

BUSINESS LAW & ETHICS

(265)

REGIONAL – 2018

True/False & Multiple Choice Section:

True/False (20 @ 2 points each) _____ (40 points)

Multiple Choice (30 @ 2 points each) _____ (60 points)

TOTAL POINTS _____ (***100 points***)

Failure to adhere to any of the following rules will result in disqualification:

- 1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.**
- 2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.**
- 3. Electronic devices will be monitored according to ACT standards.**

No more than ten (10) minutes orientation
No more than sixty (60) minutes testing time
No more than ten (10) minutes wrap-up

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Identify the letter of the choice that best completes the statement or answers the question. Mark "A" if the statement is True. Mark "B" if the statement is False.

True/False

1. Unlike the federal constitution, state constitutions provide safeguards for the rights of individuals within that particular state.
2. There are 50 federal circuit courts of appeal, one for each state.
3. Ethics concern behavior of individuals within a society.
4. Businesses concerned with ethics usually focus on their corporate responsibility and the development of codes of conduct.
5. States may have slightly different definitions of each tort.
6. The law of torts deals with duties imposed by contract and is not concerned with the violation of private rights.
7. A contract must show mutual agreement, which is also referred to as "a meeting of the minds."
8. Anyone, of any age, can enter into a contract and the contract will be considered valid.
9. Businesses are generally structured as one of the following: (1) sole proprietorship, (2) partnership, (3) corporation, or (4) limited liability company.
10. The laws of intellectual property protect tangible property.
11. Copyrights protect the ideas of creative ideas.
12. An invention may be considered a trade secret.
13. Agency is a type of contract and, like other contracts, may be terminated by agreement, by performance, or by operation of law.
14. The association between one party and an agent who acts on behalf of that party is an agency relationship.
15. If an instrument fails to qualify as a negotiable instrument, it means that the instrument fails to be an enforceable contract.
16. The words "pay to cash" are sufficient words of negotiability.
17. There is no difference between an employee and an independent contractor.
18. According to the doctrine of employment at will, only the employer, and not the employee, may choose to terminate the employment relationship at any time.

19. Transferring funds from one bank account to another, changing students' grades in college computer files, and crediting accounts for purchases made are *not* instances of unauthorized use of computers.

20. A consumer law is a statute or administrative rule serving to protect business interests.

Multiple Choice

21. The person against whom a lawsuit is brought or who is charged with a violation of the law is called a _____.

- a. defendant
- b. plaintiff
- c. judgment debtor
- d. decree holder

22. In the United States, the federal Constitution gives _____.

- a. unlimited powers exclusively to the federal government
- b. unlimited powers to both the federal and state governments
- c. expressed powers exclusive to state governments
- d. expressed powers to the federal government

23. The practice of relying on previous decisions is known as _____.

- a. res sub-judice
- b. res judicata
- c. obiter dicta
- d. stare decisis

24. The laws passed by Congress and by state legislatures are called _____.

- a. statutes
- b. executive orders
- c. stare decisis
- d. notices

25. The authority or power of a court to hear cases, as granted by a constitution or legislative act, is known as the court's _____.

- a. Jurisdiction
- b. ratio decidendi
- c. obiter dicta
- d. quotient

26. Today's business professionals involved in global markets are sometimes faced with ethical predicaments because of different _____.

- a. modes of transport
- b. languages
- c. standards of ethics
- d. values of money

27. A _____ makes clear that the company expects its personnel to recognize the ethical dimensions of corporate policies and actions.
- suggestion
 - regulation
 - code of ethics
 - social action
28. The threat of legal prosecution and penalties _____.
- does not eliminate all unethical practices
 - helps to eliminate all unethical practices
 - has caused an increase in unethical practices
 - does not make any impact on unethical practices
29. The following are types of torts a _____.
- civil or criminal action in state court
 - breach of contract
 - wrong or injury to another, other than a breach of contract
 - none of these
30. The spreading of damaging statements in written form is known as _____.
- slander
 - libel
 - negligence
 - false imprisonment
31. The common defenses to charges of defamation are _____.
- insanity and privilege
 - truth and falsehood
 - truth and privilege
 - privilege and falsehood
32. A term that is used in cases involving the negligence of professionals is _____.
- false imprisonment
 - vis major
 - mifeasance
 - malpractice
33. The legal ability to enter into a binding agreement is known as _____.
- majority
 - emancipation
 - contractual knowledge
 - contractual capacity

34. All but one of the following elements is required of an enforceable contract. The exception is _____.
- offer and acceptance
 - mutual agreement
 - consideration
 - malafide intention
35. If an agreement imposes a legal obligation, it is a(n) _____.
- unenforceable contract
 - enforceable contract
 - a negated concurrence
 - a void contract
36. All but one of the following organizational forms have limited liability. This exception is the _____.
- sole proprietorship
 - corporation
 - subchapter S corporation
 - limited partnership
37. A limited partner will be deemed by the courts to be a general partner if he or she _____.
- constantly refuses to sign a proxy
 - participates regularly in the duty of loyalty and duty of care
 - participates in the overall management of the business
 - unintentionally violates the duty of care owed to the corporation
38. A company must comply with tax regulations, such as the restriction that there are a limited number of shareholders, in order to qualify as a _____.
- subchapter S corporation
 - sole proprietorship
 - limited partnership
 - joint venture
39. Which of the following consists of the fruits of one's mind?
- Theoretical property
 - Cognitive property
 - Intellectual property
 - Protected property
40. When a patent is issued for an object, it gives its holder the exclusive right to produce, sell, and use the object of the patent for _____ years from the filing date.
- forty
 - thirty
 - twenty
 - ten

41. A distinctive, nonfunctional feature, which distinguishes a merchant's or manufacturer's goods or services from those of another, is known as a _____.
- trade dress
 - trademark
 - design patent
 - copyright
42. In a(n) _____ relationship, the agent is authorized to act for and on behalf of the principal, who hires the agent to represent him or her.
- authority
 - principality
 - agency
 - decreed
43. Which of the following is not *true* regarding the agency relationship?
- It is a consensual relationship.
 - It may be formed by formal written contracts.
 - It exists when the principal takes action to ask another individual to act on behalf of the principal.
 - People must be trained in the field involved in order to qualify as agents.
44. A written note or letter in which one person promises to pay a certain amount of money to another at a definite time is known as a _____.
- cashier's check
 - promissory note
 - certified check
 - demand draft
45. All of the following are essential to negotiable instruments *except* the fact that it must be _____.
- in writing and signed by the maker or drawer
 - payable to order, to bearer, or to cash
 - on forms provided by a bank
 - payable on demand or at a definite time
46. _____ is the act of fraudulently making or altering a note, check, draft, or some other document, causing the financial loss of another.
- Forgery
 - Larceny
 - Conversion
 - Robbery
47. An agreement in which the seller agrees *not* to begin or operate a similar business within a certain geographic area, or within a specified period of time, is known as a(n) _____.
- service-level agreement
 - non-compete agreement
 - arbitration agreement
 - nondisclosure agreement

48. A person who gains unauthorized access to computers, either for mischief or with criminal intent, is called a(n) _____.
- a. imposter
 - b. achiever
 - c. genius
 - d. hacker
49. Congress created the Federal Trade Commission (FTC) through the Federal Trade Commission Act of _____.
- a. 1900
 - b. 1914
 - c. 1929
 - d. 1976
50. The Equal Credit Opportunity Act makes it illegal for creditors to deny credit to individuals on the basis of _____.
- a. race, national origin, color, sex, marital status, or age
 - b. race, religion, national origin, color, sex, or age
 - c. race, religion, national origin, color, or sex
 - d. race, religion, national origin, color, sex, marital status, or age