

BUSINESS LAW

- 1) _____ define how the company will govern itself.
 - A) Bylaws
 - B) Goals
 - C) Mission statements
 - D) Objectives

- 2) Which of the following is **not** a court with a specialized jurisdiction?
 - A) trial court
 - B) juvenile court
 - C) small claims court
 - D) probate court

- 3) The right or license granted by a company to an individual or group to market its products or services in a specific territory is a
 - A) cooperative.
 - B) partnership.
 - C) franchise.
 - D) corporation.

- 4) Which of the following is **not** an objective for the Federal Trade Commission?
 - A) protect consumers
 - B) encourage international trade
 - C) advance performance
 - D) maintain competition

- 5) At the end of his one-year lease, Tony continued to occupy his apartment and failed to procure another lease. What type of tenancy does Tony have?
 - A) none
 - B) tenancy at will
 - C) tenancy at sufferance
 - D) tenancy from month to month

- 6) If the court requires that the terms of the acceptance exactly match the terms contained in the offer in order for the contract to be legally enforceable, the court is imposing the
 - A) matching acceptance rule.
 - B) unilateral rule.
 - C) bilateral rule.
 - D) mirror image rule.

- 7) A common contractual term for an employee and an independent contractor would be
- A) length of term.
 - B) promise to pay.
 - C) supervision and control.
 - D) payment terms.
- 8) The person or party to whom goods are delivered for a purpose, such as custody or repair, without transfer of ownership is the _____.
- A) bailee
 - B) trustee
 - C) real estate broker
 - D) independent contractor
- 9) All of the following are ethical character traits **except** _____.
- A) creativity
 - B) honesty
 - C) integrity
 - D) responsibility
- 10) Capacity to contract means that the person
- A) has the ability, according to law, to understand the contract and the consequences thereof.
 - B) requires an executor to make contractual decisions.
 - C) has a genuine need for the goods or services purchased.
 - D) has ample room to store goods that are purchased.
- 11) For an instrument to be negotiable, it must, among other requirements
- A) contain a conditional promise.
 - B) be postdated.
 - C) be in writing and signed by the maker or drawer.
 - D) be signed by a witness.
- 12) The insurance company _____ the injured party or makes good on the loss to the suffering party.
- A) satisfies
 - B) awards
 - C) indemnifies
 - D) secures

- 13) Ownership of natural or man-made increases to personal property is acquired by
- A) adaptation.
 - B) adoption.
 - C) accession.
 - D) annexation.
- 14) Parties who may, because of their status, have the right to disaffirm a contract include all of the following except
- A) the mentally incapacitated.
 - B) individuals on welfare.
 - C) minors.
 - D) the intoxicated.
- 15) If only one party wants out of the marriage contract,
- A) the woman always gets to keep the engagement ring.
 - B) a breach-of-promise suit may be brought by the other party in some states.
 - C) all gifts exchanged during the relationship must be returned.
 - D) the courts require the marriage to take place.

- 1) A
- 2) A
- 3) C
- 4) B
- 5) C
- 6) D
- 7) B
- 8) A
- 9) A
- 10) A
- 11) C
- 12) C
- 13) C
- 14) B
- 15) B