

BUL2241 - Business Law Exam 1

Gus Lipkin

The sections are in order from 1 to 4. There is a PDF table of contents to facilitate navigation between sections

Section 1: True/False

1. **True**
2. **True**
3. **False**
4. **False**
5. **True**
6. **True**
7. **True**
8. **True**
9. **False**
10. **False**
11. **True**
12. **True**
13. **False**
14. **False**
15. **True**

Section 2: Multiple Choice

16. B: ****the Minnesota Supreme Court.**
17. A: **a domestic corporation.**
18. A: **a consolidation.**
19. B: **to the extent of his investment in the firm.**
20. B: ***certiorari*.**
21. D: **statutory law.**
22. D: **the summons.**
23. C: **will be awarded the remedy sought.**
24. A: ****all of Diligent's books and records.**
25. B: **a deposition.**

Section 3: Essay Question

1. Explain why establishing an LLC as a business entity would be a good choice....how it can be setup....and what advantages it brings to the LLC members

A limited liability company, LLC, is a step up, so to speak from a sole proprietorship. There are two main advantages that go hand in hand. The first is that more than one person can own an LLC and the second is that the LLC protects the owners from the legal troubles of the other owners. An LLC is also not subject to so-called "double taxation." Because of these features, an LLC would be a good choice when creating a small business with friends. (Source: My brain from my Entrepreneurship class). In order to establish an LLC, you must choose a name, appoint a registered agent, file articles of incorporation, write an operating agreement, get an employer identification number, and file your annual reports (<https://www.nolo.com/legal-encyclopedia/florida-form-llc-31897.html>).

2. Here is a standard case citation: Miller v. Spencer, 401 U.S. 397 (1992). Please identify the following factors regarding the citation:

- Who is the plaintiff? Who is the defendant?
 - Plaintiff: Miller
 - Defendant: Spencer
- When was the case heard?
 - 1992
- In what court jurisdiction was it heard?
 - US Supreme Court
- What Supreme Court summary volume houses the case information?
 - Volume 401
- What information is displayed by the notation 397?
 - The first page of the case

3. What is the difference between a "foreign" business entity and a "domestic" business entity?

At the state level, a domestic business entity is one that is organized under the laws of the state it does business in and a foreign business entity is one that does business in a state it is not incorporated in. This also applies at the national level where the word "state" could simply be replaced with the word "country." (Source: Slideshow 30)

4. What Constitutional "clause" gives the federal government the power to regulate commerce among the states, and....how do you view the way in which the federal government uses this authority?

The "Commerce Clause" is what gives the federal government the power to "regulate Commerce with foreign Nations, and among the several States, and with the Indian tribes." (Art. 1 § 8). The US Supreme court has ruled that this clause gives the federal government the exclusive power to regulate and that states only have a dormant power to regulate interstate commerce (Slideshow 4).

I don't have any problems with the way the federal government uses this power. I think that the commerce clause is necessary as it sets in stone certain levels of commerce so that it is not a free-for-all. Given that I have only ever heard of the commerce clause before in school, I don't have any problems with how the power is used.

5. What do you feel is the most pressing issue in the USA that impacts businesses negatively? Explain how that issue could be addressed to create a better business environment.

As I said in a discussion post, I think the biggest issue facing businesses in the USA and the world is the drive for year over year profit gains. I understand the need to "grow" business to match inflation, but these businesses are growing well beyond the 2-3% that is inflation. In order to meet these shareholder demands, companies are employing a variety of methods including paying employees as little as possible, shrinking product sizes while keeping prices the same, decreasing the quality of their products, and so much more.

This is a very difficult issue to address as it is engrained in business culture. I'm not sure that it can ever really be fixed and I know that I don't know enough about business, economics, or sociology to even begin to formulate a plan to correct it. I might start by privatizing more companies so that profits and year-over-year growth information is not readily available. Thus, the company will look good in the papers because of its product quality and reputation.

Section 4: Matching - Extra Credit

Agency	Area of Law
EPA	Environmental issues
CPSC	Consumer safety
USPS	Mail delivery
BLM	Federal lands
ATF	Tobacco taxes
OSHA	Worker safety
FTC	Fair trade practices
FHA	Fair housing rules
NASA	Space programs
NLRB	Labor law