***Essentials of Business Law, 10e* (Liuzzo)**

**Chapter 1 Our System of Law**

1) It is not necessary for the average person to understand some of the general principles of law, how to avoid common problem and pitfalls, and know when to seek professional help.

2) Unlike the federal constitution, whose rights applied in all states, a specific state constitution provides safeguards for the rights of individuals only within a particular state.

3) Court decisions are not recorded in writing because lawyers and judges do not refer to past court decisions when preparing or hearing a case.

4) The laws enacted by local government, such as a city council, are often known as statutes.

5) Administrative law is the body of rules, regulations, and decisions created by administrative agencies.

6) Administrative agencies have the authority to establish rules that have the force of law.

7) An example of a federal administrative agency is the National Labor Relations Board.

8) The Uniform Commercial Code has been adopted in its entirety by all 50 states.

9) The State of Louisiana had earlier been a French territory, and therefore, has greatly been influenced by the French civil laws.

10) The Uniform Commercial Code is a set of laws governing various commercial transactions that are designed to bring uniformity to the laws of the different states.

11) Many legal obligations are based on moral obligations, but not all moral obligations are legally enforceable.

12) A court has no jurisdiction if it has the authority to hear appeals from other courts.

13) Federal district courts do not have original jurisdiction to hear all appeals from state trial courts.

14) There are 50 federal circuit courts of appeals, one circuit for each state.

15) The person against whom a lawsuit is brought or who is charged with a violation of the law is called a \_\_\_\_\_\_\_\_.

A) incorporator

B) plaintiff

C) defendant

D) decree holder

16) The person who brings a lawsuit is called a \_\_\_\_\_\_\_\_.

A) defendant

B) plaintiff

C) judgement debtor

D) decree holder

17) State laws require that barbers and pharmacists pass examinations to be \_\_\_\_\_\_\_\_.

A) licensed to practice in their profession

B) corporate officers

C) immune from lawsuits

D) enrolled in the Bar Council

18) Every business must comply with \_\_\_\_\_\_\_\_ laws.

A) federal

B) state

C) local

D) all of above

19) The principles and ideals that protect individual liberty and freedom are incorporated in the \_\_\_\_\_\_\_\_.

A) U.S. Executive Order No. 1579

B) operating agreement of a typical limited liability company (LLC)

C) memorandum of articles of a typical corporation

D) Constitution of the United States

20) In the United States, the federal Constitution gives \_\_\_\_\_\_\_\_.

A) unlimited powers exclusively to the federal government

B) unlimited powers to both the federal and state governments

C) reasonable powers exclusively to state governments

D) limited, reasonable powers to the federal government

21) The practice of relying on previous decisions is known as \_\_\_\_\_\_\_\_.

A) stare decisis

B) res judicata

C) obiter dicta

D) habeas corpus

22) The literal translation of "*stare decisis*" would mean \_\_\_\_\_\_\_\_.

A) "to stand on decided cases"

B) "to send a summons"

C) "to postpone a hearing without a date"

D) "during the pendency of a proceeding"

23) Decisions made by the U.S. Supreme Court must \_\_\_\_\_\_\_\_ by other courts.

A) be ignored

B) not be cited

C) be followed

D) be reviewed

24) A court decision upon which courts later rely in similar cases is known as a(n) \_\_\_\_\_\_\_\_.

A) injunction

B) precedent

C) arbitration

D) statutory review

25) The laws passed by Congress and by state legislatures are called \_\_\_\_\_\_\_\_.

A) ordinances

B) executive orders

C) statutes

D) notices

26) A law that is passed by a local government, such as a city council, is often called a(n) \_\_\_\_\_\_\_\_.

A) ratio decidendi

B) statute

C) regulation

D) ordinance

27) Statutes are different from ordinances because statutes are enacted by \_\_\_\_\_\_\_\_ instead of local councils or municipalities.

A) state and federal legislatures

B) the US Supreme Court

C) state courts

D) federal agencies

28) The Uniform Commercial Code was \_\_\_\_\_\_\_\_.

A) enacted in 1962 by Congress to create a uniform federal law for commercial transactions in the United States

B) created in 1952 by the National Conference of Commissioners to aid states as they drafted laws regarding commercial transactions

C) adopted by all 50 states in 1943 to create a cohesive understanding of commercial transactions in the United States

D) a part of federal common law and was created in 1976 in a decision of the U.S. Supreme Court

29) The regulation of acts against the public (society) is classified as what area of law?

A) Civil law

B) Criminal law

C) Real property law

D) Contract law

30) The law concerned with the unenforceable obligations that people have to one another is known as \_\_\_\_\_\_\_\_.

A) international law

B) rural law

C) moral law

D) constitutional law

31) The enforcement of any and all moral obligations results from \_\_\_\_\_\_\_\_.

A) actions by federal or state agencies

B) actions by state courts

C) actions by federal courts

D) the effect on a person's conscience

32) Most legal scholars agree that today's laws provide adequate protection of the \_\_\_\_\_\_\_\_ of the individual.

A) obligations

B) responsibility

C) duties

D) rights

33) The authority or power of a court to hear cases, as granted by a constitution or legislative act, is known as the court's \_\_\_\_\_\_\_\_.

A) incorporation

B) ratio decidendi

C) jurisdiction

D) venue

34) Courts that are given the power to hear only certain kinds of cases have \_\_\_\_\_\_\_\_ jurisdiction.

A) remand

B) special

C) pecuniary

D) appellate

35) The U.S. Supreme Court hears \_\_\_\_\_\_\_\_.

A) all appeals directly from the federal trial courts

B) all appeals directly from the state trial courts

C) a large percentage of appeals from both the federal and state appellate courts

D) a small percentage of appeals from both the federal and state appellate courts

36) The federal district courts have original jurisdiction in cases involving \_\_\_\_\_\_\_\_.

A) criminal matters arising out of state statute

B) probate matters arising out of state statute

C) cases in which state law conflicts with county ordinances

D) federal questions arising out of federal statute

37) Appeals of the decisions of federal administrative agencies are made to the \_\_\_\_\_\_\_\_.

A) U.S. Supreme Court

B) US Bankruptcy Court

C) U.S. District Courts

D) U.S. Circuit Courts of Appeals

38) Describe the parties in a civil case.

39) Explain what the term precedent means and how it is followed by courts in the United States.

40) What is the name of the uniform law that has attempted to create uniformity in state laws dealing with business and commercial transactions?

41) What classification of law deals with the conduct of government agencies and enforcement of their regulations?

42) Write a brief explanation of the federal court system.

43) In what court would a case involving an appeal of a decision made by the Federal Trade Commission be tried?