***Business Law Today* – Business Law Course – Exam One (Midterm)**

This is Exam One of your Business Law class. The exam is 60 questions. There are multiple choice and true or false questions. Use a pencil for the exam in the event you need to erase. Please place your name at the top of the exam. Exams turned in with no name will not be graded.

You will have 2 hours to complete the exam which should be more than ample time. At the end of the time limit the instructor will advise the remaining students to lay down pencils. Any unanswered questions will be marked as incorrect.

You must score 70% or higher to pass the exam. Any score below 70% will be considered a failing grade.

1) The study which defines right and wrong behavior is:
    a. Defamation
    b. Consideration
    c. Ethics
    d. Spamming

2) Which of the following terms is NOT a requirement to form a contract?
    a. Consideration
    b. Estoppel
    c. Agreement
    d. Capacity

3) Those parties who may be held liable on a theory of product liability for physical harm or property damage caused by defective goods include all of the following except:
    a. Lessor of the goods
    b. Maker of the goods
    c. Seller of the goods
    d. User of the goods

4) Which of the following is NOT a branch of the government?
    a. Executive
    b. Legislative
    c. Administrative
    d. Judicial

5) The Bill of Rights consists of the first _____ amendments of the Constitution.
    a. 5
    b. 8
    c. 10
    d. 15

6) The doctrine which holds that judges are obligated to follow precedents established in prior decisions is:
    a. Stare Decisis
    b. The Plain Meaning Rule
    c. Parol Evidence Rule
    d. Statute of Frauds

7) When two or more parties promise to perform or refrain from performing some act now or in the future, a _____ has been formed.
    a. Draft
    b. Assignment
    c. Contract
    d. Sale of Goods

8) The tort in which one individual uses the name or likeness of another without permission and for the benefit of the user is known as:
    a. Appropriation
    b. Libel
    c. Invasion of Privacy
    d. Slander

9) According to the UETA, an electronic record of a deal is considered sent when it:
    a. Reaches the midway point between the Sender and Recipient
    b. Comes into the Recipient's control
    c. Is read by the Recipient
    d. Leaves the Sender's control

10) Which of the following is NOT a defense to criminal liability?
    a. Entrapment
    b. Justifiable use of force
    c. Mistake
    d. Assumption of risk

11) If an employee uses social media in a way that violates the employer's stated social media policies and is fired after a second transgression, this is:
    a. A violation of the employee's rights
    b. Within the rights of the employer
    c. A subject for dispute resolution by the social media that the employee used
    d. A "business-extension exception" under the Electronic Communications Privacy Act

12) Under the commerce clause, Congress has the power to regulate:
    a. Any commercial activity in the U.S.
    b. Only activities that are in intrastate commerce
    c. Only activities that are in local commerce
    d. Only activities that are not in commerce

13) The body of law originating in England and derived from prior judicial decisions is:
    a. Civil Law
    b. Common Law
    c. Statutory Law
    d. Constitutional Law

14) The revocation of an offer is effective:
    a. When mailed
    b. Upon receipt by Offeree or Offeree's Agent
    c. Any time before Acceptance
    d. When drafted

15) A contract which has no legal force or effect is:
    a. A Quasi Contract
    b. A Term Contract
    c. Ambiguous
    d. Void

16) Something of legal value as bargained-for exchange is the definition of:
    a. Offer
    b. Consideration
    c. Agreement
    d. The Plain Meaning Rule

17) Thirty-seven states:
    a. Prohibit or regulate the use of spam
    b. Require the use of spam by business entities
    c. Ban the use of spam altogether
    d. Preempt the application of state law to commercial email

18) Most lawsuits are:
    a. Dismissed during trial
    b. Settled before a trial
    c. Resolved only after a trial
    d. Transferred to a higher court

19) Which of the following is NOT a necessary element of an offer?
    a. Definite terms
    b. Consideration
    c. Intent
    d. Communication

20) The statement that, "Acceptance is effective when the Offeree sends or delivers the Acceptance by whatever means authorized by the Offeror" is an example of:
    a. The Plain Meaning Rule
    b. Promissory Estoppel
    c. The Mailbox Rule
    d. Warranty of No Liens

21) Embezzlement may be committed without:
    a. A criminal act
    b. Criminal intent
    c. Taking property for its owner
    d. The use of force or fear

22) Criminal law is concerned with:
    a. The prosecution of private individuals by other private individuals
    b. The prosecution of public officials by private individuals
    c. The relief available when a person's rights are violated
    d. Wrongs committed against the society as a whole

23) Which of the following is NOT a defense to a charge of defamation?
    a. Lack of Malice when making statements about public figures
    b. Truth
    c. Lack of Emotional Distress
    d. Privilege

24) Which of the following is owed an ethical duty by corporation?
    a. Shareholders
    b. Customers
    c. Employees
    d. All of the above

25) The sale of an automobile is an example of:
    a. A Unilateral Contract
    b. A Quasi Contract
    c. An Implied Contract
    d. A Bilateral Contract

26) The fraudulent conversion of funds or property owned by one person but entrusted to another is known as:
    a. Larceny
    b. Embezzlement
    c. Robbery
    d. Obtaining Goods by False Pretenses

27) Offer and Acceptance are both necessary components of:
    a. Consideration
    b. Communication
    c. Assignment
    d. Agreement

28) Which of the following does NOT terminate a contract?
    a. Destruction of the subject of the contract
    b. Revocation
    c. Delegation
    d. Counter offer

29) Which of the following is NOT an element of Negligence?
    a. Intent
    b. Duty of Care
    c. Causation
    d. Injury

30) The two parties to a contract are:
    a. Contractor and Contractee
    b. Assignor and Assignee
    c. Offeror and Offeree
    d. Donor and Donee

31) An injunction is:
    a. An order to do or to refrain from doing a particular act
    b. An order to perform what was promised
    c. A payment of money or property as compensation
    d. The cancellation of a contract

32) The statute designed to curb entry of organized crime into the legitimate business world is known as:
    a. Rep Ipsa Loquitor
    b. RICO
    c. Fair Use Doctrine
    d. Model Penal Code

33) The branch of law dealing with the definition and enforcement of all private and public law is:
    a. Administrative law
    b. Civil law
    c. Constitutional law
    d. Federal law

34) Files sent from a website and stored in a user's web browser to track the user's web browsing activities are called:
    a. Cookies
    b. Licenses
    c. Cloud computing
    d. A violation of the law

35) The manufacturer of a product is required to take precautions against:
    a. Every conceivable misuse of a product
    b. Only foreseeable misuses of a product
    c. No misuses of a product
    d. Only obvious misuses of a product

36) The Uniform Commercial Code has been adopted, at least in part, in:
    a. All state
    b. 45 states
    c. 35 states
    d. No states

37) The utilitarian theory of ethics focuses on:
    a. Moral value
    b. Religious beliefs
    c. The consequences of an action
    d. The nature of an action

38) Which of the following is NOT an intentional tort?
    a. Battery
    b. Assault
    c. Negligence
    d. Defamation

39) Which of the following holds that liability may be imposed for reasons other than fault?
    a. Fair Use Doctrine
    b. Res Ipsa Loquitor
    c. Strict Liability
    d. RICO

40) The first person to invent a product obtains the patent rights rather than the first person to file an application for a patent.
    a. True
    b. False

41) The appropriate location for a trial can be a key issue in a case involving a cyber crime.
    a. True
    b. False

42) A business takes a risk by electronically storing its customers' credit account numbers.
   a. True
   b. False

43) Parties can form a contract without putting the terms in writing.
   a. True
   b. False

44) A counteroffer is rejection of the original offer and the simultaneous making of a new offer.
   a. True
   b. False

45) In order for copyright infringement to occur, the reproduction must be exactly like the original.
   a. True
   b. False

46) Conversion is limited to theft:
   a. True
   b. False

47) A remedy is the means given to a party to enforce a right or compensate for the violation of a right.
   a. True
   b. False

48) Equal protection means that the government cannot enact laws that threat similarly situated individuals differently.
   a. True
   b. False

49) Some constitutional protections apply to business entities.
   a. True
   b. False

50) A Tort is a civil wrong not arising from a breach of contract or a breach of legal duty that proximately causes harm or injury to another.
   a. True
   b. False

51) The use of a person's picture, name, or other likeness constitutes an invasion of privacy tort.
   a. True
   b. False

52) A trade secret is information or a process that may give a business an advantage over competitors.
    a. True
    b. False

53) Divestiture of a business interest is a possible penalty under RICO.
    a. True
    b. False

54) An executory contract is a contract that has been completely performed by both parties.
    a. True
    b. False

55) Recovery in a product liability case may be limited when it can be shown that the plaintiff misused the product.
    a. True
    b. False

56) Negotiation, Mediation, Arbitration, and Reflection are all methods of alternative dispute resolution.
    a. True
    b. False

57) Any person may ask for copies of any information on themselves contained in federal government files.
    a. True
    b. False

58) Crimes are grouped in these five categories: violent, property, public order, white-collar, organized, and cyber.
    a. True
    b. False

59) Individuals must be formally charged with having committed specific crimes before they can be brought to trial.
    a. True
    b. False

60) Self-defense is probably the best-known defense to criminal liability.
    a. True
    b. False