

Member ID: _____

Time: _____

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BUSINESS LAW AND ETHICS

(265)

REGIONAL 2024

CONCEPT KNOWLEDGE:

Multiple Choice (50 @ 2 points each) _____ (100 points)

Test Time: 60 minutes

GENERAL GUIDELINES:

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

1. Contestant must hand in this test booklet and all printouts if any. 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 (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.
4. For any interest calculations, assume a 360-day year.
5. Unless otherwise stated, assume that all plant assets were purchased on January 1.
6. Unless otherwise stated, assume that the overtime rate is 1.5 regular time pay for any hours worked in excess of 40 hours per week.

Multiple Choice Questions

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

1. What is the ultimate goal of the American legal system?
 - A. Establish standards of acceptable conduct
 - B. Using punishment as a deterrent
 - C. Resolving disputes
 - D. Promotion of the common good
2. Which of the following is the preeminent source of American law?
 - A. United States Constitution
 - B. Administrative law
 - C. Statutory law
 - D. Case law
3. The first ten amendments to the U. S. Constitution are also known as _____?
 - A. Common law
 - B. Bill of Rights
 - C. Primary amendments
 - D. Administrative regulations
4. When a judge uses precedent for ruling on a case, what does this mean?
 - A. The judge is using statutory law to rule on their case.
 - B. The judge is conferring with their own aides to develop a rule.
 - C. The judge is relying on previous court rulings on similar cases.
 - D. The judge is referring to white papers of legal scholars.
5. Regulations are standards and rules adopted by _____.
 - A. State governments
 - B. Administrative agencies
 - C. Local agencies
 - D. Congress
6. Alternative dispute resolution involves _____.
 - A. Intervention, mediation, and arbitration
 - B. Intervention, settlement, and litigation
 - C. Mediation, litigation, and arbitration
 - D. Mediation, settlement, and arbitration
7. What is the purpose of antitrust regulation?
 - A. Allowance of monopolies to legally form
 - B. Prevention of bribes in the workplace
 - C. Promotion of fair competition
 - D. Enforcement of interstate commerce laws

8. A method of dispute resolution in which a third party helps the parties involved in a dispute to voluntarily resolve their disagreement is known as _____.
A. Mediation
B. Discovery
C. Arbitration
D. Settlement
9. When a business makes unethical business decisions, all of the following can be a result except:
A. Reputation damaged
B. Employee attrition
C. Customer retention
D. Creditability diminishes
10. How many federal judicial circuit court of appeals are there?
A. Eleven
B. Twelve
C. Thirteen
D. Fourteen
11. Which of the following types of speech does the first amendment protect?
A. Incrimination
B. Opinion
C. Symbolic
D. Defamation
12. Which of the following is correct with regards to the powers of state government in the United States?
A. All powers not delegated to the federal government are reserved to the states.
B. The power over crimes is reserved to the federal government.
C. The power over the right to bear arms is reserved to the states.
D. The powers over the federal government are superior to every state power.
13. Which of the following allows the federal government to regulate interstate commerce?
A. Establishment clause
B. Supremacy clause
C. Commerce clause
D. Due process clause
14. Which of the following groups is restricted under the free exercise clause?
A. Individuals
B. Government
C. Private businesses
D. Nonprofit businesses

15. Which type of court hears only civil cases for less than a certain dollar amount?
- A. Federal claims court
 - B. Tax court
 - C. Bankruptcy court
 - D. Small claims court
16. What term is used when a party is entrusted with an item of value from a business and refuses to or does not return the item?
- A. Larceny
 - B. Embezzlement
 - C. Racketeering
 - D. Assumption
17. What is meant by mens rea?
- A. A statute which categorizes crimes.
 - B. A description of the conduct of a suspect in a crime.
 - C. A statute describing the type of crime.
 - D. The mental state of the suspect during the commission of the crime.
18. What is the term for a wrongful act or an infringement of a right leading to civil legal liability.
- A. Civil law
 - B. Criminal law
 - C. Tort law
 - D. Contract breaches
19. What type of tort is violated if a customer spills a gallon of milk in a store and the store owner does not clean the spill nor warn other shoppers of the danger of slipping and falling?
- A. Negligence
 - B. Intentional
 - C. Strict liability
 - D. Civil liability
20. If all elements of common-law contract formation do not exist, then the contract may be _____.
- A. Disaffirmed
 - B. Avoidable
 - C. Void
 - D. Invalid
21. If an offeror states "I will sell my vehicle to the first person to arrive with \$1,000 in cash.", what type of contract is this?
- A. Bilateral
 - B. Unilateral
 - C. Explicit
 - D. Implicit

22. A person walks into a restaurant, orders a meal and eats the meal. What type of contract is this?
- A. Bilateral
 - B. Unilateral
 - C. Explicit
 - D. Implicit
23. If a performing party acted in good faith and conveyed enough benefit of the contract to the other party so that the other party can use the benefit for its intended purpose, and the defects arising under the contract may be remedied by money damages, then there has been _____.
- A. Substantial performance
 - B. Material breach
 - C. Inferior performance
 - D. Complete performance
24. A promisee suffers a loss when they relied on a promise, and the promise wasn't kept. In order to avoid an injustice, the promisee can recover based on the doctrine of _____.
- A. Anticipatory breach
 - B. Promissory estoppel
 - C. Quantum Meruit
 - D. Duty to Mitigate
25. Which of the following is not a primary source of law?
- A. Constitutional law
 - B. Statutory law
 - C. Common law
 - D. Civil law
26. How do appellate courts differ from trial courts?
- A. Appellate courts view a trial court's ruling.
 - B. Appellate courts examine questions of law or legal error.
 - C. Appellate courts cannot examine or call on new or old witnesses to testify.
 - D. Appellate courts have a judge or jury determine the facts of a case.
27. When a court faces a legal argument, if a previous court has ruled on the same or a closely related issue, the court will make their decision in alignment with the previous court's decision. This is known as _____.
- A. Stare decisis
 - B. Questions of law
 - C. Rules of law
 - D. Subject matter jurisdiction
28. Which of the following is not one of the three branches of government?
- A. Executive
 - B. Legislative
 - C. Judicial
 - D. Federal

29. Before a case can be litigated, what are the two pretrial requirements parties have to demonstrate that they meet?
- A. Service of process and subject matter jurisdiction
 - B. Standing and subject matter jurisdiction
 - C. Standing and personal jurisdiction
 - D. Service of process and personal jurisdiction
30. What is the process of voir dire?
- A. The process of calling a grand jury.
 - B. The process of choosing a petit jury.
 - C. The process of exchanging information between the parties about the witnesses and evidence to be presented at trial.
 - D. The process of cross-examining witnesses in a trial.
31. When a contract is canceled and the parties are returned to the same position they were before the contract existed, this is known as _____.
- A. Rescission
 - B. Accord and satisfaction
 - C. Sanction
 - D. Enforcement
32. Which of the following federal administrative agencies is primarily responsible for regulating the safety of meat, poultry, and other food products?
- A. Department of Environmental Protection.
 - B. Department of Food Security
 - C. Department of Agriculture
 - D. Department of Health and Human Services
33. Which of the following is not true about the Supreme Court?
- A. It is the head of the judicial branch of the federal government.
 - B. It will only allow appeals of federal court cases.
 - C. It decides whether laws violate the U.S. Constitution.
 - D. Most cases reach the court on appeal.
34. How are a limited liability company and general partnership the same?
- A. Both report the income or losses on their individual income tax returns.
 - B. Both have limited legal liability.
 - C. Both have two or more people as owners.
 - D. Both have unlimited life spans.
35. What is the basic governing document of a corporation which must be filed with the secretary of state in the state of incorporation?
- A. Debenture
 - B. Contract of Formation.
 - C. Prospectus
 - D. Articles of Incorporation

36. Which of the following is a type of larceny?
- A. Burglary
 - B. Extortion
 - C. Embezzlement
 - D. Battery
37. Mary was caught by her employer using the company credit card for personal purchases. Mary can be charged with _____ by her employer.
- A. Blackmail
 - B. Extortion
 - C. Embezzlement
 - D. Robbery
38. What is the formal process of exchanging information between the parties about the witnesses and evidence they'll present at trial?
- A. Direct examination
 - B. Discovery
 - C. Cross-examination
 - D. Lead questioning
39. Omar purchased an automobile insurance policy to provide coverage should there be an accident. The following week, Omar was in an accident. The vehicle had extensive damage so he took it to the repair shop. In this scenario, what type of beneficiary is the repair shop?
- A. Intended beneficiary
 - B. Primary beneficiary
 - C. Creditor beneficiary
 - D. Incidental beneficiary
40. All of the following are elements of a negligent cause of action against a product manufacturer or seller arising out of a defective product except _____.
- A. Breach of duty
 - B. Causation
 - C. Damage
 - D. Intentional indifference
41. Which of the following is not an exception to the Statute of Frauds?
- A. Contracts that can't be performed within one year.
 - B. Contract that reasonably identifies the subject matter.
 - C. Contracts that involve the sale or transfer of land.
 - D. Contracts that involve promises by executors to pay estate debts.
42. Generally, contracts made by minors are _____ since, by law, they lack the legal capacity or ability to enter into legally binding agreements or contracts by themselves.
- A. Void
 - B. Voidable
 - C. Enforceable
 - D. Illegal

43. Bill is an elderly gentleman and is dependent on his nephew, Jim, to help with general errands and tasks. One day, Jim tells Bill that he will no longer help him unless Bill adds Jim to his checking account. This is known as _____.
- A. Duress
 - B. Excessive persuasion
 - C. Undue influence
 - D. Intimidation
44. Which of the following makes a contract under duress by threat voidable?
- A. The threat must be improper.
 - B. A reasonable person would have felt threatened.
 - C. The party threatened would have reasonable alternatives.
 - D. The party threatened is under the influence of the perpetrator.
45. What is an example of Corporate Social Responsibility?
- A. Promotion of brand image
 - B. Maximization of profits
 - C. Give back to the shareholders
 - D. Enhancement of society and the environment
46. Due to someone else's negligence, you are injured in a car accident. Why would the court award punitive damages?
- A. To give justice after being wronged.
 - B. To prevent others from being hurt by similar or same actions.
 - C. To reimburse for lost wages.
 - D. To compensate for pain and suffering.
47. What type of misrepresentation is D'Angelo committing if, before selling his home, D'Angelo painted over the defects in the walls so potential buyers would not see the defects?
- A. False assertion
 - B. Suppression
 - C. Concealment
 - D. Nondisclosure
48. All of the following are federal administrative agencies except _____.
- A. Securities and Exchange Commission
 - B. Environmental Protection Agency
 - C. Occupational Safety and Health Administration
 - D. American Federation of Labor
49. In the United States, there is a hierarchy of law. Which of the following would have the highest rule of law?
- A. County constitution
 - B. State constitution
 - C. Rules promulgated by state agencies
 - D. Laws enacted by the state legislature

50. What is judicial opinion?

- A. It compels judges to follow rulings in previous cases.
- B. It is a form of judge's published opinions.
- C. It is the reasoning of the judges when ruling on a case.
- D. It is the procedure followed by judges in court cases.