DELTA INTERNATIONAL UNIVERSITY

BUSINESS LAW

FINAL EXAM

This final exam shall consist of 30 multiple choice questions. Select the best answer from amongst the four possible answers.

1. A system of law whereby the courts generally create the applicable rules would best be characterized as what type of legal system?
   1. Common Law
   2. Civil Law
   3. Sharia Law
   4. Tribal Law
2. The supreme law in the United States is embodied in:
   1. Federal laws
   2. State laws
   3. Federal regulations
   4. The Constitution
3. Which of the following would not be considered a source of law in the United States?
   1. The Constitution
   2. Federal statutes
   3. Nation-wide opinion polls
   4. State regulations
4. Which of the following would take legal precedence over all of the others?
   1. Federal laws
   2. Federal regulations
   3. State laws
   4. State regulations
5. Which of the following would not be considered a defense to the formation of a contract?
   1. Statute of Frauds
   2. Unconscionability
   3. Religion
   4. Fraud
6. Manifestation of intent to enter into a contract with definite and certain terms communicated to the offeree would be considered what?
   1. An acceptance
   2. Consideration
   3. An offer
   4. A contract
7. Which of the following can occur with an offer?
   1. Accepted
   2. Revoked
   3. Rejected
   4. All of the above
8. At what age in most US states can a person legally enter into a contract?
   1. 19
   2. 18
   3. 21
   4. 16
9. Under the UCC, what rule determines what a buyer can do if the seller does not deliver in full conformance with the terms of the contract?
   1. The Perfect Tender Rule
   2. Merchant’s Firm Offer
   3. Merchant’s Confirmatory Memorandum
   4. Substantial Performance
10. The most common form of damages in a breach of contract case are:
    1. expectation damages
    2. reliance damages
    3. incidental damages
    4. punitive damages
11. Of the following methods of interpreting the terms of a contract, which is the most persuasive?
    1. Custom and usage
    2. Course of performance
    3. Course of past dealings
    4. Cultural preferences
12. Damages that are pre-determined in the contract are generally referred to as:
    1. Liquidated damages
    2. Incidental damages
    3. Expectation damages
    4. Reliance damages
13. Assault, with respect to tort law, would best be classified as:
    1. An unintentional tort
    2. A crime
    3. An intentional tort
    4. Negligence
14. Which of the following is most likely to be considered a white collar crime?
    1. Murder
    2. Burglary
    3. Embezzlement
    4. Rape
15. Which of the following is least likely to be considered a business-related crime?
    1. Embezzlement
    2. Arson
    3. Rape
    4. Extortion
16. Acting as an ordinary, reasonable, and prudent person under similar circumstances would be the standard of care for what?
    1. Negligence
    2. Strict product liability
    3. Rational theory
    4. Defamation
17. Which of the following would not be considered intellectual property?
    1. Copyright
    2. Honda Motors, Inc.
    3. Patents
    4. Trademarks
18. How long, usually, does a US patent last for?
    1. 20 years after the patent has been granted
    2. 20 years after the patent has been applied for
    3. For the life of the inventor
    4. 75 years after the invention has been created
19. Which of the following is an implied warranty under the UCC?
    1. Merchantability
    2. Length of service
    3. Convenience
    4. Reliability
20. There are several different theories to use to sue for products liability. Which of the following is not one of those theories?
    1. Strict Liability
    2. Negligence
    3. Express Warranty
    4. Lender Liability
21. In order to disclaim an implied warranty under the UCC, one must:
    1. make the disclaimer stand out from the rest of the contract
    2. have the consumer separately sign the disclaimer
    3. orally instruct the consumer about her rights
    4. It is impossible to disclaim an implied warranty under the UCC.
22. Under strict products liability, which of the following could be held liable for a defective product?
    1. The manufacturer
    2. The distributor
    3. The retailer
    4. All of the above
23. A Chapter 7 bankruptcy would best be characterized as:
    1. A reorganization
    2. A partial reorganization
    3. A liquidation
    4. A consolidation
24. If an individual files for Chapter 7 bankruptcy but the court determines that they will have sufficient future income to pay their debts, the court may convert the case to:
    1. Chapter 9
    2. Chapter 11
    3. Chapter 13
    4. Chapter 14
25. If a debtor pays off one of its creditors just before filing for bankruptcy, the trustee may be able to recover that money using the theory of:
    1. Liquidation
    2. Reorganization
    3. Consolidation
    4. Preferences
26. The concept of ”cram-down” is generally applicable to:
    1. Chapter 11
    2. Chapter 7
    3. Chapter 13
    4. Chapter 14
27. The Securities Law of 1933 deals with:
    1. Public offerings of securities
    2. Trading of stocks and bonds in a stock exchange
    3. Insider trading
    4. None of the above
28. The 33 Act and the 34 Act were passed predominantly to deal with:
    1. World War II
    2. World War I
    3. The Stock Market Crash of 1929
    4. Hyperinflation
29. Selling a stock based upon non-public material information is:
    1. Insider trading
    2. A public offering
    3. Generally legal in the United States
    4. Considered embezzlement
30. What federal agency generally deals with issues of securities?
    1. The EPA
    2. The Department of Justice
    3. Fannie Mae
    4. The SEC