

# Test Bank For

Business Law Text & Exercises, 10th Edition by Roger LeRoy Miller

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## Chapter 1-36 **Answers are at the End of Each Chapter**

### chapter 1

*Indicate whether the statement is true or false.*

1. Typically, in a civil case, a private party sues another private party who has failed to comply with a duty.
  - a. True
  - b. False
  
2. The basis of a civil law system is a written code of laws.
  - a. True
  - b. False
  
  
  
  
  
  
  
3. The legal rules that control the actions of a business, reflect past and current thinking about how similar businesses should and should not act.
  - a. True
  - b. False
  
  
  
  
4. Because courts of law and equity have merged, there is no distinction between the two any longer.
  - a. True
  - b. False
  
  
  
  
5. Only if a state legislature passes a statute, does that law become part of the relevant state code of laws.
  - a. True
  - b. False
  
  
  
  
6. A federal statute applies to all states.
  - a. True
  - b. False
  
  
  
  
7. Under the doctrine of *stare decisis*, judges are encouraged to follow the precedents established within their jurisdictions.
  - a. True
  - b. False
  
  
  
  
8. Federal, state, and local governments may establish an administrative agency to perform a specific function.
  - a. True
  - b. False

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9. The U.S. Constitution is the basis of all law in the United States.

- a. True
- b. False

10. In the United States, the law consists of written laws and court decisions.

- a. True
- b. False

11. An administrative legislative rule is *not* legally binding on businesses.

- a. True
- b. False

12. There is one right answer to every legal question.

- a. True
- b. False

13. A constitution is a primary source of law.

- a. True
- b. False

14. All laws establish rights, duties, and privileges that are consistent with the values and beliefs of a society or its ruling group.

- a. True
- b. False

15. Independent regulatory agencies are *not* subject to the authority of the President.

- a. True
- b. False

16. A local ordinance commonly has to do with a matter concerning only a local governing unit.

- a. True
- b. False

17. In the IRAC method of case-briefing, the A stands for analysis.

- a. True
- b. False

18. In a criminal case, the object is to obtain a remedy.

- a. True
- b. False

19. Controlling precedents are binding authorities.

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- a. True
- b. False

20. Rules issued by administrative agencies affect almost every aspect of the operations of a business.

- a. True
- b. False

21. Civil law has to do with wrongs committed against society for which society demands redress.

- a. True
- b. False

22. A court might look at fairness, social values and customs, and public policy in deciding a case if there is no precedent.

- a. True
- b. False

23. Federal agency regulations take precedence over conflicting state regulations.

- a. True
- b. False

24. The Administrative Procedure Act (APA) imposes strict procedural requirements that agencies must follow in legislative rulemaking and other functions.

- a. True
- b. False

25. Case law governs all areas of business not covered by statutory or administrative law.

- a. True
- b. False

26. A citation is a regulation enacted by a city or county legislative body.

- a. True
- b. False

27. A secondary source of law is one that clarifies a source of primary law.

- a. True
- b. False

28. International law derives from a variety of sources, including the laws of individual nations.

- a. True
- b. False

29. The UCC is a uniform law that most states have adopted to govern commercial transactions.

- a. True

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b. False

30. The study of business law does *not* involve an ethical dimension.

a. True

b. False

31. A statute is a secondary source of law.

a. True

b. False

32. Legal encyclopedias, law review articles, and treatises are sources of primary law.

a. True

b. False

33. Even if it conflicts with the U.S. Constitution, a state constitution is supreme within the borders of that state.

a. True

b. False

34. Common law is a body of law developed from judge's decisions in legal controversies.

a. True

b. False

35. Courts will *not* grant an equitable remedy unless the remedy at law is adequate.

a. True

b. False

36. Compartmentalizing the law into discrete topics indicates that each business transaction is subject to only one specific area of the law.

a. True

b. False

37. If an agency fails to follow the rulemaking procedures imposed by the Administrative Act, the resulting rule may *not* be binding.

a. True

b. False

*Indicate the answer choice that best completes the statement or answers the question.*

38. Applying the relevant rule of law to the facts of a case requires a judge to find previously decided cases that, in relation to the case under consideration, are

a. as different as possible.

b. as similar as possible.