

Bus Law 1 Test 1

True/False

Indicate whether the sentence or statement is true or false.

- ___ 1. Statutory law does not include county ordinances.
- ___ 2. How the courts interpret a statute determines how that statute is applied.
- ___ 3. A reference to "9 U.S.C. Section 4" means that a statute can be found on page 9 of section 4 of the *United States Code*.
- ___ 4. Most state trial court decisions are not published.
- ___ 5. Cyberspace is its own jurisdiction.
- ___ 6. Doing substantial business in a jurisdiction exclusively over the Internet is never enough to support jurisdiction over a nonresident defendant.
- ___ 7. The United States Supreme Court has appellate authority over all cases decided in the state courts.
- ___ 8. Alternative dispute resolution refers to any method for resolving a dispute outside the court system.
- ___ 9. No court offers mediation as an option before a case goes to trial.
- ___ 10. In early neutral case evaluation, a third party's evaluation of each party's strengths and weaknesses forms the basis for negotiating a settlement.
- ___ 11. When a forum-selection or choice-of-law clause is included in an international contract, legal proceedings are more complex and attended by more uncertainty.
- ___ 12. The *Federal Rules of Civil Procedure* govern a civil trial held in a federal court.
- ___ 13. There is a difference between depositions with written questions and interrogatories.
- ___ 14. A motion for a new trial will be granted only if the trial judge feels that it is appropriate to grant a judgment for the other side.
- ___ 15. The standards for granting a motion for a judgment *n.o.v.* are often the same as the standards for granting a motion to dismiss.
- ___ 16. A federal form of government is one in which sovereign power is vested entirely in a central governing authority.
- ___ 17. When state regulations impinge on interstate commerce, commerce must yield to the regulations, no matter how heavy the burden placed on commerce.
- ___ 18. If a tax passed by Congress is reasonable, it is within the national taxing power.
- ___ 19. The Bill of Rights confers absolute rights, not subject to interpretation by the United States Supreme Court.
- ___ 20. Political speech that would otherwise be protected by the First Amendment loses that protection if its source is a corporation.
- ___ 21. The First Amendment does not protect commercial speech as extensively as noncommercial speech.
- ___ 22. Review of a law on a substantive due process basis and review of a law on an equal protection basis considers some similar questions.

- _____ 23. Corporate ethical policies and programs must be coordinated and monitored to be effective.
- _____ 24. An action may be ethical but illegal.
- _____ 25. In ethical terms, a cost-benefit analysis is an assessment of the negative and positive effects of alternative actions on individuals.

Multiple Choice

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

- _____ 26. Alan is a judge. The function of Alan and other judges is to
- decide cases on the basis of their opinions about the issues.
 - decide cases on the basis of their personal philosophical views.
 - interpret and apply the laws.
 - make the laws.
- _____ 27. In Nebraska, the superior (highest-ranking) law is
- a case decided by the Nebraska Supreme Court.
 - a provision in the Nebraska constitution.
 - a rule created by a Nebraska state administrative agency.
 - a statute enacted by the Nebraska legislature.
- _____ 28. As a judge, Jay applies common law rules. These rules develop from
- decisions of the courts in legal disputes.
 - regulations issued by administrative agencies.
 - statutes enacted by Congress and the state legislatures.
 - uniform laws drafted by legal scholars.
- _____ 29. The federal government and the state governments constitute the U.S. legal system. This system is based on the legal system of
- Ancient Greece.
 - Ancient Rome.
 - England.
 - France.
- _____ 30. The Pennsylvania Supreme Court decides the case of *Quality Co. v. Royal Corp.* Of nine justices, five believe the judgment should be in Quality's favor. Justice Smith, one of the five, writes a separate opinion. This opinion is
- a concurring opinion.
 - a dissenting opinion.
 - a minority opinion.
 - a unanimous opinion.
- _____ 31. Cody wants to appeal his case against Digital Corporation to the United States Supreme Court. Cody must ask the Court to issue a writ of
- certiorari*.
 - jurisdiction.
 - standing.
 - venue.

Fact Pattern 2-1

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

- _____ 32. Refer to Fact Pattern 2-1. 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.
- _____ 33. Transnational Corporation and United Shipping, 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.
- _____ 34. Dick submits his claim against EZ Sales Corporation to FairSettle.com, a private, online dispute resolution forum. At any time, an appeal of the dispute to a court may be made by
- Dick only.
 - Dick or EZ.
 - EZ only.
 - neither Dick nor EZ.
- _____ 35. Glen retains Holly, an attorney, on a contingent-fee basis to seek \$100,000 in damages in a personal-injury suit against Interstate Shipping Corporation. Glen wins. He must pay
- court fees and other expenses, but not Holly's fee.
 - Holly's fee, court fees, and other expenses.
 - Holly's fee only.
 - neither Holly's fee nor court fees and other expenses.
- _____ 36. 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 counterclaim.
 - a motion for judgment on the pleadings.
 - a motion for summary judgment.
 - a motion to dismiss.

Fact Pattern 3-2

Diners Corporation files a suit against Eateries, Inc.

- _____ 37. Refer to Fact Pattern 3-2. The attorney for Eateries also questions Floyd. This is
- a cross-examination.
 - a direct examination.
 - an interrogatory.
 - a request for admissions.

Fact Pattern 3-3

Kelly files a suit against Lewis in a state court. The case proceeds to trial, after which the court renders a verdict.

- _____ 38. Refer to Fact Pattern 3-3. If either party appeals, the clerk of the *trial* court will send to the clerk of the *appellate* court within a prescribed period of time
- a brief including the arguments of both parties.
 - a copy of the record on appeal.
 - an explanation for the verdict.
 - a statement of the grounds for reversal.
- _____ 39. Refer to Fact Pattern 3-3. If Lewis appeals to, and files a brief with, a state appellate court, Kelly's attorney may file within a prescribed period of time
- an advisory interrogatory.
 - an answering brief.
 - a request for a deposition.
 - a responding motion for judgment on the brief.
- _____ 40. American Business Coalition (ABC), a political lobbying group, wants a certain policy enacted into law. If ABC's policy conflicts with the U.S. Constitution, a law embodying it can be passed by
- any state legislature and Congress.
 - any state legislature but not Congress.
 - Congress but not any state legislature.
 - none of the above.
- _____ 41. If there is a direct conflict between a federal law and an Alaska state law
- Alaska's law takes precedence.
 - both laws are invalid.
 - both laws govern concurrently.
 - the federal law takes precedence.
- _____ 42. The American Transportation Association wants the federal government to spend money to build a new highway. Congress can spend revenues
- only to carry out Congress's enumerated powers.
 - to promote any objective that Congress deems worthwhile.
 - without regard to whether the expense violates the Bill of Rights.
 - without regard to whether the expense violates the Constitution.
- _____ 43. Fred, the president of Good Retail Corporation, claims that certain actions by the federal government and the state of Hawaii infringe on rights guaranteed by the Bill of Rights. *Most* of these rights limit
- neither the state government nor the federal government.
 - the federal government only.
 - the state government and the federal government.
 - the state government only.
- _____ 44. Urban City enacts an ordinance to allow only a few street vendors to operate in certain areas, for the purpose of reducing traffic. A court would likely hold this to be
- constitutional under the due process clause.
 - constitutional under the equal protection clause.
 - unconstitutional under the due process clause.
 - unconstitutional under the equal protection clause.

- _____ 45. Tim works for Universal Sales Company. His job includes putting "spin" on the company's successes and failures. In this context, ethics consist of
- questions of rightness and wrongness.
 - the firm's quarterly revenue.
 - whatever is legal.
 - none of the above.
- _____ 46. Dina, an accountant for Excel Financial, Inc., attempts to apply the duty approach to ethical reasoning in conflicts that occur on the job. This approach is based on the idea that a person must
- achieve the greatest good for the most people.
 - avoid unethical behavior regardless of the consequences.
 - conform to society's ethical standards.
 - place his or her employer's interest first.
- _____ 47. Tina, the chief financial officer for USA Products Corporation, attempts to apply Christian precepts in making ethical decisions and in doing business. In applying duty-based ethical standards that are derived from a religious source, Tina would consider the motive behind an act to be
- irrelevant.
 - the least important consideration.
 - the most important consideration.
 - the only consideration.
- _____ 48. John decides to cheat on an examination to get into graduate school so that he can later volunteer to serve the needy with better skills. From an ethical perspective, John decides that
- the "end" of his action justifies the "means."
 - the "means" of his action justifies the "end."
 - the "end" and the "means" of his action justify each other.
 - the "end" of his action can never justify the "means."
- _____ 49. Tom, in making marketing decisions for United Products, Inc., takes a utilitarian perspective. A characteristic statement of this philosophy is
- "an action is morally correct when, among the people it affects, it produces the greatest amount of good for the greatest number."
 - "for every action, there is an equal and opposite reaction."
 - "life in a state of nature is nasty, brutish, and short."
 - "the pursuit by individuals of their self-interest will result in a corresponding increase in societal welfare."
- _____ 50. Harry, a vice-president of International Pharmaceuticals, Inc., does *not* apply utilitarianism to business ethical issues. One problem with utilitarianism is that it
- gives business profits priority over production costs.
 - ignores the practical costs of a given set of circumstances.
 - requires complex cost-benefit analyses of simple situations.
 - tends to justify human costs that many find unacceptable.

Essay

51. Americans with a Better Cause (ABC), a nonprofit organization, files a suit against the U.S. Department of Justice (DOJ), claiming that a certain federal statute the DOJ is empowered to enforce conflicts with the U.S. Constitution and with a state constitution. In each situation, which source of law has priority?

52. Eve is walking to work along a sidewalk next to a road. A National Distribution Company (NDC) truck strikes and injures Eve, causing her injuries that result in more than \$100,000 in medical expenses. Eve is a resident of California, where the accident occurred. NDC has its principal place of business, and is incorporated, in New York. In what court may Eve sue NDC?
53. Ace Trucking Corporation files a suit in a state court against Bob's Service Company (BSC), and wins. BSC appeals the court's decision, asserting that the evidence presented at trial to support Ace's claim was so scanty that no reasonable jury could have found for the plaintiff. Therefore, argues BSC, the appellate court should reverse the trial court's decision. Is the appellate court likely to reverse the trial court's findings with respect to the facts? If not, why not? What are an appellate court's options after reviewing a case?
54. Ann operates Ann's Fruits & Vegetables, a small market stocked entirely with produce grown on her adjacent farm. Under what clause of the Constitution can the federal government regulate Ann's activities? What is Ann's best argument against federal regulation of her farm and business?
55. ABC DVD Manufacturing, Inc., has to decide whether to close a plant, which will result in the lay-off of fifty employees. ABC may weigh the costs of doing so against the benefits. If the benefits are greater than the costs, can closing the plant be ethically justified, considering the effect on the employees?