

Business Law

- 1) The ___ is the person who authorizes another in an agency relationship.
- a. agent
 - b. employee
 - c. principal
 - d. legal representative

Competency: Agency and employment laws

- 2) A disadvantage of corporations is:
- a. taxation
 - b. professional management
 - c. perpetual life
 - d. the potential for greater amount of capital

Competency: Business organization

- 3) ___ is the act of taking work created by someone else from the Internet and using it as one's own.
- a. Plagiarizing
 - b. Downloading
 - c. Phishing
 - d. Spamming

Competency: Computer law

- 4) Which of the following is **not** given in mutual consideration?
- a. a promise
 - b. an act
 - c. forbearance
 - d. a gift

Competency: Contracts and sales

- 5) Which of the following is **not** one of the major requirements for a contract?
- a. capacity
 - b. time
 - c. genuine agreement
 - d. consideration

Competency: Contracts and sales

- 6) In a COD transaction, what right does the buyer lose?
- a. the right of ownership and risk of loss
 - b. the right to pay for the goods
 - c. the right to inspect the goods before payment
 - d. the right to return damaged goods

Competency: Domestic and personal law

- 7) ____ takes place when a couple has been living together and sharing common property for an extended period of time.
- a. Prenuptial agreement
 - b. Common-law marriage
 - c. Marital partnership
 - d. Annulment

Competency: Consumer protection/Personal liability

- 8) ____ is based on the current standards or customs of the people.
- a. Common law
 - b. Code of ethics
 - c. Civil law
 - d. Commercial law

Competency: Legal system

9) ____ are used when conducting international business to make sure that money is available and will be received for the completed transaction.

- a. Letters of credit
- b. Promissory notes
- c. Demand drafts
- d. Money orders

Competency: Negotiable instruments, insurance, secured transactions, bankruptcy

10) A patent:

- a. is good for up to 30 years
- b. can be transferred to another person
- c. protects intellectual property
- d. is granted for a trade secret

Competency: Property laws

ANSWER KEY

- 1. C
- 2. A
- 3. A
- 4. D
- 5. B
- 6. C
- 7. B
- 8. A
- 9. A
- 10. B