Sample Exam Questions, Business Law

These are the type of questions that have appeared on my exams in the past. Note that I am making no suggestion or warranty that any of these actual questions, or similar questions, will (or will not) appear on the actual exam. These are merely offered to you to see what my test questions look like, that is, the form of the questions, not as a hint or guide to what topics you should study (notice there are questions relating to material we have not yet covered – you are of course not responsible for those questions). In other words, you are responsible for all the material covered, not just the topics below. The answers are at the end. If you don’t understand a certain answer, please check the book or your notes before e-mailing me.

1. State legislatures sometimes come together to draft “uniform acts” to promote uniformity on certain subjects.

2. Which of the following is true regarding equity?
   A) Today, most states have abolished separate equity courts.
   B) The typical equitably remedy is money damages.
   C) The rules of equity are very precise and technical.
   D) Equitable principles defeat inconsistent statutes.

3. Which of the following types of law is made by a legislature?
   A) Administrative regulations.
   B) Executive orders.
   C) Statutes.
   D) Two of the above.

4. A state statute defeats an inconsistent federal administrative regulation in case of a conflict between them.

5. A state homicide statute is an example of a substantive law.

6. For federal district court diversity jurisdiction to exist, the amount in controversy must exceed $75,000.

7. In rem jurisdiction is based on the fact that property of the defendant is located within the state.

8. Interrogatories are a form of discovery requiring a party to file written answers to questions submitted to him.

9. Which of the following motions is made at trial and, if successful, essentially “takes the case away from the jury” and gives a judgment to one party?
   A) The motion to dismiss
   B) The motion for a new trial
   C) The motion for summary judgment
   D) The motion for a directed verdict
10. Depositions are:
   A) Written questions directed to a party, answered in writing, and signed under oath
   B) Documentary evidence introduced at trial.
   C) Oral examinations of a party or a party's witness by the opposing party's attorney
   D) Written statements made during arbitration

11. Although it is a criminal statute, the RICO statute also allows civil actions in which private plaintiffs may recover treble damages.

12. The warnings required by the Supreme Court in the *Miranda* decision were designed to further Fourth and Eighth Amendment protections.

13. Corporations may be held criminally liable even in the absence of proof that high corporate officers ordered or acquiesced in the offense charged.

14. The Sixth Amendment does not guarantee a criminal defendant:
   A) the right to a trial by an impartial jury.
   B) the right not to be subjected to unreasonable searches and seizures.
   C) the right to confront and cross-examine witnesses against him.
   D) the right to a speedy trial.

15. Which of the following is an accurate statement about the Fifth Amendment?
   A) It would allow a Bogus, Inc. officer who has custody of Bogus records to resist a subpoena demanding production of those records if the contents of the records could incriminate that officer personally.
   B) It would prevent a sole proprietor from being compelled to produce her business records if the act of producing such records was not testimonial in nature.
   C) It may be asserted by a corporation, partnership, or other collective entity on the same basis that an individual human being could assert it.
   D) It does not protect "required records" from being subpoenaed and used against the recordkeeper in criminal prosecutions.

16. While driving his new four-wheel drive vehicle at a high speed through a muddy field at the county fair, Joe runs into Susan. Joe wasn't trying to hit anyone and wasn't substantially certain that this would happen either. Rather, he was just having a good time. Of course, Joe knew and had to know that this behavior carried with it a high risk of harm to someone. Joe's behavior is best described as reckless.

17. Defamation liability requires publication of the defamatory statement to an appreciable number of people.

18. In order to be liable for conversion, the defendant must know that the property rightfully belongs to someone else.
19. Doris locks Phil in a first floor room. Phil sues Doris for false imprisonment. Which of the following is true?
A) Doris would escape liability if she let Phil out of the room after one hour.
B) According to some courts, Doris would escape liability if Phil slept through the entire period that the door was locked and thus was unaware that he was being detained.
C) Even if Phil could easily have escaped through an open window, Doris still is liable.
D) Doris would not be liable if Phil could have escaped by traveling two miles through a narrow, filthy, rat-infested sewer line that periodically floods with water.

20. Store owners' “conditional privilege” defense against intentional tort claims brought by detained shoplifting suspects, recognized by most states, usually
A) requires only that the store owner acted with reasonable cause in detaining the suspect.
B) requires only that the store owner detains the suspect for a reasonable length of time.
C) extends only to false imprisonment claims.
D) requires that the store owner act with probable cause, in a reasonable manner, and detain the suspect for only a reasonable length of time.

21. Proximate causation presupposes the existence of actual or but-for causation; you can't have the former without the latter.

22. One of the factors courts consider when determining the reasonableness of the risk created by the defendant is the “social utility” of the defendant's conduct.

23. Negligence defendants are never liable for the consequences of an unforeseeable intervening cause.

24. Which of the following essentially is a "defense" to the negligence defense called contributory negligence--that is, something that will knock out an otherwise-good contributory negligence defense?
A) Last Clear Chance
B) Res Ipsa Loquitur
C) Proximate Cause
D) The "Substantial Factor" Doctrine

25. Parsons, a pedestrian watching a construction project, sees that a metal beam being lifted by a crane is about to drop on some unsuspecting workers. Thus, he rushes to the scene to warn the workers. For his efforts, he is struck by the falling beam. He sues the construction company in negligence. Which of the following is true? Assume that the falling beam was caused by a breach of duty on the company's part.
A) Parsons will recover against the company.
B) Parsons will not recover, because it is not foreseeable that a pedestrian would run onto the scene of an accident such as this.
C) Parsons will not recover, because he knowingly and voluntarily assumed the risk of being struck by the beam.
D) b and c are both true.
Answer Key -- sample questions

1. False
2. A
3. C
4. False
5. True
6. True
7. True
8. True
9. D
10. C
11. True
12. False
13. True
14. B
15. D
16. True
17. False
18. False
19. B
20. D
21. True
22. True
23. False
24. A
25. A