - only if Beth was more at fault than Cash.
 - even if Beth was only slightly at fault.
 - only if Beth was as equally at fault as Cash.
- _____ 54. The Securities Exchange Commission is an administrative agency. The chief purpose of such agencies is to
- act as liaisons between federal and state governments.
 - perform specific government functions.
 - impose uniform laws on the states.
 - standardize laws for the executive and judicial branches.
- _____ 55. Opal files a complaint in a suit against Phil, and he files an answer. The case may now be
- dismissed or settled at this point.
 - settled only during a trial.
 - dismissed only after a trial begins.
 - resolved only after a trial ends.
- _____ 56. Tami's Tasty Tacos, a mobile vendor, files a suit against the state of Utah, claiming that a Utah state law violates the commerce clause. The court will agree if the statute imposes a substantial burden on
- a local government.
 - interstate commerce.
 - noneconomic activity.
 - the state.
- _____ 57. Kay carelessly bumps into Lyle, knocking him to the ground. Kay has committed the tort of negligence
- under any circumstances.
 - only if Lyle is not injured.
 - only if Lyle is injured.
 - under no circumstances.
- _____ 58. Enterprising Markets Coalition (EMC), a political lobbying group, wants a certain policy enacted into law. If EMC's policy conflicts with the U.S. Constitution, a law embodying it can be imposed by
- a state legislature.
 - a federal court.
 - Congress.
 - none of the choices.
- _____ 59. Ginger wants to file a suit against Fred. For a court to hear the case
- Fred must agree.
 - the parties must have no minimum contact with each other.
 - the court must have jurisdiction.
 - the parties must own property.
- _____ 60. Any decision by the management of Fast-Food Franchise Corporation may significantly affect its
- operators, owners, suppliers, the community, or society as a whole.
 - suppliers, the community, or society as a whole only.
 - owners only.
 - operators only.

Bus 241- Spring 2015 -- Exam 1 - MC

Answer Section

MULTIPLE CHOICE

- | | | | |
|--|--------|-------------|-------------------------------------|
| 1. ANS: C | PTS: 1 | REF: p. 34 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: = | | | |
| 2. ANS: D | PTS: 1 | REF: p. 126 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 3. ANS: D | PTS: 1 | REF: p. 5 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 4. ANS: C | PTS: 1 | REF: p. 123 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 5. ANS: A | PTS: 1 | REF: p. 105 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: N | | | |
| 6. ANS: B | PTS: 1 | REF: p. 53 | |
| NAT: AACSB Communication AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: = | | | |
| 7. ANS: C | PTS: 1 | REF: p. 41 | |
| NAT: AACSB Reflective AICPA Risk Analysis | | | KEY: Test Bank A |
| TYP: = | | | |
| 8. ANS: B | PTS: 1 | REF: p. 41 | |
| NAT: AACSB Reflective AICPA Risk Analysis | | | KEY: Test Bank A |
| TYP: = | | | |
| 9. ANS: D | PTS: 1 | REF: p. 42 | |
| NAT: AACSB Reflective AICPA Risk Analysis | | | KEY: Test Bank A |
| TYP: = | | | |
| 10. ANS: D | PTS: 1 | REF: p. 43 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 11. ANS: C | PTS: 1 | REF: p. 65 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 12. ANS: A | PTS: 1 | REF: p. 65 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 13. ANS: B | PTS: 1 | REF: p. 122 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 14. ANS: D | PTS: 1 | REF: p. 119 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 15. ANS: D | PTS: 1 | REF: p. 104 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: N | | | |
| 16. ANS: C | PTS: 1 | REF: p. 12 | |
| NAT: AACSB Reflective AICPA Critical Thinking | | | KEY: Test Bank A |
| TYP: = | | | |
| 17. ANS: B | PTS: 1 | REF: p. 79 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |

18. ANS: C PTS: 1 REF: p. 42 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
19. ANS: B PTS: 1 REF: p. 129 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: +
20. ANS: A PTS: 1 REF: p. 75 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
21. ANS: C PTS: 1 REF: p. 78 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
22. ANS: A PTS: 1 REF: p. 117 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
23. ANS: A PTS: 1 REF: p. 85 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: +
24. ANS: A PTS: 1 REF: p. 87 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
25. ANS: A PTS: 1 REF: p. 137 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
26. ANS: C PTS: 1 REF: p. 4 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
27. ANS: D PTS: 1 REF: p. 87 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
28. ANS: D PTS: 1 REF: p. 107
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =
29. ANS: B PTS: 1 REF: p. 60 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
30. ANS: C PTS: 1 REF: p. 7 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
31. ANS: D PTS: 1 REF: p. 94
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =
32. ANS: C PTS: 1 REF: p. 80 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
33. ANS: B PTS: 1 REF: p. 118 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: +
34. ANS: D PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
35. ANS: C PTS: 1 REF: p. 139 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
36. ANS: D PTS: 1 REF: p. 93
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =
37. ANS: C PTS: 1 REF: p. 52 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
38. ANS: A PTS: 1 REF: p. 10
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =

39. ANS: B PTS: 1 REF: p. 80
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =
40. ANS: C PTS: 1 REF: p. 7 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
41. ANS: B PTS: 1 REF: p. 139 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
42. ANS: B PTS: 1 REF: p. 127 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
43. ANS: A PTS: 1 REF: p. 60 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
44. ANS: A PTS: 1 REF: p. 4 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
45. ANS: B PTS: 1 REF: p. 40 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
46. ANS: B PTS: 1 REF: p. 57 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
47. ANS: B PTS: 1 REF: p. 101
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: +
48. ANS: C PTS: 1 REF: p. 94
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =
49. ANS: C PTS: 1 REF: p. 7 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
50. ANS: D PTS: 1 REF: p. 142 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
51. ANS: A PTS: 1 REF: p. 101
NAT: AACSB Reflective | AICPA Critical Thinking KEY: Test Bank A
TYP: =
52. ANS: A PTS: 1 REF: p. 121 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
53. ANS: C PTS: 1 REF: p. 144 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
54. ANS: B PTS: 1 REF: p. 5 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
55. ANS: A PTS: 1 REF: p. 56 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
56. ANS: B PTS: 1 REF: p. 76 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
57. ANS: C PTS: 1 REF: p. 141 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
58. ANS: D PTS: 1 REF: p. 74 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: +
59. ANS: C PTS: 1 REF: p. 30 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N

60. ANS: A PTS: 1 REF: p. 93
NAT: AACSB Reflective | AICPA Risk Analysis
TYP: =

KEY: Test Bank A

Bus 241- Spring 2015 -- Exam 1 - MC

You have 130 minutes to complete this examination. This is a CLOSED book exam. All other study materials, including backpacks and purses, must be placed on the floor. NO OLD EXAMS OR PRACTICE EXAMS SHOULD BE VISIBLE. FAILURE TO FOLLOW THESE DIRECTIONS MAY RESULT IN YOU RECEIVING A ZERO SCORE FOR THE EXAM

Please be sure to answer all questions on the exam. There are eleven (11) pages and 64 questions to this exam -- 60 multiple choice and four essay questions. Count to make sure that you have all the pages and review your exam to make sure that you do not miss answering any pages or questions of the exam.

PLEASE BE SURE TO TURN IN THE EXAM WITH YOUR NAME ON THE FIRST PAGE OF THE EXAM YOU WERE GIVEN. IF YOU FAIL TO PUT YOUR NAME ON A COPY OF THE EXAM, YOU MAY BE GIVEN A -0- FOR THE EXAM.

MULTIPLE CHOICE ANSWERS SHOULD BE ENTERED ON THE MACHINE READABLE FORM. PLEASE BE SURE TO USE PENCIL SO THAT YOUR ANSWERS CAN BE READ BY THE GRADING MACHINE. PLEASE BE SURE TO ALSO INCLUDE YOUR STUDENT ID NUMBER ON THE ANSWER SHEET.

You should try and provide answers for all questions, as there is no penalty for a wrong answer, and it counts the same as an omitted question. There are often two answers which may appear to potentially be correct. You must choose the response which answers the question the best. Each multiple choice question is worth two (2) points.

In the essay section you must answer one essay question out of each group for a total of two answered essay questions. Each essay question is worth ten (10) points.

You must use a number 2 pencil when filling out the exam. Failure to use a pencil will result in a 5 point penalty. There are two versions to this exam. You must indicate “1” in special codes for version A and “2” in special codes for version B, AND “3” for version C. Failure to provide this information on your answer sheet will result in 10 point penalty. You must put your student id number in where the answer sheet provides for “social security number” Failure to follow these directions will result in a 10 point penalty.

Any lack of clarity with regard to your answer choice may result in you not being awarded points for your answer.
Good Luck.

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- _____ 1. The Federal Trade Commission is a government agency that issues rules, orders, and decisions. The Georgia state legislature enacts statutes. The Jackson County Board and the Peach City Council enacts ordinances. Administrative law includes
- statutes enacted by the Georgia state legislature.
 - ordinances created by the Jackson County Board and the city council of Peach City, Georgia.
 - the rules, orders, and decisions of the Federal Trade Commission.
 - all law that affects a business's operation.
- _____ 2. Peak & Vale Accountants provides other firms with accounting services. Questions of what is ethical involve the extent to which Peak & Vale has
- any duty beyond those mandated by both ethics and the law.
 - a legal duty beyond those duties mandated by ethics.
 - an ethical duty beyond those duties mandated by law.
 - any duty when it is uncertain whether a legal duty exists.
- _____ 3. Great Tans, Inc., uses, in its radio ads, a recording by Holly, who owns the rights, without paying for the use. Over time, the song comes to be associated with Great Tans. In Holly's suit against Great Tans, the firm is most likely liable for
- appropriation.
 - wrongful interference with a customary relationship.
 - conversion.
 - none of the choices.

Fact Pattern 7-1A

Roy owns an apartment building that contains units of different sizes. The sidewalks around the building are in poor repair. Many sections have buckled from the growth of tree roots over the years.

- _____ 4. Refer to Fact Pattern 7-1A. As the owner of the building, Roy has a duty to
- arrange to escort anyone who walks onto the property.
 - do nothing.
 - repair the sidewalks only if he is notified that it is a problem.
 - repair the sidewalks.

- _____ 5. Leon files a suit against Moira, a medical doctor, alleging negligence. As a physician, Moira is held to the standard of
- a reasonable physician.
 - a blameless individual.
 - a faultless ordinary person.
 - a reliable professional.
- _____ 6. Beachside City enacts an ordinance that bans the distribution of all printed materials on city streets. Carl opposes the city's latest "revenue-enhancing" measure and wants to protest by distributing handbills. In his suit against the city, a court would likely hold the printed-materials ban to be
- unconstitutional under the First Amendment.
 - constitutional under the First Amendment.
 - unconstitutional under the commerce clause.
 - not subject to the U.S. Constitution.
- _____ 7. Transnational Corporation and UniShip, Inc., agree to a contract that includes an arbitration clause. If a dispute arises, a court having jurisdiction may
- order a party to submit to arbitration.
 - monitor any arbitration until it concludes.
 - order an arbitrator to rule in a particular way.
 - order a party to bring the dispute to court.
- _____ 8. Fealty Credit Corporation asks its employees to evaluate their actions and get on the ethical business decision-making "bandwagon." Guidelines for judging individual actions include all of the following *except*
- an individual's conscience.
 - loopholes in the law or company policies.
 - business rules and procedures.
 - promises to others.
- _____ 9. The police obtain a search warrant and search Errol's apartment. After yelling obscenities at the officers, Errol confesses to a crime and implicates his friends. The Constitution protects against
- implication of others.
 - obscene speech.
 - unreasonable searches.
 - none of the choices.
- _____ 10. Indelible Fabrics, Inc. (IFI), makes "Jean's Denim," a famous brand of clothing. Without IFI's consent, Kopy Company (KC) begins to use "jeansdenim" as part of a domain name. IFI files a suit against KC and engages in service of process. Service of process must provide
- notice and an opportunity to respond.
 - privacy between the litigants and publicity in the judgment.
 - space to fill in important information and time in which to do it.
 - equality and fairness in adjudication.
- _____ 11. Bilt-Well Construction Corporation makes a side payment to a government official in Nigeria to obtain a contract. In the United States, this is
- unethical but not illegal.
 - legal and ethical.
 - illegal but not unethical.
 - illegal and unethical.

Fact Pattern 2-1A

Java Cafes, Inc., and Kaffe Import Corporation dispute a term in their contract.

- _____ 12. Refer to Fact Pattern 2-1A. The least expensive method to resolve the dispute between Java and Kaffe may be
- negotiation because no third parties are needed.
 - litigation because each party will pay its own legal fees.
 - arbitration because the case will be heard by a mini-jury.
 - mediation because the dispute will be resolved by a non-expert.
- _____ 13. Refer to Fact Pattern 2-1A. Resolving the dispute between Java and Kaffe by having a neutral third party render a binding decision is one of the advantages of
- arbitration.
 - intervention.
 - conciliation.
 - mediation.
- _____ 14. Refer to Fact Pattern 2-1A. If Java and Kaffe have a long-standing business relationship that they would like to continue, a preferred method of settling their dispute may be mediation because
- the dispute will eventually go to trial.
 - the resolution of the dispute will be decided an expert.
 - the case will be heard by a mini-jury.
 - the process is not adversarial.
- _____ 15. Nadine is a spectator at the Metro City Softball Tournament, an athletic competition. Regarding the risk of injury, Nadine assumes the risks
- greater than the risks normally associated with the tournament.
 - different from the risks normally associated with the tournament.
 - normally associated with the tournament.
 - attributable to the tournament in any way.
- _____ 16. Congress enacts a law that sets out a medical-device approval process for the Food and Drug Administration to follow. The law includes a preemption provision. A device that goes through the process injures Joe, who files a claim under state law to recover. The court will most likely rule that
- Joe's state law claim preempts the federal law.
 - the federal law and state law claim are concurrent.
 - the federal and state law claim cancel each other out.
 - the federal law preempts Joe's state law claim.
- _____ 17. Jim is an appliance salesperson. To make a sale, he asserts that a certain model of a Kitchen Helper refrigerator is the "best one ever made." This is
- fraud if Jim is stating his opinion, not the facts.
 - not fraud.
 - fraud if Jim believes that this statement is not true.
 - fraud if the statement is the truth.
- _____ 18. Tami's Tasty Tacos, a mobile vendor, files a suit against the state of Utah, claiming that a Utah state law violates the commerce clause. The court will agree if the statute imposes a substantial burden on
- a local government.
 - the state.
 - interstate commerce.
 - noneconomic activity.

- _____ 19. During a heated legislative debate, Representative Peony makes a statement of fact damaging Senator Rose's good reputation. Peony knows the statement is not true. In this situation, Peony is most likely
- not liable for defamation because nobody listens to such debates.
 - liable for defamation.
 - not liable for defamation because Peony enjoys a privilege.
 - not liable for defamation because only Rose's reputation was hurt.
- _____ 20. Jaqy distributes a handbill among her neighbors accusing one of them—Ked—of being a convicted sex offender. The statement is defamatory only if
- Ked suffers emotional distress.
 - a neighbor repeats it.
 - the statement is true.
 - the statement is false.
- _____ 21. Kennedy Capital Corporation provides other firms with funds to expand operations. If Kenney strictly complies with existing laws, the firm will
- fulfill *all* business ethics obligations.
 - fulfill *some* business ethics obligations.
 - not need to fulfill *any* business ethics obligations.
 - fulfill *no* business ethics obligations.
- _____ 22. A common ethical dilemma faced by the management of General Holdings Corporation involves the effect that its decision will have on
- the government.
 - the firm's competitors.
 - the U.S. Chamber of Commerce.
 - one group as opposed to another.
- _____ 23. Ginger wants to file a suit against Fred. For a court to hear the case
- the parties must have no minimum contact with each other.
 - Fred must agree.
 - the parties must own property.
 - the court must have jurisdiction.
- _____ 24. The Securities Exchange Commission is an administrative agency. The chief purpose of such agencies is to
- impose uniform laws on the states.
 - standardize laws for the executive and judicial branches.
 - perform specific government functions.
 - act as liaisons between federal and state governments.
- _____ 25. Excel Products Company files a suit against Flying Distribution, Inc., over a contract. Before the trial, Excel can obtain from Flying
- only those documents that Flying agrees to release.
 - all documents in Flying's possession relating to the contract.
 - any documents in Flying's possession.
 - no documents in Flying's possession.

- _____ 26. During a trial in Gene's suit against Homer over the use of Gene's lakeside cabin, Gene's attorney asks questions of the plaintiff's witness Illya. This is
- a direct examination.
 - an interrogatory.
 - a cross-examination.
 - a deposition.
- _____ 27. Ulrich, a citizen of Virginia, wants to enforce in the state of Washington certain rights that he has under a contract with Xtreme SnoBoards Inc. A Washington state court is most likely to enforce such rights under
- the full faith and credit clause.
 - no provision in the U.S. Constitution.
 - the commerce clause.
 - the privileges and immunities clause.
- _____ 28. Boris pushes Cordelia. She falls and breaks her arm. Boris is liable for the injury
- only if he did *not* intend to break Cordelia's arm.
 - if he intended to push Cordelia.
 - only if he had a bad motive for pushing Cordelia.
 - only if he intended to break Cordelia's arm.
- _____ 29. Mike, an advocate of a certain religion, publishes an article in *New Times* magazine insisting that Congress base all federal law on his religion's principles. The First Amendment guarantees Mike's freedom of
- religion only.
 - the press, speech, and religion.
 - speech only.
 - the press only.
- _____ 30. Kay carelessly bumps into Lyle, knocking him to the ground. Kay has committed the tort of negligence
- under no circumstances.
 - only if Lyle is not injured.
 - under any circumstances.
 - only if Lyle is injured.
- _____ 31. John sees that Kris is about to step into the path of an oncoming bus. If John does not warn Kris of the danger, John is liable
- only if Kris is not injured.
 - regardless of the consequences to Kris.
 - only if Kris is injured.
 - under no circumstances.

Fact Pattern 3-2A

Fine Dining Corporation files a suit against Eat-at-Joe's, Inc.

- _____ 32. Refer to Fact Pattern 3-2A. During the trial, Fine Dining's attorney questions the plaintiff's witness Floyd. Floyd, who is not an expert in the matter about which he is being asked, can
- testify about any of the facts in the case.
 - offer his opinion about any of the evidence.
 - testify about only what he personally observed.
 - offer his conclusion with regard to the case.

- _____ 33. Refer to Fact Pattern 3-2A. The attorney for Eat-at-Joe's also questions Floyd. This is
- a direct examination.
 - a cross-examination.
 - a request for admissions.
 - an interrogatory.
- _____ 34. Liu files a suit against Macro Sales, Inc., in a New Jersey state court based on a Web site through which New Jersey residents can do business with Macro. The court will most likely exercise jurisdiction over Macro if the interactivity of the site is seen as
- not connected with the state.
 - a "substantial enough" connection with the state.
 - "uploading" to the state.
 - "downloading" from the state.
- _____ 35. Made4U Goods, Inc., asks its employees, many of whom are members of the National Machinists Union, to apply the utilitarian theory of ethics. This theory does *not* require
- an assessment of the effects of alternatives on those affected.
 - a determination of whom an action will affect.
 - the acquiring of the means of production by workers.
 - a choice among alternatives to produce the maximum societal utility.
- _____ 36. In a suit against Evan, Floyd obtains an *injunction*. This is
- a payment of money or property as compensation.
 - an order to do or to refrain from doing a particular act.
 - the cancellation of a contract.
 - an order to perform what was promised.
- _____ 37. As a joke, Fran hides Gary's business law textbook so that he cannot find it during the week before the exam. Fran is liable for
- disparagement of property.
 - wrongful interference with a business relationship.
 - appropriation.
 - trespass to personal property.
- _____ 38. In *Export Co. v. Imports, Inc.*, there is no precedent on which the court can base a decision. The court can consider, among other things,
- social values only.
 - neither public policy nor social values.
 - public policy or social values.
 - public policy only.
- _____ 39. Myra claims that a Nebraska state statute infringes on her "procedural due process" rights. This claim focuses on
- the content of the statute.
 - procedures used in making decisions to take life, liberty, or property.
 - the steps to be taken to protect Mary's privacy.
 - the similarity of the treatment of similarly situated individuals.

- _____ 40. Wyoming enacts a statute that limits the liberty of all persons, including corporations, to broadcast "annoying" radio commercials. This may violate
- a. the right to privacy.
 - b. equal protection.
 - c. substantive due process.
 - d. procedural due process.
- _____ 41. Lewis is a state court judge. Like other judges, Lewis often refers to secondary sources of law for guidance. These sources include
- a. other states' statutes.
 - b. official comments to statute.
 - c. the U.S. Constitution.
 - d. state constitutions.
- _____ 42. Joy invites Ken into her apartment. Ken commits trespass to land if he
- a. harms the apartment in any way.
 - b. enters the apartment with fraudulent intent.
 - c. makes disparaging remarks about Joy to others.
 - d. refuses to leave when Joy asks him to go.
- _____ 43. Reusable Energy Corporation regularly expresses opinions on political issues. Under the First Amendment, corporate political speech is
- a. forbidden.
 - b. required.
 - c. protected.
 - d. discouraged.
- _____ 44. Enterprising Markets Coalition (EMC), a political lobbying group, wants a certain policy enacted into law. If EMC's policy conflicts with the U.S. Constitution, a law embodying it can be imposed by
- a. a federal court.
 - b. Congress.
 - c. a state legislature.
 - d. none of the choices.
- _____ 45. Mariah works in the public relations department of New Trends Sales Company. Her job includes portraying New Trends's activities in their best light. In this context, ethics consist of
- a. those principles that produce the most favorable financial outcome.
 - b. whatever saves New Trends's "face."
 - c. the same moral principles that apply to non-business activities.
 - d. a different set of principles from those that apply to other activities.
- _____ 46. Any decision by the management of Fast-Food Franchise Corporation may significantly affect its
- a. suppliers, the community, or society as a whole only.
 - b. owners only.
 - c. operators only.
 - d. operators, owners, suppliers, the community, or society as a whole.

- _____ 47. Boyd files a suit in a federal district court against Cathy. Cathy loses the suit, appeals to the U.S. Court of Appeals for the Second Circuit, and loses again. Cathy asks the United States Supreme Court to hear the case. The Court is
- required to hear the case because Cathy lost in a lower court.
 - required to hear the case because it is an appeal.
 - required to hear the case because Cathy lost in a federal court.
 - not required to hear the case.
- _____ 48. Spencer Hydraulics Corporation's ethics committee is asked a business ethics question—should the firm bid low to obtain a contract that it knows it can fulfill only at a higher price? A practical method to investigate and solve this question involves all of the following steps *except*
- absolution.
 - decision.
 - inquiry.
 - justification.
- _____ 49. Eden Property Sales Corporation and Dion agree to resolve their dispute in arbitration. The arbitrator's decision is called
- an award.
 - a conclusion of law.
 - a verdict.
 - a finding of fact.
- _____ 50. At Parkside Bistro, Ogden believes that he was overcharged and shoves Nellie, the waiter. Nellie sues Ogden, alleging that the shove was a battery. Ogden is liable
- if Ogden acted out of malice.
 - if Parkside did not overcharge Ogden.
 - under no circumstances—the shove was not a battery.
 - if the shove was offensive.
- _____ 51. A federal statute regulates an employment practice. To resolve a dispute concerning the practice, Paula, a judge, will most likely apply
- Paula's personal philosophy of law.
 - a common law doctrine that applied before the statute was enacted.
 - the statute.
 - a common law doctrine that applies to other, different practices.
- _____ 52. In a suit against Vladimir over the performance of a contract, Wyler obtains *rescission*. This is
- a payment of money or property as compensation.
 - an order to do or to refrain from doing a particular act.
 - the cancellation of a contract.
 - an order to perform what was promised.
- _____ 53. Hawaii enacts a state law that violates the U.S. Constitution. This law can be enforced by
- no one.
 - the federal government only.
 - the United States Supreme Court only.
 - the state of Hawaii only.

- _____ 54. In a newspaper ad, Select Used Motors falsely accuses Top Value Vehicles, a competitor, of selling stolen cars. Top Value's sales decrease. Select has most likely committed
- a. slander of title.
 - b. slander of quality.
 - c. defamation.
 - d. no tort.
- _____ 55. In a suit against Sandy, Tippy obtains damages. In the U.S. legal system, this remedy at law is
- a. unusual.
 - b. equitable.
 - c. unlikely.
 - d. normal.
- _____ 56. Opal files a complaint in a suit against Phil, and he files an answer. The case may now be
- a. dismissed only after a trial begins.
 - b. resolved only after a trial ends.
 - c. dismissed or settled at this point.
 - d. settled only during a trial.
- _____ 57. Cody files a suit against Delta Corporation. Delta responds that it appears from the pleadings the parties do not dispute the facts and the only question is how the law applies to those facts. Delta supports this response with witnesses' sworn statements. This is
- a. a motion to dismiss.
 - b. a motion for judgment on the pleadings.
 - c. a motion for summary judgment.
 - d. a counterclaim.

Fact Pattern 3-1A

Mac and Nan engage in a business transaction from which a dispute arises. Mac initiates a lawsuit against Nan by filing a complaint.

- _____ 58. Refer to Fact Pattern 3-1A. If Nan responds to Mac's complaint by filing a counterclaim, then
- a. Mac will also have to file a response.
 - b. Nan will have a judgment entered in her favor.
 - c. Mac will have a judgment entered in his favor.
 - d. Nan will also have to file an amended answer.
- _____ 59. In Restful Motel's suit against Sleepy Hotels, Inc., Restful serves a written request for Sleepy to admit the truth of matters relating to the trial. Sleepy's admission in response is the equivalent of
- a. an admission in court.
 - b. irrelevant evidence.
 - c. a statement to the media.
 - d. information to which Sleepy has a right of privacy.
- _____ 60. Beth is injured in a car accident and sues Cash, alleging negligence. Cash claims that Beth was driving more carelessly than he was. Comparative negligence may reduce Beth's recovery
- a. only if Beth was as equally at fault as Cash.
 - b. only if Beth was more at fault than Cash.
 - c. even if Beth was only slightly at fault.
 - d. only if Beth was less at fault than Cash.

Bus 241- Spring 2015 -- Exam 1 - MC

Answer Section

MULTIPLE CHOICE

- | | | | |
|--|--------|-------------|-------------------------------------|
| 1. ANS: C | PTS: 1 | REF: p. 5 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 2. ANS: C | PTS: 1 | REF: p. 94 | |
| NAT: AACSB Reflective AICPA Critical Thinking | TYP: = | | KEY: Test Bank A |
| 3. ANS: A | PTS: 1 | REF: p. 122 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 4. ANS: D | PTS: 1 | REF: p. 137 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 5. ANS: A | PTS: 1 | REF: p. 139 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 6. ANS: A | PTS: 1 | REF: p. 80 | |
| NAT: AACSB Reflective AICPA Critical Thinking | TYP: = | | KEY: Test Bank A |
| 7. ANS: A | PTS: 1 | REF: p. 43 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |
| 8. ANS: B | PTS: 1 | REF: p. 104 | |
| NAT: AACSB Reflective AICPA Critical Thinking | TYP: N | | KEY: Test Bank A |
| 9. ANS: C | PTS: 1 | REF: p. 85 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: + | | |
| 10. ANS: A | PTS: 1 | REF: p. 53 | |
| NAT: AACSB Communication AICPA Critical Thinking | TYP: = | | KEY: Test Bank A |
| 11. ANS: D | PTS: 1 | REF: p. 107 | |
| NAT: AACSB Reflective AICPA Critical Thinking | TYP: = | | KEY: Test Bank A |
| 12. ANS: A | PTS: 1 | REF: p. 41 | |
| NAT: AACSB Reflective AICPA Risk Analysis | TYP: = | | KEY: Test Bank A |
| 13. ANS: A | PTS: 1 | REF: p. 42 | |
| NAT: AACSB Reflective AICPA Risk Analysis | TYP: = | | KEY: Test Bank A |
| 14. ANS: D | PTS: 1 | REF: p. 41 | |
| NAT: AACSB Reflective AICPA Risk Analysis | TYP: = | | KEY: Test Bank A |
| 15. ANS: C | PTS: 1 | REF: p. 142 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 16. ANS: D | PTS: 1 | REF: p. 78 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: N | | |
| 17. ANS: B | PTS: 1 | REF: p. 123 | NAT: AACSB Reflective AICPA Legal |
| KEY: Test Bank A | TYP: = | | |

18. ANS: C PTS: 1 REF: p. 76 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
19. ANS: C PTS: 1 REF: p. 121 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
20. ANS: D PTS: 1 REF: p. 119 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
21. ANS: B PTS: 1 REF: p. 94
NAT: AACSB Reflective | AICPA Critical Thinking
TYP: = KEY: Test Bank A
22. ANS: D PTS: 1 REF: p. 101
NAT: AACSB Reflective | AICPA Critical Thinking
TYP: + KEY: Test Bank A
23. ANS: D PTS: 1 REF: p. 30 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
24. ANS: C PTS: 1 REF: p. 5 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
25. ANS: B PTS: 1 REF: p. 60 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
26. ANS: A PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
27. ANS: A PTS: 1 REF: p. 75 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
28. ANS: B PTS: 1 REF: p. 117 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
29. ANS: B PTS: 1 REF: p. 79 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
30. ANS: D PTS: 1 REF: p. 141 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
31. ANS: D PTS: 1 REF: p. 139 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
32. ANS: C PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
33. ANS: B PTS: 1 REF: p. 65 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
34. ANS: B PTS: 1 REF: p. 34
NAT: AACSB Reflective | AICPA Critical Thinking
TYP: = KEY: Test Bank A
35. ANS: C PTS: 1 REF: p. 101
NAT: AACSB Reflective | AICPA Critical Thinking
TYP: = KEY: Test Bank A
36. ANS: B PTS: 1 REF: p. 7 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: N
37. ANS: D PTS: 1 REF: p. 127 NAT: AACSB Reflective | AICPA Legal
KEY: Test Bank A TYP: =
38. ANS: C PTS: 1 REF: p. 10
NAT: AACSB Reflective | AICPA Critical Thinking
TYP: = KEY: Test Bank A

39.	ANS: B KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 87	NAT: AACSB Reflective AICPA Legal
40.	ANS: C KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 87	NAT: AACSB Reflective AICPA Legal
41.	ANS: B KEY: Test Bank A	PTS: 1 TYP: N	REF: p. 4	NAT: AACSB Reflective AICPA Legal
42.	ANS: D KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 126	NAT: AACSB Reflective AICPA Legal
43.	ANS: C KEY: Test Bank A	PTS: 1 TYP: N	REF: p. 80	NAT: AACSB Reflective AICPA Legal
44.	ANS: D KEY: Test Bank A	PTS: 1 TYP: +	REF: p. 74	NAT: AACSB Reflective AICPA Legal
45.	ANS: C NAT: AACSB Reflective AICPA Critical Thinking TYP: =	PTS: 1	REF: p. 93	KEY: Test Bank A
46.	ANS: D NAT: AACSB Reflective AICPA Risk Analysis TYP: =	PTS: 1	REF: p. 93	KEY: Test Bank A
47.	ANS: D KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 40	NAT: AACSB Reflective AICPA Legal
48.	ANS: A NAT: AACSB Reflective AICPA Critical Thinking TYP: N	PTS: 1	REF: p. 105	KEY: Test Bank A
49.	ANS: A KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 42	NAT: AACSB Reflective AICPA Legal
50.	ANS: D KEY: Test Bank A	PTS: 1 TYP: +	REF: p. 118	NAT: AACSB Reflective AICPA Legal
51.	ANS: C NAT: AACSB Reflective AICPA Critical Thinking TYP: =	PTS: 1	REF: p. 12	KEY: Test Bank A
52.	ANS: C KEY: Test Bank A	PTS: 1 TYP: N	REF: p. 7	NAT: AACSB Reflective AICPA Legal
53.	ANS: A KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 4	NAT: AACSB Reflective AICPA Legal
54.	ANS: A KEY: Test Bank A	PTS: 1 TYP: +	REF: p. 129	NAT: AACSB Reflective AICPA Legal
55.	ANS: D KEY: Test Bank A	PTS: 1 TYP: N	REF: p. 7	NAT: AACSB Reflective AICPA Legal
56.	ANS: C KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 56	NAT: AACSB Reflective AICPA Legal
57.	ANS: C KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 57	NAT: AACSB Reflective AICPA Legal
58.	ANS: A KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 52	NAT: AACSB Reflective AICPA Legal
59.	ANS: A KEY: Test Bank A	PTS: 1 TYP: N	REF: p. 60	NAT: AACSB Reflective AICPA Legal
60.	ANS: C KEY: Test Bank A	PTS: 1 TYP: =	REF: p. 144	NAT: AACSB Reflective AICPA Legal