

Overview

This event provides recognition for FBLA members who are familiar with specific legal areas that most commonly affect personal and business relationships.

Competencies

The topics listed below are prioritized, listing first the most important content areas of the test.

- Contracts
- Sales
- Business organization
- Bailments
- Agency
- Bankruptcy
- Insurance
- Trade regulation
- Product and personal liability
- Wills
- Consumer protection
- Negotiable instruments
- Torts

Procedures/Tips

- Review the Competitive Events Tips in the front of the book.

Web Site Resources

- http://law.freeadvice.com/general_practice/contract_law/
- http://www.law.cornell.edu/wex/index.php/Trade_regulation
- <http://www.quickmba.com/law/>
- <http://www.abanet.org/buslaw/blt/index.html>
- <http://search.live.com/results.aspx?q=legal+definitions&FORM=SEMTC3&vendor=google&pkw=legal+definitions>
- <http://www.flashcardexchange.com/flashcards/view/493489>
- http://www.quia.com/shared/search?category=16458&adv_search=true

Business Law Sample Questions

1. Professionals such as physicians, teachers, lawyers, and pharmacists must have
 - a. a revenue license.
 - b. a federal license.
 - c. a competency license.
 - d. all of the answers are correct
2. Contracts within the statute of frauds might include
 - a. promises to pay the debt of another person.
 - b. contracts requiring less than a year to complete.
 - c. contracts to buy and sell goods for a price of \$300 or less.
 - d. all of the answers are correct
3. Impossibility of performance refers to
 - a. an obligor's personal inability to perform and external conditions.
 - b. external conditions.
 - c. an obligor's personal inability to perform.
 - d. none of the answers are correct
4. Acceptance of goods occurs when
 - a. the buyer has agreed by words or conduct that the goods received are satisfactory.
 - b. the buyer fails to reject the goods within a reasonable length of time.
 - c. the goods are used or resold.
 - d. all of the answers are correct
5. If a party admits in legal testimony that they agreed to part or all of an oral contract governed by the statute of frauds, the contract would be
 - a. none of the answers are correct
 - b. null and void.
 - c. rewritten and signed by both parties.
 - d. binding to the extent admitted.
6. Transfer of ownership of goods may be done by the owners and authorized persons, or
 - a. by buyers in a sale induced by fraud.
 - b. by merchants with possession of sold goods.
 - c. by holders of negotiable documents of title.
 - d. all of the answers are correct
7. Unanimous agreement under the Uniform Partnership Act is required for decisions to
 - a. buy inventory or equipment for the firm on credit.
 - b. assign partnership property to creditors.
 - c. all of the answers are correct
 - d. hire or fire a permanent, full-time employee.
8. Under the RULPA, a limited partner does not participate in the managerial control of the business when
 - a. acting as an agent or employee for the partnership.
 - b. consulting with the general partner(s).
 - c. all answers are correct
 - d. participating in the restructuring of the partnership.

-
9. The number of shareholders in an S corporation must be
 - a. 30 or less.
 - b. unlimited.
 - c. 60 or less.
 - d. 75 or less.
 10. Bailment ends when
 - a. the parties mutually agree to end it,
 - b. the agreed purpose has been achieved.
 - c. the agreed time has elapsed.
 - d. all the answers are correct
 11. Involuntary bailments, which arise without the consent of the bailee, call for
 - a. ordinary care.
 - b. minimal care.
 - c. extraordinary care.
 - d. all of the answers are correct
 12. Charging demurrage occurs in
 - a. bailment for transport.
 - b. bailment for services.
 - c. bailment for hire.
 - d. bailment for sale.
 13. When the consideration by both parties has been given back, the contract is said to be
 - a. ratified.
 - b. disaffirmed.
 - c. emancipated.
 - d. nonnecessary.
 14. Consumer protection of consumer goods and services often begins with
 - a. mandatory inspections of all businesses.
 - b. class actions.
 - c. licensing suppliers.
 - d. caveat venditor.
 15. To make the paper payable to the order of a designated party, one must use
 - a. a restrictive endorsement.
 - b. a blank endorsement.
 - c. a qualified endorsement.
 - d. a special endorsement.
 16. A qualified endorsement
 - a. does not permit the endorser to be a minor.
 - b. eliminates the endorser's secondary liability.
 - c. requires minors to have co-signers.
 - d. none of the answers are correct
 17. In contracts referring to amounts of money in which both the numerical and the written expressions of the amount are unambiguous, the
 - a. contract is void.
 - b. written prevails.
 - c. highest value prevails.
 - d. numerical prevails.

-
18. Roger is a crew foreman with Payless Window Washing, Inc. On several occasions, Roger informed Payless' owner about the faulty scaffolding provided for one of his crews. However, the scaffolding locked up one day and seriously injured one of the workers. How would the common-law approach deal with this situation?
 - a. The injured employee would file a workers' compensation suit.
 - b. Payless would pay for the injured employee's attorney.
 - c. The injured employee would file a workers' compensation suit and Payless would pay for the injured employee's attorney.
 - d. The injured employee would file a negligence suit.
 19. In a limited partnership:
 - a. limited partners contribute capital and share profits and losses with general partners and one partner must be a general partner with unlimited liability
 - b. limited partners contribute capital and share profits and losses with general partners
 - c. one partner must be a general partner with unlimited liability
 - d. none of the answers are correct
 20. The division of labor between the federal and state governments produced such uneven and ineffective regulation that the U.S. Supreme Court redefined
 - a. interstate commerce.
 - b. noncommercial transportation.
 - c. intrastate commerce.
 - d. commercial transportation.
 21. A court-appointed male personal representative overseeing an estate is called
 - a. an executor.
 - b. an administrator.
 - c. a trustee.
 - d. a testator.
 22. The clear intention to make a will without undue influence of others is called
 - a. testamentary capacity.
 - b. testamentary intent.
 - c. testamentary formality.
 - d. all the answers are correct
 23. If commingling occurs and there is a loss, the loss is borne by the
 - a. agent and principal.
 - b. third party.
 - c. principal.
 - d. agent.
 24. The power, but not the right, to eliminate the agency at any time goes to
 - a. the agent.
 - b. the principal.
 - c. none of the answers are correct
 - d. the agent and the principal.
 25. In a jury trial, who decides the issues of fact?
 - a. the defendant
 - b. the jury
 - c. the trial judge
 - d. the judges of the appellate court

-
26. The bankruptcy law that involves liquidation of nonexempt property is
- Chapter 12.
 - Chapter 13.
 - Chapter 7.
 - Chapter 11.
27. The type of insurance that covers automobile, burglary, disability, and liability would be
- social.
 - fidelity.
 - inland marine.
 - casualty.
28. Automobile insurance coverage indemnifying insures for damage to their own vehicles is
- collision.
 - comprehensive and collision.
 - not available.
 - comprehensive.
29. If a person is injured as a result of an unreasonably dangerous or defective product, how will he or she most likely recover damages for the injury?
- hold the manufacturer strictly liable
 - hold the wholesaler strictly liable
 - hold the retailer of the product strictly liable
 - all of the answers are correct
30. Hilda enjoys taking her children to the local ice cream parlor. The assurance that the ice cream she purchases is wholesome and fit for human consumption is an example of a(n)
- strict liability.
 - expressed warranty.
 - warranty of merchantability.
 - caveat emptor.

Business Law Answer Key

- | | | |
|-------|-------|-------|
| 1) C | 11) B | 21) B |
| 2) A | 12) A | 22) B |
| 3) B | 13) B | 23) D |
| 4) D | 14) C | 24) D |
| 5) D | 15) D | 25) B |
| 6) D | 16) B | 26) C |
| 7) B | 17) B | 27) D |
| 8) C | 18) D | 28) B |
| 9) D | 19) A | 29) D |
| 10) C | 20) A | 30) C |

Business Math Answer Key

- | | | |
|-------|-------|-------|
| 1) B | 11) A | 21) D |
| 2) D | 12) A | 22) C |
| 3) D | 13) C | 23) D |
| 4) A | 14) A | 24) D |
| 5) D | 15) D | 25) A |
| 6) C | 16) B | 26) B |
| 7) C | 17) D | 27) A |
| 8) C | 18) C | 28) C |
| 9) B | 19) D | 29) B |
| 10) A | 20) D | 30) A |

Business Procedures Answer Key

- | | | |
|-------|-------|-------|
| 1) B | 11) C | 21) C |
| 2) D | 12) B | 22) A |
| 3) C | 13) C | 23) C |
| 4) A | 14) C | 24) C |
| 5) C | 15) D | 25) D |
| 6) D | 16) A | 26) C |
| 7) D | 17) C | 27) D |
| 8) D | 18) B | 28) D |
| 9) C | 19) B | 29) A |
| 10) C | 20) C | 30) C |

Computer Applications Answer Key

- | | | |
|-------|-------|-------|
| 1) A | 11) D | 21) C |
| 2) D | 12) D | 22) B |
| 3) B | 13) D | 23) A |
| 4) A | 14) D | 24) B |
| 5) B | 15) D | 25) D |
| 6) A | 16) C | 26) A |
| 7) B | 17) B | 27) A |
| 8) A | 18) A | 28) C |
| 9) D | 19) C | 29) D |
| 10) D | 20) B | 30) C |

Computer Problem Solving Answer Key

- | | | |
|-------|-------|-------|
| 1) C | 11) B | 21) C |
| 2) A | 12) D | 22) D |
| 3) C | 13) C | 23) A |
| 4) C | 14) B | 24) A |
| 5) B | 15) C | 25) A |
| 6) C | 16) B | 26) D |
| 7) A | 17) B | 27) C |
| 8) A | 18) A | 28) D |
| 9) C | 19) B | 29) B |
| 10) C | 20) C | 30) D |