

Chapter 1: Introduction to Law

TRUE/FALSE

1. Violations of civil laws often result in imprisonment.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Civil Law

2. If Susan hits Debra, and Debra sues Susan for that act, Susan cannot also be prosecuted for that same act.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Civil Law

3. There are no criminal laws at the federal level.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Statutory Law

4. Enforcing the terms of a consulting contract are an example of private law.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Private Law

5. Substantive laws provide the means and mechanisms for the enforcement of laws.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Substantive Law

6. *Stare decisis* is Latin for "let the decision stand."

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Stare Decisis

7. The common law in each state is the same.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Common Law

8. The power theory is part of jurisprudence but the justice theory is not.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Jurisprudence

9. The positive law theory provides that an individual follows ethical standards established by religious beliefs.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Natural Law

10. Substantive laws are, in essence, the same thing as procedural laws.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Substantive Law

11. Supporters of slavery relied heavily on natural law as a defense for it.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Natural Law

12. Those who believe in order theory would allow laws that control behavior or provide guidelines.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Order theory

13. The scholars of jurisprudence generally agree on the theory of law.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Jurisprudence

14. Statutory law exists at all levels of government.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Statutory Law

15. The United States Code includes laws on anticompetitive activities as well as laws regulating the sale of securities.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: USC

16. Ordinances are generally found in state legislative codes.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Ordinances

17. The Code of Federal Regulations includes the enactments of federal administrative agencies.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: CFR

18. States do not have administrative laws.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Administrative laws

19. City ordinances generally cover the legal aspects of incorporation and securities registration.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Ordinances

20. Constitutions exist at both state and federal levels.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Constitutions

21. Equitable remedies are not available in courts of law in the United States.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Equity

22. Laws' flexibility allow adjustments for technology changes.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Characteristics

23. A personnel manual is an example of private law.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Private Law

24. Pervasiveness, consistency, and rigidity are characteristics of law.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Characteristics

25. Criminal laws are generally enforced by individuals.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Criminal Laws

26. A multilateral treaty is a treaty among several nations.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

27. The act of state doctrine permits other countries to intervene in a nation's government when human rights are violated.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

28. The EU has its own currency.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

29. The principle of stare decisis forbids a court from changing a doctrine already established judicially.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Stare Decisis

30. The Uniform Commercial Code and the Uniform Partnership Act are both enactments of Congress.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Stare Decisis

31. Party autonomy is not permitted in international contracts.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

32. The EU will be disbanded in 2009.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

33. Treaties are a source of international law.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

34. Cultural customs have no impact on international law.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

35. A curfew is an example of the type of law that would be found in city or town ordinances.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Ordinances

36. The uniform laws on partnerships and corporations are found codified in the United States Code.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

37. Courts create and apply the common law.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Stare Decisis

38. If you run a red light and hit and injure a pedestrian, both civil and criminal laws will apply.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Types of Laws

39. Most countries follow a philosophy of *caveat emptor*.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

40. The CISG is another name for NAFTA.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

41. Curfews are an example of state laws.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Types of Laws

42. Courts interpret all levels of statutes and regulations.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

43. Zoning is an example of private law.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

44. A question about a licensing exam for a real estate agent is best answered by going to federal laws.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

45. The U.S. Constitution does not apply to the states.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

46. The *Napster* and *Grokster* cases held that someone who makes downloading possible could be liable for copyright infringement.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Case Precedent

47. Judicial review is one means for clarifying the meaning of laws.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

48. In the *Sony* case, Sony was held liable for vicarious infringement.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Case Precedent

49. P2P does not involve infringement issues.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Intellectual Property

50. Black's Law Dictionary defines law as "reason unaffected by desire."

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Definition of Law

51. Injunctions are one type of equitable remedy available for a plaintiff.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Law vs. Equity

52. Laws make society more confusing and chaotic, but are necessary for government.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Keeping Order

53. Because laws must be applied consistently, they may not be changed, even if society has changed.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Characteristics of law

54. The power theory of jurisprudence promotes the idea that the law is whatever the people in charge say it is.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Jurisprudence

55. The Warsaw Convention is a treaty that regulates how prisoners of war may be treated by their captors.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Treaties

56. Universal treaties reflect widely accepted standards of behavior and are recognized by almost all nations.

ANS: T PTS: 1 NAT: AACSB: Analytic
TOP: Treaties

57. Until recently, China strictly enforced copyright protections for software, but have now bowed to cultural pressure to allow free sharing of software in order to improve creative entrepreneurship.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Custom

58. The laws of most industrialized countries offer better warranty protection than the United States law does.

ANS: F PTS: 1 NAT: AACSB: Analytic
TOP: Custom

MULTIPLE CHOICE

1. Which of the following is not a purpose of law?

- a. keeping order
- b. influencing conduct
- c. promoting equality
- d. providing compromises
- e. ensuring comparable wealth

ANS: E PTS: 1 NAT: AACSB: Analytic
TOP: Purpose of Law

2. Several states have recently enacted legislation to permit casino gambling on river boats docked in their states. Gambling is permitted only while the boats are traveling in the rivers surrounding or inside the states. One governor issued the following statement: "It wouldn't matter how many gaming statutes are passed or how many legislatures passed them, the fact of the matter is that commercial gambling is wrong." This governor's views:

- a. indicate that he follows the power law theory.
- b. indicate that he follows the natural law theory.
- c. indicate that he follows the justice law theory.
- d. indicate that he follows the probability law theory..

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Theory of Law

3. Bill Blackburn is the new mayor of Oceanside, Washington. He discovered that the city-run utility requires a deposit of \$50 from new customers in homes. However, new customers who reside in apartments, condominiums, or townhouses must pay a \$500 deposit. Mayor Blackburn proposed that the utility deposit be \$100 for all new customers. Blackburn's change fits best under which theory of law?
- a. positive law theory
 - b. natural law theory
 - c. theory of justice
 - d. theory of custom

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Theory of Law

4. Which is the proper cite for the Code of Federal Regulations?
- a. CFR
 - b. USC
 - c. USCFR
 - d. CFedReg

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

5. Which of the following is not part of the United States Code?
- a. 1933 Securities Act
 - b. Sherman Act
 - c. Equal Employment Opportunity Act
 - d. Uniform Commercial Code
 - e. Frank-Dodd Act

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

6. Which is the proper cite for Executive Orders?
- a. CFR
 - b. USC
 - c. E.O.O.C.
 - d. none of the above

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

7. Which of the following is not an example of private law?
- a. contracts
 - b. restrictions on insider trading of stocks
 - c. leases
 - d. an employer's regulation about dating co-workers

ANS: B PTS: 1 NAT: AACSB: Analytic

TOP: Private Law

8. Enactments of federal administrative agencies are found in:
- the United States Code.
 - the Code of Federal Regulations.
 - U.S.C.
 - the UCC

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

9. In "cite 15 U.S.C. sec. 77," the 15 represents:
- page number.
 - volume number.
 - the session of Congress when enactment occurred.
 - the docket number of the case

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

10. Uniform laws are:
- required to be adopted by states.
 - written to make interstate business less complicated.
 - found in USC.
 - only used when the plaintiff and defendant are from different states.

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

11. Legal and equitable remedies:
- are available in all courts in the United States.
 - are awarded by separate courts of equity and law.
 - are the same remedies.
 - exist only in the United States.

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Equity

12. Which is not an example of private law?
- lease on a residential home
 - lease on a commercial building
 - zoning ordinances
 - contract for the sale of a car
 - employer regulations

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Private Law

13. Which of the following is not true regarding constitutional law?
- exists at the state and federal levels
 - establishes government structure
 - establishes individual rights
 - can be changed by Congress

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: Constitutions

14. Phil's Corner Mart is a convenience store and gasoline station. A representative from the Environmental Protection Agency (EPA) has just notified Phil that there is some leakage from his underground gasoline storage tanks. The EPA representative explains to Phil that he will be issuing a citation for violation of federal environmental laws and that Phil could be liable for clean-up costs and penalties. Which of the following statements is true?
- Phil has been charged with a crime.
 - Phil has been charged with violation of a state statute.
 - Phil is facing civil penalties for the violation.
 - The EPA promulgates USC provisions.

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Types of Laws

15. Administrative regulations are promulgated by:
- Congress.
 - constitutional conventions.
 - administrative agencies.
 - state legislatures.

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

16. Criminal laws:
- carry fines and/or imprisonment penalties.
 - are enforced by individuals.
 - are generally not enforced by government agencies.
 - are the same as private laws.

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Types of Laws

17. Which of the following is not an example of a law that promotes order?
- disclosure statutes for securities sales
 - curfew
 - speed limits
 - trespassing laws

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Purpose of Law

18. Changes in laws that are made because of changes in technology illustrate which characteristic of law?
- consistency
 - pervasiveness
 - flexibility
 - fairness

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Characteristics

19. Law is:
- constant throughout time.
 - defined consistently across cultures.
 - a set of rules governing people and their relationships.
 - derived from the Latin meaning a chaotic state punctuated by sporadic short-lived order.

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Purpose of Law

20. The federal statute that carries imprisonment as a penalty for trading securities on inside information is an example of a:
- private law.
 - civil law.
 - procedural law.
 - criminal law.

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: Types of Laws

21. This means “to let the decision stand” and is used by courts to make consistent judgments.
- stare decisis*
 - statutory decisis*
 - substantive decisis*
 - scienter decisis*

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Stare Decisis

22. Common law:
- no longer exists today.
 - began in England.
 - exists only in the United States.
 - was eliminated with the courts of equity.

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Common Law

23. Which of the following is not a source of international law?
- custom
 - treaties
 - private law
 - Code of Federal Regulations

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

24. The European Union:
- was disbanded by GATT.
 - is an organization of European countries.
 - has established trade barriers.
 - has strict customs controls among the members.

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: International Laws

25. Ellen Benson has been operating a small catering business out of her home. Business growth is now requiring an office and kitchen facilities. Before expanding facilities, Ellen wishes to incorporate her business. Where would Ellen find the laws of incorporation?
- state statutes
 - zoning ordinances
 - Code of Federal Regulations

31. Local ordinances govern issues such as which of these?

- a. Curfews
- b. Loitering
- c. Dog licensing
- d. All of these

ANS: D

PTS: 1

NAT: AACSB: Analytic

TOP: Local Sources

32. Wexler Corporation has established a new policy on employee e-mails. The policy reads: "All e-mail sent using the company server is the property of the company and is not private. Supervisors and managers shall have the right to review such e-mails. Inasmuch as the company is liable for e-mail content, it reserves the right to review it." The policy:

- a. is an example of private law.
- b. is an example of statutory law.
- c. is an example of constitutional law.
- d. is never enforceable.

ANS: A

PTS: 1

NAT: AACSB: Analytic

TOP: Sources

33. Which of the following is an example of law not enacted by an elected body?

- a. municipal law
- b. administrative regulations
- c. state codes
- d. United States Code
- e. all of the above are enacted by an elected body

ANS: B

PTS: 1

NAT: AACSB: Analytic

TOP: Statutes

34. GATT stands for the:

- a. General Agreement on Tariffs and Taxation
- b. General Agreement on Transportation and Taxation
- c. General Agreement on Tariffs and Trade
- d. General Agreement on Trade and Tobacco

ANS: C

PTS: 1

NAT: AACSB: Analytic

TOP: International Trade

35. The CISG:

- a. is an example of uniform state laws.
- b. is an example of uniform international laws.
- c. is an example of a war convention among several nations.
- d. does not exist in the EU.

ANS: B

PTS: 1

NAT: AACSB: Analytic

TOP: International Laws

36. Southwestern states' marital property rights were influenced by laws in _____, while many Louisiana laws were influenced by laws from _____.

- a. Mexico; Spain
- b. Spain; Mexico
- c. Mexico; France

d. Spain; France

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Legal History|Origins

37. Frank Zelco is a manufacturer's rep who represents the product lines of several manufacturers. Frank has worked with his brother, Dion, in their two person firm for almost five years. They have no written contract, but they split the profits. Frank would like to create a business organization and put their arrangement in a written contract. Which sources of law will Frank need to help him do this?
- a. ordinances
 - b. the UCC
 - c. state laws on business organizations
 - d. both b and c

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

38. During 2003, the White House asked its legal counsel for an interpretation of what constitutes torture of prisoners of war and who is considered a prisoner of war. What sources of law will the legal counsel need to consult?
- a. federal statutes
 - b. international treaties
 - c. ordinances
 - d. both a and b

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: Sources of Law

39. If a court is faced with an issue of infringement involving the downloading of movies from Internet through peer-to-peer file sharing, which case offers the best precedent for the film producers?
- a. *Sony Corp. v. Universal City Studios*
 - b. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*
 - c. *Viacom International, Inc. v. YouTube, Inc.*
 - d. *Tiffany, Inc. v. eBay, Inc.*

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Precedent

40. The act of state doctrine is a theory that protects governments from reviews of their actions by:
- a. all courts.
 - b. Congress.
 - c. courts in other countries.
 - d. the International Court of Justice.

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Purpose of Law

41. When the music companies filed suit against the peer-to-peer file sharers on copyrighted music, they wanted legal and equitable remedies. Which of the following is an equitable remedy?
- a. money damages for the loss of royalties on the downloaded copyrighted songs
 - b. injunction against the facilitating software provider for the downloading
 - c. civil penalties for the infringement
 - d. both a and c

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Equitable vs. Legal

42. What is true of statutory law?
- a. It may be interpreted by the judicial system.
 - b. It only occurs at the federal level of government.
 - c. It must be ratified by the states.
 - d. It can provide equitable remedies in certain cases.

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Statutes

43. Which of the following is not an equitable remedy?
- a. court order for enforcement of a contract
 - b. specific performance
 - c. injunction
 - d. monetary damages

ANS: D PTS: 1 NAT: AACSB: Analytic
TOP: Equity

44. What factor distinguishes criminal law from civil law?
- a. Criminal law deals with physical injuries; civil law deals only with economic loss.
 - b. Criminal law addresses a wrong against society; civil law addresses conflicts between two or more parties.
 - c. Criminal law is uniform across all 50 states; civil law varies.
 - d. Criminal law deals with the worst crimes; civil law deals only with minor crimes.

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Civil vs. Criminal Law

45. Who is credited with the beginnings of common law?
- a. William the Conqueror
 - b. Ivan the Terrible
 - c. Alexander the Great
 - d. Norman the Plunderer

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Common Law

46. Which theory of law gives most credence to a higher power, such as God?
- a. natural law theory
 - b. power theory
 - c. justice theory
 - d. order theory

ANS: A PTS: 1 NAT: AACSB: Analytic
TOP: Theory of Law| Jurisprudence

47. Which theory of law gives most attention to moral and ethical issues?
- a. natural law theory
 - b. power theory
 - c. justice theory
 - d. order theory

ANS: C PTS: 1 NAT: AACSB: Analytic
TOP: Theory of Law| Jurisprudence

48. Which theory of law gives most authority to elected officials?
- natural law theory
 - power theory
 - justice theory
 - order theory

ANS: B PTS: 1 NAT: AACSB: Analytic
TOP: Theory of Law| Jurisprudence

ESSAY

1. Discuss the four basic groups of legal philosophies focusing on the issue of slavery.

ANS:

Students should discuss the following:

Natural - is it morally right to own and use others? Is the freedom of an individual a higher right that cannot be given or taken away by a law?

Justice - is it fair and equitable to enslave?

Power - the slave owners can do what they want to do

Order theory - does slavery help to control behavior and set guidelines for society?

PTS: 1 NAT: AACSB: Analytic TOP: Theory of Law

2. Why is constitutional law the foundation of all other types of laws?

ANS:

Students should discuss the following:

Constitutions protect general, fundamental rights that cannot be changed by other laws.

Constitutional law is the framework for all other forms of law. Other laws are judged by whether or not they are violative of the Constitution.

Example: free speech is protected in the 1st Amendment of the United States Constitution; then other laws and court decisions have built upon that rights to expand, narrow, or attempt to clarify the right.

PTS: 1 NAT: AACSB: Analytic TOP: Types of Laws

3. Give a sample citation for each of the following statutes/regulations:
- United States Code
 - Code of Federal Regulations

ANS:

15 U.S.C. sec.77

12 C.F.R. sec.226

PTS: 1 NAT: AACSB: Analytic TOP: Statutes

4. Discuss the rationale of *stare decisis*.

ANS:

Stare decisis means to “let the decision stand.”

Stare decisis is a judicial doctrine used for consistency in the litigation and prosecution processes. It helps to ensure that the laws are applied to all cases in an equivalent way. It helps the legal system to be more predictable.

PTS: 1

NAT: AACSB: Analytic

TOP: Stare Decisis

5. Discuss the differences between public and private law.

ANS:

Criminal versus civil penalties

Private enforcement versus public enforcement

Governmental enactment versus individual enactment

PTS: 1

NAT: AACSB: Analytic

TOP: Public Law | Private Law

6. Give an example of the type of law found at each level of government noted:
- U.S. Constitution
 - congressional enactments
 - state legislation
 - federal administrative regulations

ANS:

U.S. Constitution: Bill of rights protections like First Amendment; structure of government

Congressional: Antitrust statutes

Securities laws

Internal Revenue Code

State legs: Uniform Commercial Code

Uniform Partnership Act

Corporations laws

Federal regs:

IRS regs

Truth-in-lending regs

Securities regs

PTS: 1

NAT: AACSB: Analytic

TOP: Types of Laws

7. Name three types of business arrangements governed, at least in part, by private law.

ANS:

Leases; employment contracts; consulting contracts; sales contracts; workplace rules (student answers may vary)

PTS: 1

NAT: AACSB: Analytic

TOP: Private Law

8. Draw the pyramid of laws and label each level of the pyramid with the appropriate source of law.

ANS:

The students should reproduce the pyramid figure from chapter one with the sources of law from bottom to top being: constitution; federal legislative enactments; federal agency regulations; state constitutions; state legislative enactments; state agency regulations; county, city and borough laws; private laws; and the pyramid is surrounded by case law; all statutes are subject to interpretation.

PTS: 1

NAT: AACSB: Analytic

TOP: Sources of Law

9. Give the source of statutory law for each of the following topics:
- Uniform Revised Limited Partnership Act
 - 1933 Securities Act
 - law requiring bikes on public streets to be licensed
 - no taking of property without just compensation
 - establishment of the House of Representatives

ANS:

- state law
- federal law
- ordinance
- constitution
- constitution

PTS: 1

NAT: AACSB: Analytic

TOP: Statutory Law

10. For each of the following actions, describe the sources of law the individuals should consult:
- obtaining a bicycle license
 - incorporating a company
 - determining how many feet of set back are required for residential construction
 - selling securities on a national exchange

ANS:

- ordinances
- state law
- ordinances
- federal statutory law - U.S.C. and SEC regulations, C.F.R.

PTS: 1

NAT: AACSB: Analytic

TOP: Sources of Law

11. Following the 1999 tragedy at Columbine High School in Littleton, Colorado, when 13 students were killed by two of their armed classmates there was discussion of Second Amendment rights and gun control regulations were passed by Congress. What sources of law were part of the discussions and legislation?

ANS:

Second Amendment is part of U.S. Constitution and Congress passed laws that became part of U.S.C.

PTS: 1

NAT: AACSB: Analytic

TOP: Sources of Law

12. Discuss the issues of interpretation in the *Sony* and *Napster* cases.

ANS:

The issues of interpretation are whether the copyright protection extends to different technological uses of copyrighted material and whether individual use of copyrighted materials constituted fair use when that individual use was so wide spread. The cases are both ones that involve questions that would never have arisen had there not been new forms of technology.

PTS: 1

NAT: AACSB: Analytic

TOP: Civil Law

13. Give an example of an executive order.

ANS:

The book gives several examples such as executive branch agencies being required to first try alternative dispute resolution, the "gag rule" on abortion counseling, ban on federal funds for abortion, the classification of executive branch documents and the use of minority workers in federal contracting. Others that are topical and in the news include the use of federal funds for stem-cell research and the declaration of national preserves.

PTS: 1

NAT: AACSB: Analytic

TOP: Types of Laws

14. Why are legal remedies not always adequate? What advantages do equitable remedies provide?

ANS:

Legal remedies are typically monetary damages only. While money is valuable to everyone, sometimes a breach of contract causes damage that can only be undone by specific performance. For example, when a contract for the sale of a piece of land is breached, money may not replace the lost opportunities. Also, there are situations where an equitable remedy of a court ordered injunction is the only way to prevent harm. For example, if someone is illegally using another's trademark symbol, monetary damages are not adequate to correct this damage. The courts will typically issue an order for the infringer to stop the illegal activity.

PTS: 1

NAT: AACSB: Analytic

TOP: Equity

15. List the four basic theories of law (jurisprudence) in the order that you think they apply to the federal system of government in the United States (from greatest impact to least). Justify your order.

ANS:

Student answers may vary. As long as the justification is reasonable, consider accepting any order. One suggested order with justification is as follows:

1. Greatest impact: Positive Law (Power Theory), because most of our law is either passed by the elected officials as statutory law or common law that comes out of the judicial system. In either case, it is determined by people in authority.
2. Justice Theory: Many individuals in the United States value freedom and equal opportunity above almost everything else. This idea is bedrock to the American identity.
3. Order Theory: many laws are justified based on the outcome. For example, we have speed limit laws primarily to keep motorists moving safely and in an orderly fashion.
4. Natural Law: While most Americans recognize certain universal values such as bravery, truth, and justice, the government is more impacted by ensuring equality and tolerance than in abiding by the standards of a higher power. Many individuals in the United States adhere to these standards personally, but the government itself strives to be neutral in these beliefs.

PTS: 1

NAT: AACSB: Analytic

TOP: Types of Laws

16. Discuss uniform laws such as the Uniform Commercial Code, how they are developed and what impact they have on the law of the United States.

ANS:

Some of the laws passed by the states are **uniform laws**, which are drafted by groups of businesspeople, scholars, and lawyers in an effort to make interstate business less complicated. For example, the **Uniform Commercial Code (UCC)**, which has been adopted in 49 states, governs contracts for the sale of goods, commercial paper, security interests, and other types of commercial transactions. Having this uniform law in the various states gives businesses the opportunity to deal across state lines with some certainty. Other uniform acts passed by many state legislatures include the Uniform Partnership Act (Revised), the Uniform Residential Landlord Tenant Act, the Model Business Corporation Act, and the Uniform Probate Code.

PTS: 1

NAT: AACSB: Analytic

TOP: Equity