BUSINESS LAW

1. Suzette was a financial planner with Star Financial. Suzette decided to do some financial planning on the side in the evenings and on weekends. Star Financial is unaware of Suzette's after-hour work. Which statement is correct?
   a. Suzette has not breached a fiduciary duty to Star Financial since Suzette has contractual relationship with her clients, not her employer.
   b. Suzette has not breached fiduciary duty to Star Financial since her behavior does not reflect badly on the finance firm.
   c. Suzette has not breached a fiduciary duty to Star Financial since her consulting is done after her work for Star Financial.
   d. Suzette has breached a fiduciary duty to Star Financial since she is competing with Star Financial.

2. By accepting nonconforming goods, a buyer normally:
   a. gives up any possibility of later revoking the acceptance
   b. waives all remedies against the seller for the nonconformity
   c. is obligated to pay for the goods
   d. all the answers are correct

3. If an agency agreement does not specify a set date, a set period, or a set occurrence that will terminate the relationship, that relationship is best described as a(n):
   a. illusory agency
   b. constructive trust
   c. agency at will
   d. resulting agency

4. If a buyer and seller agree to a contract for the sale of goods amounting to $400, which modifications must be in writing in order to be enforceable?
   a. all modifications
   b. any modification increasing the price by $100 or more
   c. any modification increasing the price by $500 or more
   d. No modification to such a contract needs to be in writing since the original contract does not need to be in writing.

5. Mark files a petition for a discharge in bankruptcy. Mark's failure to appear at a meeting of the creditors listed in mark's schedules may result in Mark being:
   a. held in contempt
   b. imprisoned
   c. denied a discharge of bankruptcy
   d. fined

6. Paula agrees to pay a debt to Friendly Credit Company, otherwise dischargeable in bankruptcy. This is:
   a. a justification
   b. an exemption
   c. a reaffirmation
   d. an asset
7. Voided preferences to someone who is **not** an insider can be set aside if made up to how long before the bankruptcy petition was filed?
   a. 6 months
   b. 120 days
   c. 90 days
   d. 1 year

8. To force an involuntary Chapter 7 in a situation where there are 12 unsecured creditors, the number of creditors necessary to file would be:
   a. all 12
   b. three creditors
   c. seven or more creditors
   d. one creditor

9. Larry offers to sell his car to Moe for $10,000. Moe responds that he will pay $9,000 for the car. Larry refuses Moe's $9,000 offer. Moe then says that he will pay the $10,000. There is:
   a. a contract for $9,000
   b. no contract due to a revocation by the offeror
   c. a contract for $10,000
   d. no contract because there is no offer to accept

10. Fran pays Great Electronics $1,600 for a new computer. For purposes of the UCC, this is:
    a. a gift
    b. a sale
    c. a gift, a lease, and a sale
    d. a lease
Business Law Answer Key

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