|  |
| --- |
| True / False |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. There is really no reason to be acquainted with business laws and government regulations, except to pass this test.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Introduction | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Risk Analysis | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2. Law consists of enforceable rules governing relationships among individuals and between individuals and their society.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Introduction | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 3. Laws and government regulations affect almost all business activities.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Business Activities and the Legal Environment | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4. Many different laws may apply to a single business transaction.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Business Activities and the Legal Environment | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 5. Businesspersons are expected to make decisions that are ethically sound.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Business Activities and the Legal Environment | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 6. Being a small-business owner means that you will never have to take on the role of finance manager, marketing manager or accountant.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Business Activities and the Legal Environment | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 7. State laws are the supreme law of the United States.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. The federal government and the states have the same constitution.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. A state law that conflicts with the U.S. Constitution will be deemed unconstitutional.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10. State constitutions are supreme within their respective borders.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 11. Statutory law includes state statutes and ordinances passed by cities and counties.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 12. Whether financial statements created by an accountant need to be verified for accuracy is *not* a legal question.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 13. There are legal questions involved when considering ways to raise capital so a business can grow.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14. There are legal questions involved when choosing an appropriate business organizational form.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. A small business owner is likely to face legal questions when determining ways to reduce his small business’s taxes.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. Statutes are laws enacted by Congress and the state legislatures and comprise one of the sources of American law.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 17. Administrative law is a source of American law that is comprised of statutes.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18. Uniform laws apply in all states, including those in which the laws have not been adopted.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 19. The American Law Institute was the only organization involved in developing the Uniform Commercial Code.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 20. No state has adopted the Uniform Commercial Code.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 21. Administrative law consists of the rules, orders, and decisions of administrative agencies.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 22. Administrative law includes only state regulations.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. Common law is the same as statutory law.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 24. *Stare decisis* is a doctrine obligating judges to help persons who have failed to protect their own rights.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 25. *Stare decisis* is a doctrine obligating judges to follow the precedents established within their jurisdictions.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 26. *Common law* is a term for the laws that are familiar to most of us.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27. A court may depart from a precedent if the precedent is no longer valid.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 28. In order to truly understand our legal system, it is important to understand the origins of the common law tradition.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Risk Analysis | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 29. Money or property, including land, are remedies at law.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30. Equity is a branch of law, founded in justice and fair dealing, that seeks to supply a remedy when no adequate remedy at law is available.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. The basis for the U.S. legal system is the natural law school.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG - Analytic - Business knowledge and analytic skills | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 32. Criminal law focuses on duties that exist between persons.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 33. Criminal acts are prohibited only by federal government statutes.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. Government authorities cannot enforce *national* law   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. International law is the law of a foreign nation and varies from country to country.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Diversity | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |
| --- |
| Multiple Choice |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 36. Data Analytics, Inc., is a corporation engaged in the business of compiling, analyzing, and marketing data. To accomplish its purposes, Data Analytics obtains financing, and hires and fires employees. Laws and government regulations affect such business activities as   |  |  |  | | --- | --- | --- | |  | a. | hiring and firing decisions. | |  | b. | the manufacturing and marketing of products. | |  | c. | business financing. | |  | d. | all of the choices. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Business Activities and the Legal Environment | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 37. Congress enacts a statute, the Federal Deposit Insurance Corporation (an administrative agency) issues rules, the Southeast Financial Institutions Association (a private organizations) issues instructions, South Valley Bank posts a memo with orders for its employees, and Tina tells her co-worker about a recent news story. Sources of law include   |  |  |  | | --- | --- | --- | |  | a. | the instructions issued by private associations. | |  | b. | the orders posted by employers. | |  | c. | the rules issued by federal administrative agencies. | |  | d. | the stories released by news agencies. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 38. Under Ohio’s state constitution, the Ohio Environmental Protection Agency issues a new rule, the Polk County Commission approves a new property tax measure, and the professors and students at Ohio Law School publish the results of their most recent legal research. Sources of law do *not* include   |  |  |  | | --- | --- | --- | |  | a. | the measures approved by local governing bodies. | |  | b. | the results of legal scholars’ research. | |  | c. | the rules issued by state administrative agencies. | |  | d. | the states’ constitutions. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. A provision in the California state constitution conflicts with a provision in the U.S. Constitution. If challenged   |  |  |  | | --- | --- | --- | |  | a. | neither provision will be enforced. | |  | b. | the provisions will be balanced to reach a compromise. | |  | c. | the state provision, not the U.S. Constitution, will be enforced. | |  | d. | the U.S. Constitution, not the state provision, will be enforced. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. The Tenth Amendment to the U.S. Constitution   |  |  |  | | --- | --- | --- | |  | a. | reserves to the states all powers not granted to the federal government. | |  | b. | reserves to the federal government all powers not granted to the states. | |  | c. | requires each state in the union to have its own constitution. | |  | d. | does not exist. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Comprehension | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. The Pennsylvania legislature enacts a state law that violates the U.S. Constitution. This law can be enforced by   |  |  |  | | --- | --- | --- | |  | a. | no one. | |  | b. | the federal government only. | |  | c. | the state of Pennsylvania only. | |  | d. | the United States Supreme Court only. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. Smithy Saddlery is a saddle shop subject to the laws of New York. In New York, the highest-ranking (superior) law is   |  |  |  | | --- | --- | --- | |  | a. | a case decided by the New York Court of Appeals. | |  | b. | a rule created by a New York state administrative agency. | |  | c. | a provision in the New York constitution. | |  | d. | a statute enacted by the New York legislature. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. The Uniform Commercial Code has been adopted, at least in part, in   |  |  |  | | --- | --- | --- | |  | a. | all states. | |  | b. | forty-five states. | |  | c. | thirty-five states. | |  | d. | no state. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Comprehension | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 44. The Bay City Planning Department, the Coastal County Zoning Commission, the Delaware Environmental Quality Agency, and the U.S. Bureau of Land Management issue regulations. These rules constitute   |  |  |  | | --- | --- | --- | |  | a. | administrative law. | |  | b. | case law. | |  | c. | *stare decisis*. | |  | d. | statutory law. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. Much of American law is based on   |  |  |  | | --- | --- | --- | |  | a. | the English legal system. | |  | b. | the Spanish legal system. | |  | c. | the civil law of the Greeks. | |  | d. | Ancient Chinese law. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Comprehension | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 46. The best definition of a *precedent* is   |  |  |  | | --- | --- | --- | |  | a. | a law developed from custom. | |  | b. | a judicial proceeding for the determination of a dispute between parties in which rights are enforced or protected. | |  | c. | a proceeding by one person against another in court. | |  | d. | a court decision that furnishes an example or authority for deciding subsequent cases involving identical or similar facts. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 47. As a judge, Bonnie applies common law rules. These rules develop from   |  |  |  | | --- | --- | --- | |  | a. | administrative regulations. | |  | b. | court decisions. | |  | c. | federal and state statutes. | |  | d. | proposed uniform laws. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. Owen is a federal judge whose judicial decisions are part of case law, which does *not* include interpretations of   |  |  |  | | --- | --- | --- | |  | a. | other case law. | |  | b. | constitutional provisions. | |  | c. | statutes. | |  | d. | sound bites in the media. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 49. Karen is a judge hearing the case of *Local Dispatch Co. v. National Transport Corp.* Applying the relevant rule of law to the facts of the case requires Karen to find previously decided cases that, in relation to the case under consideration, are   |  |  |  | | --- | --- | --- | |  | a. | as different as possible. | |  | b. | as similar as possible. | |  | c. | at odds. | |  | d. | exactly identical. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. In the case of *Retail Sales Corp. v. Trucking Delivery Co.*, the court may rule contrary to a precedent if the court decides that the precedent   |  |  |  | | --- | --- | --- | |  | a. | is incorrect or inapplicable. | |  | b. | is not in line with the judge’s personal values. | |  | c. | would lead to unintended consequences. | |  | d. | would not bring about the result the judge prefers. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. There are no precedents on which the court deciding the case *Financial Investment Co. v. Goodhands Insurance, Inc.,* can base its decision. The court may consider   |  |  |  | | --- | --- | --- | |  | a. | issuing an order according to the judge’s personal values. | |  | b. | refusing to decide the case. | |  | c. | postponing a decision until a precedent is available. | |  | d. | basing a decision on public policy or social customs and values. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 52. In *Benny v. City Car Dealership*, a state supreme court held that a minor could cancel a con-tract for the sale of a car. Now a trial court in the same state is deciding *Daphne v. Even Steven Auto Deals, Inc.*, a case with similar facts. Under the doctrine of *stare decisis*, the trial court is likely to   |  |  |  | | --- | --- | --- | |  | a. | allow the minor to cancel the contract. | |  | b. | disregard the *Benny* case. | |  | c. | order the minor to cancel the contract. | |  | d. | require the minor to fulfill the contract. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 53. Judge Julia decides that the precedent for the case she is hearing is no longer correct due to technological changes. She overturns the precedent when she decides the case. It is most likely that her case will   |  |  |  | | --- | --- | --- | |  | a. | go unnoticed by the public. | |  | b. | be thrown out of court. | |  | c. | receive a great deal of publicity. | |  | d. | be ignored by the media. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 54. In an action against the sate of Idaho, Jaime obtains a *remedy.* This is   |  |  |  | | --- | --- | --- | |  | a. | the relief given to an innocent party to enforce a right or to prevent or compensate for the violation of a right. | |  | b. | medication paid for by the government. | |  | c. | a right guaranteed by the Bill of Rights. | |  | d. | a situation or state of facts that gives a person a right to initiate a judicial proceeding. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 55. Starlight Café brings a suit, seeking a remedy at law. A *remedy at law* is   |  |  |  | | --- | --- | --- | |  | a. | the payment of money or property as compensation for damages. | |  | b. | a decree of specific performance. | |  | c. | a judicial proceeding for the resolution of a dispute. | |  | d. | an injunction. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 56. In a suit against Knut, Leon obtains an injunction*.* This 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. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 57. Eliza is a state court judge. Flora appears in a case in Eliza’s court, claim-ing that Glover breached a contract. Which of the following actions may Eliza take?   |  |  |  | | --- | --- | --- | |  | a. | Award damages or issue a decree of specific performance | |  | b. | Imprison Glover, but not Flora | |  | c. | Imprison Flora, but not Glover | |  | d. | Order the parties to pay Eliza to render a favorable ruling |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. Leona enters into a contract with Munchie Bakery to cater a sales conference. When the conference is postponed indefinitely, Leona asks a court to cancel the contract and return the parties to the positions that they held before its formation. This request involves   |  |  |  | | --- | --- | --- | |  | a. | specific performance. | |  | b. | an injunction. | |  | c. | rescission. | |  | d. | an action that the court cannot order. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Decision Modeling | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 59. Maggie and Nate enter into a contract for the sale of a car, but Nate later refuses to deliver the car. Maggie asks a court to order Nate to perform as promised. Ordering a party to perform what was promised is   |  |  |  | | --- | --- | --- | |  | a. | specific performance. | |  | b. | damages. | |  | c. | rescission. | |  | d. | beyond the court’s authority. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. Chelsea is a state court judge. Like judges in most state courts, in a particular case, she may grant   |  |  |  | | --- | --- | --- | |  | a. | a remedy at law only. | |  | b. | a remedy in equity or a remedy at law, but not both. | |  | c. | a remedy in equity *and* a remedy at law. | |  | d. | a remedy in equity only. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. Jane enters into a contract with Jill to provide 100 roses for a dinner party. Jane fails to deliver the roses. Jill initiates a suit against Jane, asking the court to order Jane to deliver the roses. Jill is   |  |  |  | | --- | --- | --- | |  | a. | the plaintiff. | |  | b. | the defendant. | |  | c. | the binding authority. | |  | d. | the king's conscience. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 62. To Cody, the written law of a particular society at a particular time is most significant. Cody is a   |  |  |  | | --- | --- | --- | |  | a. | legal positivist. | |  | b. | legal rationalist. | |  | c. | legal realist. | |  | d. | person who adheres to the natural law school. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Critical Thinking | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 63. Beth is a victim of Carl’s violation of a criminal law. 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 public as a whole. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 64. *Civil law*   |  |  |  | | --- | --- | --- | |  | a. | defines, describes, regulates, and creates legal etiquette. | |  | b. | spells out the rights and duties that exist between persons and between persons and their governments. | |  | c. | establishes the methods of enforcing the rights established by criminal law. | |  | d. | has to do with the wrongs committed against society for which society demands redress. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPRBUSPROG: AnalyticOG: Analyt - BUSPROG: Analytic | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Knowledge | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 65. Japan violates an international law. Other countries may take coercive actions, which include   |  |  |  | | --- | --- | --- | |  | a. | violating the same law in the same way with impunity. | |  | b. | confiscating Japanese businesses. | |  | c. | boycotting Japanese goods. | |  | d. | taxing Japanese citizens. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Classifications of Law | | *LEARNING OBJECTIVES:* | LO - 5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Application | |

|  |
| --- |
| **Fact Pattern 1-1** The Texas Supreme Court decides the case of *Livewire Co. v. Power Corp.* Of nine justices, five believe the judgment should be in Livewire’s favor. Justice Bellamy, one of the five, writes a separate opinion. The four justices who believe the judgment should be in Power’s favor join in a third separate opinion.​ |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 66. Refer to Fact Pattern 1-1. These opinions are collected and published in volumes called   |  |  |  | | --- | --- | --- | |  | a. | citations. | |  | b. | codes. | |  | c. | regulations. | |  | d. | reporters. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Finding Case Law | | *LEARNING OBJECTIVES:* | LO - NA | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 67. Refer to Fact Pattern 1-1. Bellamy’s opinion is   |  |  |  | | --- | --- | --- | |  | a. | a concurring opinion. | |  | b. | a dissenting opinion. | |  | c. | a majority opinion. | |  | d. | a *per curiam* opinion. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Finding Case Law | | *LEARNING OBJECTIVES:* | LO - NA | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 68. Refer to Fact Pattern 1-1. The opinion joined by the four justices who favor Power is known as   |  |  |  | | --- | --- | --- | |  | a. | a concurring opinion. | |  | b. | a dissenting opinion. | |  | c. | a majority opinion. | |  | d. | a *per curiam* opinion. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Finding Case Law | | *LEARNING OBJECTIVES:* | LO - NA | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 69. Standard Business Company appeals a decision against it, in favor of Top Flight Corporation, from a lower court to a higher court. Standard is   |  |  |  | | --- | --- | --- | |  | a. | the appellant. | |  | b. | the appellee. | |  | c. | the defendant. | |  | d. | the plaintiff. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *REFERENCES:* | Reading and Understanding Case Law | | *LEARNING OBJECTIVES:* | LO - NA | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Research | | *KEYWORDS:* | Bloom's: Application | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 70. Mikkayla is a well-known professional athlete. Mikkayla Co. owns trademarks, including “mikkayla,” that it uses to sell merchandise. Norm owns photos of Mikkayla that he markets through his Web site, mikkaylapics.com. Under the principles discussed in “A Sample Court Case,” *Experience Hendrix, L.L.C. v. Hendrixlicensing.com Ltd.,* Norm’s domain name most likely   |  |  |  | | --- | --- | --- | |  | a. | constitutes nominative fair use of the “mikkayla” mark. | |  | b. | infringes the “mikkayla” mark. | |  | c. | is a legitimate description of Mikkayla Co.’s products. | |  | d. | is a legitimate reference to Mikkayla Co.’s products. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | Reading and Understanding Case Law | | *LEARNING OBJECTIVES:* | LO - NA | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Application | |

|  |
| --- |
| Essay |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 71. Americans with a Better Cause (ABC), a nonprofit organization, files a suit against the U.S. Department of Justice (DOJ), claiming that a certain federal statute the DOJ is empowered to enforce conflicts with the U.S. Constitution and with a state constitution. In each situation, which source of law has priority?   |  |  | | --- | --- | | *ANSWER:* | The U.S. Constitution is the supreme law of the land. A law in violation of the Constitution, no matter what its source, will be declared unconstitutional and will not be enforced. Thus, the federal statute does not have priority over the Constitution. The federal statute would have priority over the state constitution, however, because under the U.S. Constitution, when there is a conflict between a federal law and a state law, the state law is rendered invalid.. | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | Sources of American Law | | *LEARNING OBJECTIVES:* | LO - 1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Analysis | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 72. In a dispute between Cosmic Games Corporation and Mythic Engineering Associates, Inc., the court applies the doctrine of *stare decisis*. What is this doctrine?  What does this doctrine have to do with the American legal system?   |  |  | | --- | --- | | *ANSWER:* | In a common law legal system, past judicial decisions are binding in current disputes with similar facts.  This feature of the common law, which is the basis of the American legal system, is unique because, unlike the law in other legal systems, it is judge-made law.  Within the common law system, when possible, judges attempt to be consistent and to base their decisions on the principles suggested by earlier cases.  The body of principles and doctrines that form the common law emerged over time as judges applied the principles announced in earlier cases to subsequent legal controversies. The practice of deciding cases with reference to former decisions, or precedents—the cornerstone of the American legal system—is called the doctrine of stare decisis.  Under this doctrine, judges are obligated to follow the precedents established within their jurisdictions.  This helps courts to be more efficient, and makes the law more stable and predictable. | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | The Common Law Tradition | | *LEARNING OBJECTIVES:* | LO - 3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective | | *LOCAL STANDARDS:* | United States - OH - Default City - AICPA Legal | | *KEYWORDS:* | Bloom's: Analysis | |