

LAW 531 Final Exam Examination 51 questions

Final Exam Final Quiz Multiple choice Quiz

George, an employee, breaches a fixed-term employment contract by quitting before the end of the term. What can his employer, MNO Inc. recover as damages?

- a) All amounts already paid to the employee under the contract.
- b) The costs of hiring a replacement employee plus any increase in salary paid to the replacement employee.
- c) Nothing, because courts do not order anyone to perform a job against his or her will.
- d) Only amounts paid to the employee for which the employee has not yet done the work.

In a guaranty arrangement, the guarantor:

- a) Promises to pay the debt of another if that person does not pay.
- b) Promises to assume responsibility for the quality of goods.
- c) Promises to pay the debt of another in any circumstances.
- d) Promises to pay the debt of another contingent up the happening of some external event.

Which of the following is a distinguishing feature of a common law legal system?

- a) The sole source of law is a comprehensive civil code
- b) Requiring guilt be proven beyond a reasonable doubt
- c) An appeal process
- d) The making of law by the judges and the following of precedent

If a corporation is properly incorporated in one state and wants to do business in second state, the corporation:

- a) Register with the Interstate Corporation Commission.
- b) Must do nothing because being incorporated in one state entitles the corporation to do business in all states.
- c) May be required to obtain a certificate of authority from the second state.
- d) Must incorporate in the second state.

If an LLC fails to follow formalities such as keeping minutes of meetings, then which of the following is true?

- a) This failure will not result in imposing personal liability on any member.
- b) All members will lose their limited liability.
- c) Only the parties responsible for the failure will lose limited liability.
- d) Only the managers of a manager-managed LLC will lose limited liability.

Which of the following is true regarding mediation?

- a) A settlement agreement is never reached with a mediator.
- b) A mediator often meets with both parties at the same time.
- c) A mediator does not make a decision or award.
- d) If a settlement agreement is not reached in mediation, then the parties hire a new mediator.

Sandy lives on the top floor of a 10-story building in a big city. There is a 30-story apartment building under construction next door to her building. One morning while eating her corn flakes, a brand new toilet comes crashing through the roof of Sandy's apartment and injures her. She would like to sue the construction firm, but has no way of finding out or proving what persons were involved or exactly what happened. The doctrine that would most help Sandy is:

- a) Res ipsa loquitur
- b) Last clear chance
- c) Strict liability
- d) Comparative negligence

If there is an area of interstate commerce that the federal government has not chosen to regulate, the states can:

- a) Regulate in that area so long as the state law does not unduly burden interstate commerce.
- b) Regulate without restriction in that area.
- c) Regulate in that area so long as it first gets the requisite approval from Congress.
- d) Not regulate in that area because states cannot pass laws affecting interstate commerce.

Burger Prince is one of the largest hamburger chains in the country and fiercely competitive with the well-known chain of Captain Hook Seafood House restaurants. Captain Hook recently introduced a new line of hamburgers in order to expand beyond seafood. Burger Prince received information that it believed to be reliable indicating that Captain Hook's burgers contained a substantial amount of fillers. Burger Prince then ran advertisements saying that its pure beef burgers were better than Captain Hooks that used fillers. Which of the following is true?

- a) Burger Prince would be liable for invasion of privacy if the formula for Captain Hook's burgers was not publicly available.
- b) This is a case of palming off.
- c) Burger Prince is liable for product disparagement because the statement about the use of filler was false.
- d) Captain Hook will not be able to win a product disparagement case here.

What was accomplished by the Visual Artists Rights Act?

- a) The fair use doctrine was eliminated with respect to visual works of art.
- b) Copyright protection was extended to visual creative works.
- c) Copyright protection for visual artwork no longer needed a copyright notice.
- d) Artists retained certain rights to limit the reproduction and modification of their works even if the work or copyright is old.

A doctrine that says a patent may not be granted if the invention was used by the public for more than a certain period of time prior to the filing of the patent application is known as;

- a) The public use doctrine
- b) The public service doctrine
- c) The fair use doctrine
- d) The bar to patents doctrine

Barry buys a new sports car. The car sits low to the ground and because of the styling visibility to the rear is limited. About a month after Barry buys the car, he backs over his pet poodle as he is leaving for work. In his strict liability suit against the car manufacturer, Barry will:

- a) Win on the basis of design defect
- b) Win on the basis of packaging defect because the car could have been packaged in a differently styled body.
- c) Win because driving a sports car is an inherently dangerous activity
- d) Lose because he assumed the risk of backing up in a car when he could not see to the rear.

_____ is a form of alternative dispute resolution that is often used when the parties involved do not want to face one another.

- a) Fact-finding
- b) Negotiation
- c) Mini-trial
- d) Conciliation

Which of the following is true with regards to arbitration?

- a) Arbitrators enter awards after reaching a decision.
- b) More formal evidentiary rules are applied to arbitration hearings.
- c) The arbitrator's decisions are never binding.
- d) Many states have adopted the General Arbitration Doctrine in an effort to promote arbitration of disputes at the state level.

Unfair and deceptive trade practices are general regulated by the:

- A. Food and Drug Administration
- B. Securities and Exchange Commission
- C. Federal Trade Commission
- D. Consumer Product Safety Commission

Which of the following statements best describes the procedures under the Clean Air Act?

- A. The state governments set and enforce the standards.
- B. Both the federal and state governments set standards and each enforces its own standards.
- C. The federal government sets and enforces the standards
- D. The federal government sets the standard; the state government enforces the standards; if the state governments do not adequately enforce the standards, the federal government may enforce them.

The school of jurisprudence that believes that free market forces should determine the outcome to lawsuits is:

- A. The Sociological school
- B. The Command school
- C. The Critical Legal Studies school
- D. The Law and Economics school

Assume that a state passes a statute that prevents disclosure of the horsepower of automobile engines. The purpose of this law is to prevent the car companies from trying to market cars with more horsepower than those of their competitors. This statute would most likely be found to:

- A. Violate the Equal Protection Clause under intermediary scrutiny.
- B. Be constitutional under state police power
- C. Be found to violate substantive due process.
- D. Be viewed as an unconstitutional restriction of commercial speech.

Mr Smith awakens one morning to the sound of construction in his backyard. When he looks out the window, he sees Ajax Construction Co. apparently erecting a garage on his property. He had not spoken or contracted with Ajax for this service. However, Mr Smith really wanted a new garage, so he let them continue. Later it was discovered that the garage was intended to go next door. Ajax sues Mr Smith for the value of the garage. What is the probable result?

- A. Smith wins; there was no contract upon which Ajax could recover, and people are not liable for benefits that are thrust upon them.
- B. Smith wins; unjust enrichment does not apply here because Mr Smith had no duty to tell Ajax that it had the wrong house.
- C. Ajax wins; this is a case of a contract implied in-fact, and Mr Smith implicitly agreed to pay for the garage.
- D. Ajax wins; although there is no real contract, this is a case of unjust enrichment, and because Mr Smith accepted the garage, he must pay for it.

The circumstances where an offer cannot be withdrawn under promissory estoppel is also known as:

- A. The doctrine of detrimental reliance
- B. The strict counteroffer rule
- C. Irrevocable offers
- D. The doctrine of renewable offers

If a judge rules that a party lost its case because of the Statute of Frauds, the judge has essentially stated which of the following?

- A. The losing party will not be allowed to introduce evidence to contradict a written agreement.
- B. The losing party was found by the court to have lied, and therefore will lose the case.
- C. The losing party purposely deceived the other party about a material fact.
- D. The losing party cannot enforce an oral contract that should have been in writing.

Power Tool Company manufactures table saws. These saws have several safety devices including a permanent blade guard. The guard keeps the user's hands from touching the blade while it is moving. Ralph buys a Power table saw, but he takes the blade guard off because it inhibits the type of work he wants to do. Later Ralph is injured while using the saw. If the blade guard had been left on, Ralph would not have been injured. Ralph sues Power Tool Co. under a strict liability theory. The best defense that Power could raise based on these facts is:

- A. Assumption of risk
- B. Generally known dangers
- C. Supervening event
- D. Misuse of the product

Mary applied for a permit with a federal administrative agency to operate a business within the boundaries of a popular national forest. The agency grants a limited number of these permits that allow operation of the business during the busy tourist season. The agency has turned down Mary's application even though she received a permit in the prior year, paid the related fees on time, and violated none of the permit's conditions. The agency granted a permit to a different applicant who had never run this type of business previously. If Mary appeals the decision to a court, what standard of review will it most likely use?

- A. The substantial evidence test
- B. The unwarranted by the facts test
- C. The arbitrary and capricious abuse of process test
- D. The unfair results test

What does the parol evidence rule do?

- A. It sets the rules for admissibility of evidence relating to releasing a criminal from a prison term.
- B. It determines which contracts are required to be in writing.
- C. It limits the ability of parties to written contracts from introducing certain evidence related to the contract.
- D. It sets the general rules for the admissability of evidence in criminal actions.

Title IX of the Sarbanes-Oxley Act contains penalties for white collar crimes. What is the penalty if someone certifies “any statements as set forth in subsections (a) and (b) of this section knowing that the periodic report accompanying the statement does not comport...”

- A. Not more than \$2,000,000 or imprisoned not more than 3 years, or both.
- B. Not more than \$500,000 or imprisoned no more than 6 months, or both.
- C. Not more than \$5,000,000 or imprisoned not more than 20 years, or both.
- D. Not more than \$1,000,000 or imprisoned not more than 10 years, or both.

What is the result of the “effects on interstate commerce” test?

- A. The federal government can regulate a business activity that takes place within a single state if the activity has an effect on interstate commerce even though the regulated activity itself does not involve interstate commerce.
- B. Commercial speech protections apply only to speech that has an effect on interstate commerce.
- C. The federal government can regulate all interstate commerce that actually crosses state lines.
- D. Prior to enacting laws, states were required to identify any effects that the law might have on interstate commerce.

Minimum wage, hours of employment, and child labor are regulated by the:

- A. Regulated Hours Act
- B. Right to Work Laws
- C. Federal Employment Act of 1940
- D. Fair Labor Standards Act

The landlord has the right to enter the leased premises:

- A. To make necessary repairs
- B. Only if specifically provided in the lease
- C. To inspect for waste
- D. To inspect for illegal use

Sam sells property to Betty and delivers Betty a deed that says \"This property is conveyed to Betty so long as she never operates a bar on the premises.\" If she operates a bar on the premises, Sam Seller may take possession of the property. The type of interest that Betty Buyer has acquired is a:

- A. Fee simple defeasible
- B. Fee simple absolute
- C. Fee simple limited
- D. Fee simple remainder

Which of the following is true about the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) as they related to health insurance?

- A. Upon termination of employment, an employer is required to pay, for a limited time, for the former employee's health insurance coverage under the same terms that it had been paying for it while the employee worked for the employer.
- B. Certain companies are required to provide group health insurance coverage to their employees.
- C. Upon termination of employment, a health insurance provider must allow the employee to participate in the same health insurance coverage program that the employee participated in while working for the employer, although the employee must pay for it.
- D. Employers must make the same group health insurance available to all employees.

Which of the following is true about comparative negligence and contributory negligence?

- A. In order to avoid liability for an unintentional tort, the defendant must prove the presence of both defenses.
- B. Comparative negligence is used with intentional torts and contributory negligence is used with unintentional torts.
- C. They are two names for the same defense.
- D. Comparative negligence allows the plaintiff to make a partial recovery whereas contributory negligence does not.

Which of the following best describes how e-mail contracts are viewed under the law?

- A. E-mail contracts are valid only for contracts less than \$500
- B. E-mail contracts are generally treated similarly to contracts negotiated by other means.
- C. E-mail contracts for goods can be valid, but not e-mail contracts for services.
- D. E-mail contracts are valid so long as both parties sign a written copy printed out from an e-mail.

William was a factory worker at the Spruce Industries plant. When it was learned he was a homosexual, he was fired. This action is:

- A. A violation of Title VII
- B. A violation of the Civil Rights Act of 1964
- C. Not prohibited under federal law
- D. A violation of the Equal Pay Act

Which of the following is true about sexual harassment in the workplace?

- A. Sexual harassment claims require that persons of both genders be involved.
- B. Sexual harassment is covered under OSHA as part of workplace safety.
- C. If a supervisor approaches someone and asks the person out for a social date, and if the supervisor acts in a socially customary manner, it will not be sexual harassment.
- D. The standards for a hostile work environment are extremely vague and depend on all the facts and circumstances.

Which is true if someone believes he was fired from a job because of his religion?

- A. He must first file a complaint with the Equal Employment Opportunity Commission or an equivalent state agency prior to being able to file a suit in court.
- B. He must prove that he is a reasonably active practitioner of his religion.
- C. He must prove that the person who fired him is of a different religion.
- D. He will not have a claim if the employer has a disproportionately high number of employees of the same religion.

Product disparagement differs from defamation of a nonpublic figure in that:

- A. Intent is required for the defamation case, but not in the disparagement case.
- B. Publication to a third party is required in the disparagement case, but not in the defamation case.
- C. Intent is required for the disparagement case, but not in the defamation case.
- D. Publication to a third party is required in the defamation case, but not in the disparagement case.

Sean has a 6 year old car which he bought 2 years ago from its original owner. Eight months ago he received a recall notice about a safety problem with the brakes. He never responded to the notice. Yesterday Sean was driving when the brakes failed and caused him to strike and injure a pedestrian. Which of the following is true in lawsuits against the car's manufacturer?

- A. Sean can recover despite having received the recall notice.
- B. The pedestrian cannot recover because the correction of the defect will apply even though Sean did not take the car in for repairs.
- C. The pedestrian cannot recover due to the fact that the pedestrian was not using the car.
- D. Neither party can recover if Sean's was one of only a few of these cars that actually had a brake defect.

Under the Occupational Safety and Health Act, which of the following is true?

- A. A company can be found to be in violation even if a specific safety regulation is not violated.
- B. Purchasers of a company's products are assured they are safe for use in the home.
- C. Complaints are handled by the Equal Employment Opportunity Commission.
- D. Very few safety standards have actually been adopted.

In what ways may officers and directors protect themselves from liability for actions taken as an officer or director?

- A. By having the corporation purchase liability insurance or indemnify the officers and directors, but the corporation cannot do both.
- B. By having the corporation purchase liability insurance or indemnify the officers and directors, or do both.
- C. By having the corporation indemnify the officers and directors.
- D. By having the corporation purchase liability insurance to cover such losses.

There are no accountants on the board of the Oriole Corporation. The board routinely relies on a Certified Public Accountant (CPA) to explain the financial situation of the corporation. The board does not do an independent analysis of the CPA's report. In these circumstances, the board is:

- A. Violating the business judgement rule.
- B. Violating a duty to exercise due care.
- C. Not violating any duty.
- D. Violating a duty of loyalty

Licensing of informational rights can best be described as:

- A. A lease of tangible personal property to the licensee.
- B. The granting of any rights to use information, which can differ greatly in scope and duration.
- C. A sale of underlying intellectual property rights.
- D. The granting of limited rights to use that cannot be simultaneously granted to others.

Under the Anti-Cybersquatting Consumer Protection Act, which of the following is true?

- A. Penalties are imposed for obtaining any domain name that infringes on a valid trademark.
- B. Domain names are granted only after ensuring that they do not infringe on a valid existing trademark.
- C. Prior approval by the affected celebrity is needed to obtain a domain name that is similar to a celebrity's name.
- D. A plaintiff must show that the defendant acted in bad faith in order to recover.

Which of the following is true when someone accidentally makes an improvement to the personal property of another where the owner was unaware of the improvement until after it had been made?

- A. The property owner gets to keep the improvement in all cases, but must pay the party who improved it the reasonable value of the improvement.
- B. The property owner gets to keep the improvement in all circumstances and is not required to pay for it.
- C. The party who made the improvement can remove it if this is possible, otherwise the owner of the property gets to keep the improvement and is not required to pay for it.
- D. The party who made the improvement can remove it if this is possible, otherwise the owner of the property gets to keep the improvement and must pay the party who improved it the reasonable value of the improvement.

The Sarbanes-Oxley Act provides for the establishment of the _____ to over see audits of public companies. This will be done to protect the interests of shareholders and investors.

- A. Accounting Inspection Committee
- B. Internal Auditing Investigation Board
- C. Public Company Accounting Oversight Board
- D. Corporate Audit Committee

Mark is the treasurer of Sky-Hi Tech Corporation and, as such, he is responsible for protecting the assets of the corporation. One of Mark's subordinates, Jill, is in charge of reconciling the monthly corporate bank statements. Over a period of several months, Jill embezzled a large amount of money from Sky-Hi Tech, covering up the theft using her bank reconciliations. If Mark had adequately supervised Jill, she could not have embezzled this money. Mark's actions (or inactions) constitute a breach of his duty of:

- A. Loyalty
- B. Obedience
- C. Ultra vires
- D. Due care

Edward's Warehouse stores a variety of generic goods for several distributors in Anytown. Which of the following describes Edward's liability for the bailed goods should something happen to them?

- A. Comparative liability.
- B. Strict liability.
- C. Ordinary negligence
- D. Criminal liability.

How does an easement appurtenant differ from an easement in gross?

- A. An easement appurtenant is permanent
- B. An easement appurtenant is in writing.
- C. The dominant estate of an easement appurtenant is adjacent to the servient estate.
- D. An easement appurtenant must be recorded.

Limited partners can lose their limited liability by:

- A. Actively managing the business of the limited partnership.
- B. Withdrawing from a limited partnership contrary to provisions in the limited partnership agreement.
- C. Breaching the fiduciary duty to the limited partnership.
- D. Investing too much in the partnership

This is prohibited under the Sarbanes-Oxley Act:

- A. Public companies making personal loans to their directors and executives.
- B. Using an independent accounting firm for audit purposes.
- C. Directors and executives attending board meetings on a regular basis.
- D. High salaries for corporate executives.

Which of the following is true about misappropriation of trade secrets?

- A. Trade secrets are protected regardless of the actions of the trade secret owner.
- B. Although it is not necessary that the trade secret be patented, the secret must be such that it could be patented.
- C. The plaintiff can recover only if the defendant acquired the secret through illegal means.
- D. Injunctions are generally not available to protect trade secrets.

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Exam 2

The concept of flexibility in the law is best illustrated by:

- A. The use of appointed judges rather than elected judges.
- B. Passing statutes that purposely do not address precisely how they would apply in all situations.
- C. The use of precedent to decide similar cases in similar ways
- D. Setting a fixed amount of damages applicable to all wrongful death cases.

Which of the following is true about litigating commercial disputes?

- A. A few states have established specialized trial courts for commercial disputes.
- B. Commercial disputes, because of their specialized nature, are first heard at the appellate court level.
- C. Nearly all states have specialized trial courts that hear commercial disputes.
- D. Businesses generally dislike the concept of specialized trial courts for commercial disputes because the large numbers of consumers who sue businesses in these courts have led the judges to become generally biased against businesses.

A _____ is a court appointed party who conducts a private trial and renders a judgement.

- A. Judicial referee
- B. Arbitrator
- C. Fact-finder
- D. Negotiator

Which form of alternative dispute resolution occurs when the parties choose an impartial third party to hear and decide their dispute?

- A. Minitrial
- B. Conciliation
- C. Arbitration
- D. Mediation

The Double Diamond Dude Ranch is located in Montana and maintains a web site on the Internet Before the Internet, the ranch relied exclusively on word-of-mouth advertising The web site simply provides some general information and lists the ranch's phone number for reservations, but reservations cannot be made online The ranch has no other connections or presence outside of Montana Bob lives in Ohio and learned of the ranch through its web site Bob then spent a week as a paying guest at the ranch, but was injured when he fell off a horse Can Bob sue the dude ranch in Ohio state court?

- A. No, because cases involving residents of two different states must be filed in federal, not state, court.
- B. Yes, because Bob viewed the advertising on the Internet when he was in Ohio.
- C. No, because the mere ability of an Ohio resident to view the ranch's Internet advertising does not amount to the minimum contacts necessary for personal jurisdiction over the ranch in Ohio.
- D. No, because the minimum contacts standard simply cannot be met based on Internet activity.

The legal effect of the presence of a superceding event is that:

- A. The burden of proof shifts from the plaintiff to the defendant
- B. Intent must be proven in addition to elements of negligence
- C. The defendant is not liable even if the plaintiff has proved all the elements of negligence.
- D. The plaintiff and defendant will share liability

If a plaintiff voluntarily enters into or participates into a risk activity that results in injury, what is the most likely defense that he or she may use to a defendant's claim that the plaintiff assumed the risk?

- A. Contributory negligence
- B. Defendant was negligent per se
- C. Comparative negligence
- D. Defendant assumed the risk under the "danger invites rescue" doctrine

The tort of palming off involves:

- A. Knowingly selling goods that are defective.
- B. Representing one's own goods to be those of a competitor
- C. Failing to credit another for that other person's legal accomplishments
- D. Making false statements about the goods of another

Based on the law of product liability, which of the following is correct?

- A. A manufacturer should design its products to take into account feasible misuse.
- B. A manufacturer should design its products to take into account all possible misuse.
- C. A manufacturer need only take into account the intended use of its products.
- D. A manufacturer should design its products to take into account all possible misuse by the initial purchaser, but need not worry about misuse by other users.

Sean has a 6 year old car which he bought 2 years ago from its original owner Eight months ago he received a recall notice about a safety problem with the brakes He never responded to the notice Yesterday Sean was driving when the brakes failed and caused him to strike and injure a pedestrian Which of the following is true in lawsuits against the car's manufacturer?

- A. Sean can recover despite having received the recall notice.
- B. The pedestrian cannot recover because the correction of the defect will apply even though Sean did not take the car in for repairs.
- C. The pedestrian cannot recover due to the fact that the pedestrian was not using the car.
- D. Neither party can recover if Sean's was one of only a few of these cars that actually had a brake defect.

Little Bobby, five years old, finds his brothers Extendo Sword, which is a toy sword about a foot long which spring out to about five feet long when a button on the handle is pushed His mother tells him to put it down because he will hurt someone if he's not careful Bobby pushes the button when the sword is pointed toward his face and, just as all properly functioning Extendo Swords do, the sword shoots out Bobby is injured and, under products liability, sues the toy store which sold the toy Bobby will most likely:

- A. Win on the basis of a manufacturing defect.
- B. Lose because of contributory negligence by playing with the sword after being told not to.
- C. Lose if he cannot prove negligence on the part of the toy store.
- D. Win on the basis of a design defect.

Under federal rules regulating food and drugs, which of the following is true?

- A. Food must be pure 100 percent before it can be sold to consumers.
- B. All food must be inspected by the government before it is sold.
- C. Food may contain certain impurities, such as insect parts, as long as it is not adulterated.
- D. If a food contains impurities, such as insect parts, these impurities must be disclosed on the food label.

Mary applied for a permit with a federal administrative agency to operate a business within the boundaries of a popular national forest. The agency grants a limited number of these permits that allow operation of the business during the busy tourist season. The agency has turned down Mary's application even though she received a permit in the prior year, paid the related fees on time, and violated none of the permit's conditions. The agency granted a permit to a different applicant who had never run this type of business previously. If Mary appeals the decision to a court, what standard of review will it most likely use?

- A. The substantial evidence test
- B. The unwarranted by the facts test
- C. The arbitrary and capricious abuse of process test
- D. The unfair results test

What is the most basic or common remedy available for breach of a contract?

- A. Compensatory damages
- B. Nominal damages
- C. Consequential damages
- D. Punitive damages

Which of the following is correct regarding a counteroffer?

- A. It is treated as both a rejection of an offer and a new offer.
- B. It is not really an offer, but operates as the revocation of an offer.
- C. It operates as both an offer and acceptance.
- D. It is no different from any other offer.

A contract for the sale of land:

- A. Is governed exclusively by the Uniform Commercial Code.
- B. Requires at least two promisors.
- C. Must be in writing to be enforceable.
- D. Must be in writing only if the value of the land exceeds \$500.

John is president and sole shareholder of Photo, Inc Photo, Inc wishes to borrow money, but to do so, the bank requires John to orally guarantee to repay the loan if Photo, Inc cannot John's guaranty to repay is:

- A) unenforceable, because John did not sign any agreement
- B) enforceable, because in general, guaranty contracts do not need to be in writing
- C) unenforceable, because in general, guaranty contracts need to be in writing
- D) enforceable, because the main purpose of the loan and the guarantee was to benefit John

Under the Uniform Computer Information Transactions Act, tender of performance is:

- A. A party's unequivocal indication of intent to perform.
- B. The actual completion of a party's obligations under the contract.
- C. A party's agreement to perform
- D. The offer to complete the performance of contractual duties made by a party who is willing and able to perform.

William was a factory worker at the Spruce Industries plant When it was learned he was a homosexual, he was fired This action is:

- A. A violation of Title VII
- B. A violation of the Civil Rights Act of 1964
- C. Not prohibited under federal law
- D. A violation of the Equal Pay Act

Which is true about the two kinds of discrimination that are actionable under Title VII?

- a. Disparate impact and disparate treatment are both based on how an employer treats a specific individual.
- b. Disparate impact and disparate treatment are both based on how an employer treats a protected class.
- c. Disparate treatment refers to individuals and disparate impact refers to protected classes.
- d. Disparate impact refers to individuals and disparate treatment refers to protected classes.

Which of the following statutes provides that it is legal for employees to organize a union?

- A) The National Labor Relations Act.
- B) The Norris-LaGuardia Act.
- C) The Labor-Management Relations Act.
- D) The Worker Adjustment and Retraining Notification Act.

Edward's Warehouse stores a variety of generic goods for several distributors in Anytown. Which of the following describes Edward's liability for the bailed goods should something happen to them?

- A. Comparative liability.
- B. Strict liability.
- C. Ordinary negligence
- D. Criminal liability.

A bailment is:

- A. Characterized by a splitting of title into legal and beneficial components
- B. The rightful possession of goods by someone other than the owner
- C. Usually the preliminary step to a permanent transfer of goods
- D. Required to be in writing in order to be effective

Which of the following would be classified as tangible personal property?

- A. A field of corn.
- B. A copyright.
- C. Built in cabinets.
- D. A desk.

Which of the following is true about a life estate?

- A. The holder of the life estate must be related to the remainderperson.
- B. The holder of a life estate may sell that interest to another.
- A. C. The holder of a life estate may not lease the property to a tenant because it is uncertain when the holder of the life estate may die.
- C. The holder of a life estate may lose his right if the remainderperson desires to re-enter the land.

What makes a publicly held corporation different from a public corporation?

- A. A publicly held corporation has many shareholders rather than being a corporation owned by a governmental entity.
- B. A publicly held corporation must have a charitable purpose, but a public corporation need not have a charitable purpose.
- C. A publicly held corporation is entitled to limited liability, but a public corporation is not.
- D. They are two terms that have the same meaning.

Limited partners can lose their limited liability by Breaching the fiduciary duty to the limited partnership.:

- A. Breaching the fiduciary duty to the limited partnership.
- B. Investing too much in the partnership.
- C. Withdrawing from a limited partnership contrary to provisions in the limited partnership agreement.
- D. Actively managing the business of the limited partnership.

The Sarbane-Oxley Act of 2002 was enacted in order to:

- A. Regulate the salaries paid to corporate executives.
- B. Make it more challenging to incorporate a business.
- C. Establish more equitable international trade rules.
- D. Improve corporate governance.

According to Sarbanes-Oxley, this person or people should sign the Federal income tax return of a corporation:

- A. Head of the accounting firm that prepares the corporation's tax returns.
- B. Board of Directors
- C. Chief Executive Officer
- D. Chief Executive Officer and Chief Financial Officer

Which of the following is likely to be a breach of a corporate officer's/director's duty of care?

- E. Failing to foresee a severe rise in the interest rate.
- F. Failing to make a reasonable investigation of relevant facts.
- G. Failing to anticipate a drop in consumer demand of the company's product.
- H. Failing to predict the startup of a new competitor.

There are no accountants on the board of the Oriole Corporation. The board routinely relies on a Certified Public Accountant (CPA) to explain the financial situation of the corporation. The board does not do an independent analysis of the CPA's report. In these circumstances, the board is:

- A. Violating the business judgement rule.
- B. Violating a duty to exercise due care.
- C. Not violating any duty.
- D. Violating a duty of loyalty.