

***Business Law, 9e (Cheeseman)***

**Chapter 1 Legal Environment of Business and Online Commerce**

1) \_\_\_\_\_ is that which must be obeyed and followed by citizens subject to sanctions or legal consequences.

- A) Morality
- B) Philosophy
- C) Law
- D) Religion

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.1 Define law.

AACSB: Analytical thinking

Classification: Concept

2) Law is described as \_\_\_\_\_.

- A) a body of rules of action or conduct prescribed by controlling authority, and having binding legal force
- B) a study of fundamental problems, such as those connected with existence, knowledge, and language
- C) a system that builds and organizes knowledge in the form of testable explanations and predictions
- D) a group of hypotheses employed to explain a phenomenon

Answer: A

Diff: 1

Skill: Legal Concepts

LO: 1.1 Define law.

AACSB: Analytical thinking

Classification: Concept

3) Businesses that are organized in the United States are subject to its laws, but not to the laws of other countries in which they do business.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.1 Define law.

AACSB: Analytical thinking

Classification: Concept

4) Which of the following would be considered an example of shaping moral standards, as seen as a function of the law?

- A) laws granting freedom of speech and religion
- B) laws discouraging drug and alcohol abuse
- C) laws providing rights to peaceful protest
- D) laws preventing overthrow of a government

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.2 Describe the functions of law.

AACSB: Analytical thinking

Classification: Concept

5) What function of the law is being served when passing laws that prohibit discrimination at workplaces?

- A) keeping the peace
- B) providing a basis for compromise
- C) maintaining the status quo
- D) promoting social justice

Answer: D

Diff: 2

Skill: Legal Concepts

LO: 1.2 Describe the functions of law.

AACSB: Analytical thinking

Classification: Concept

6) Halfren, a county in the state of Halizona, is extremely earthquake-prone. The governor of Halizona sets up a committee to study the effects of past earthquakes on Halfren and the possible methods that could be used to minimize damage and loss of life. The committee found that a new technique of using steel reinforcements in building columns would help reduce overall damages. The findings were put to a debate at the local town hall, where it was accepted by a majority of the residents of Halfren. The state government then passed a law making it mandatory to use the new steel-reinforced columns while constructing new buildings in Halfren. Which of the following functions of the law did the state government of Halizona exhibit in this case?

- A) promoting social justice
- B) maximizing individual freedom
- C) shaping moral standards
- D) facilitating orderly change

Answer: D

Diff: 2

Skill: Factual Application

LO: 1.2 Describe the functions of law.

AACSB: Application of knowledge

Classification: Application

7) What function of the law is being served when passing laws that protect the U.S. government from the risk of being forcefully overthrown?

- A) maintaining the status quo
- B) shaping moral standards
- C) facilitating orderly change
- D) promoting social justice

Answer: A

Diff: 2

Skill: Legal Concepts

LO: 1.2 Describe the functions of law.

AACSB: Analytical thinking

Classification: Concept

8) By allowing the U.S. citizens to practice any religion of their choice, what essential function of the law does the U.S. Constitution serve?

- A) facilitating orderly change
- B) maintaining the status quo
- C) maximizing individual freedom
- D) facilitating planning

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.2 Describe the functions of law.

AACSB: Analytical thinking

Classification: Concept

9) Mark Walton was involved in a car accident in which the airbag of his car failed to deploy. He sued the car manufacturer for installing faulty airbags. But in the course of the case being heard in court, the car company and Mark decided to settle the lawsuit out of court. What important function of the law was served in this case?

- A) promoting social justice
- B) maximizing individual freedom
- C) providing a basis for compromise
- D) maintaining the status quo

Answer: C

Diff: 2

Skill: Factual Application

LO: 1.2 Describe the functions of law.

AACSB: Application of knowledge

Classification: Application

10) Laws in the U.S. are not set to evolve with changes in social norms.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.2 Describe the functions of law.

AACSB: Analytical thinking

Classification: Concept

11) \_\_\_\_\_ consists of investigating, analyzing, evaluating, and interpreting information to solve a legal issue or case.

A) Ordinance

B) Critical legal thinking

C) Creative problem solving

D) Statute

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

12) \_\_\_\_\_ consists of a professor asking students questions about a case or legal issue to stimulate critical thinking by the students.

A) The Socratic method

B) IRAC method

C) Rote learning

D) Active learning

Answer: A

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

13) What is the first step in examining a legal case using IRAC method?

A) application of the law to the facts of a case using critical thinking

B) identification of a legal issue that is to be answered

C) identification of the law that is to be applied to a case

D) reaching a conclusion

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

14) \_\_\_\_\_ is described as the science or philosophy of the law.

- A) Morality
- B) Ethics
- C) Justice
- D) Jurisprudence

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

15) Philosophers of the \_\_\_\_\_ School of jurisprudence emphasize a moral theory of law, where law is based on morality and ethics, and is discovered by human reasoning and making choices between good and evil.

- A) Sociological
- B) Analytical
- C) Historical
- D) Natural Law

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

16) The Analytical School of jurisprudence maintains that the law is \_\_\_\_\_.

- A) shaped by logic
- B) based on social behavior
- C) set by the ruling class
- D) based on morality

Answer: A

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

17) Which school of jurisprudence views law as a sort of evolutionary process, where changing norms of society will be reflected in the law?

- A) the Natural Law School of jurisprudence
- B) the Sociological School of jurisprudence
- C) the Analytical School of jurisprudence
- D) the Historical School of jurisprudence

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

18) Imposing a ban on public smoking can serve as an example of a law that adheres to the \_\_\_\_\_ School of jurisprudence.

- A) Command
- B) Sociological
- C) Law and Economics
- D) Analytical

Answer: B

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

19) The philosophers of the Command School of jurisprudence will assert that the law is \_\_\_\_\_.

- A) developed, communicated, and enforced by the ruling party
- B) a means to achieve and advance sociological goals
- C) a collection of a society's traditions and customs that has developed over the centuries
- D) based on human reasoning, and humans' choosing power between what is good and evil

Answer: A

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

20) Which school of jurisprudence bases its principles, for solving legal disputes, on broad notions of fairness, and subjective decision making by judges?

- A) the Natural Law School of jurisprudence
- B) the Analytical School of jurisprudence
- C) the Critical Legal Studies School of jurisprudence
- D) the Sociological School of jurisprudence

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

21) Which school of jurisprudential thought emphasizes using law as a tool for market efficiency while solving legal disputes?

- A) the Critical Legal Studies School of jurisprudence
- B) the Command School of jurisprudence
- C) the Sociological School of jurisprudence
- D) the Law and Economics School of jurisprudence

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

22) Which school of jurisprudential thought is reflected in documents such as the U.S. Constitution, the Magna Carta, and the United Nations Charter?

- A) the Natural Law School
- B) the Historical School
- C) the Sociological School
- D) the Analytical School

Answer: A

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

23) The U.S. government passed draft laws during the Vietnam War decreeing that men of a certain age had to serve in the military if they met specific physical requirements. Which of the following schools of jurisprudential thought does such draft laws adhere to the most?

- A) the Historical School of jurisprudential thought
- B) the Natural Law School of jurisprudential thought
- C) the Sociological School of jurisprudential thought
- D) the Command School of jurisprudential thought

Answer: D

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

24) What was the key factor in the development of the English common law?

- A) the development of forensic science in helping decide cases
- B) the supremacy of the king and his intervening powers when deciding cases
- C) the use of precedence of past cases for judges to decide present similar cases
- D) the subjective decision making of judges when it came to similar cases

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

25) What was the key reason for the creation of law courts during the early development of the English common law?

- A) to administer law in a uniform manner
- B) to help merchants form a standardized set of commercial laws
- C) to increase the power of the king in law-making
- D) to facilitate legal disputes for the wealthy and influential

Answer: A

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept



26) Which of the following statements best indicates how chancery courts were different from law courts?

- A) Chancery courts emphasized developing merchant laws rather than laws for the common citizen.
- B) Chancery courts inquired into the merits of a case rather than emphasize legal procedures.
- C) Chancery courts emphasized a standard set of remedies across different cases rather than provide equitable remedies.
- D) Chancery courts had lower precedence level over legal decisions than the law courts.

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

27) \_\_\_\_\_ courts were allowed to give equitable remedies under the English common law.

- A) Merchant
- B) Law
- C) Chancery
- D) Appellate

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

28) What led to the creation of the Chancery Courts?

- A) the insistence for a court system that emphasized legal procedure rather than the merits of a case
- B) the law courts' inability to hear all the cases presented to them
- C) the increase in overseas trade and proliferation of piracy
- D) the unfair results and limited remedies provided by the law courts

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

29) The Law and Economics School of jurisprudential thought believes that promoting market efficiency should be the central goal of legal decision making.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

30) The Critical Legal Studies School proposes that legal rules are unnecessary and are used as an obstacle by the powerful to maintain the status quo.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

31) The Critical Legal Studies School of jurisprudential thought seeks to restrict the subjective decision-making powers of judges.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

32) The Command School of jurisprudence believes that the law is a set of rules developed, communicated, and enforced by the ruling party.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

33) Sociological philosophers are unlikely to adhere to past law as precedent.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

34) The Analytical School of jurisprudence lays emphasis on how the result of a case is reached rather than the logic of the result itself.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

35) Natural Law School of jurisprudence emphasizes shaping laws based on morals and ethics.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

36) Legal precedence is a key feature of the Historical School of jurisprudence.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

37) The Law and Economics School believes that legal decision making should be functional to market efficiency.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

38) Equitable orders and remedies of the Court of Chancery took precedence over the legal decisions and remedies of the law courts.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

39) The merchant courts were established because of the unfair results and limited remedies available in the chancery courts.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

40) When the American colonies were first settled, the English system of law was adopted as the system of jurisprudence.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

41) The Chancery courts under the English common law were under the authority of the Lord Chancellor.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

42) The law courts of the English common law could only provide monetary awards for damages.

Answer: TRUE

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

43) The law courts of the English common law emphasized legal procedure over the merits of an individual case.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

44) Critical legal thinking requires intellectually disciplined thinking.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

45) Differentiate between the Historical School of jurisprudence and the Sociological School of jurisprudence.

Answer: The Historical School of jurisprudence believes that the law is an aggregate of social traditions and customs that have developed over the centuries. It believes that changes in the norms of society will gradually be reflected in the law. To these legal philosophers, the law is an evolutionary process.

While, the Sociological School of jurisprudence asserts that the law is a means of achieving and advancing certain sociological goals. The followers of this philosophy, known as realists, believe that the purpose of law is to shape social behavior. Sociological philosophers are unlikely to adhere to past law as precedent.

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

46) Give an account of the Law Merchant in early English common law.

Answer: As trade developed during the Middle Ages, merchants who traveled about England and Europe developed certain rules to solve their commercial disputes. These rules, known as the "law of merchants" or the Law Merchant, were based on common trade practices and usage. Eventually, a separate set of courts was established to administer these rules. This court was called the Merchant Court. In the early 1900s, the Merchant Court was absorbed into the regular law court system of England.

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

47) Explain the IRAC method of case analysis.

Answer: In the study of law, legal cases are usually examined using the IRAC method (an acronym that stands for issue, rule, application, and conclusion) as outlined in the following:

I = What is the legal issue in the case?

R = What is the rule (law) of the case?

A = What is the court's analysis and rationale?

C = What was the conclusion or outcome of the case?

First, the facts of the case are investigated and understood. Next, the legal issue that is to be answered is identified and succinctly stated. Then the law that is to be applied to the case is identified, read, and understood. Once the facts, law, and legal issue have been stated, critical thinking is used in applying the law to the facts of the case. This requires that the decision maker—whether a judge, juror, or student—analyze, examine, evaluate, interpret, and apply the law to the facts of the case. Last, the critical legal thinker must reach a conclusion and state his or her judgment.

Diff: 2

Skill: Legal Concepts

LO: 1.3 Explain the development of the U.S. legal system.

AACSB: Analytical thinking

Classification: Concept

48) What is considered as the supreme law of the land in the United States?

A) judicial decisions issued by the state courts

B) the Constitution of the United States of America

C) the federal statutes passed by the United States Congress

D) executive orders passed by the president

Answer: B

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

49) The \_\_\_\_\_ branch of the federal government has the power to enforce the law.

A) judicial

B) legislative

C) executive

D) commissary

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

- 50) What is the function of the judicial branch of the federal government?
- A) It has the power to interpret and determine the validity of the law.
  - B) It has the power to enact the law.
  - C) It has the power to enforce the law.
  - D) It has the power to act as a liaison between the legislative and executive branches.

Answer: A

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

- 51) The \_\_\_\_\_ branch of the federal government has the power to enact laws.

- A) legislative
- B) judicial
- C) consulate
- D) executive

Answer: A

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

- 52) Which of the following legal documents establishes the U.S. federal government and specifies its powers?

- A) federal statutes
- B) the U.S. Constitution
- C) the combined list of state statutes
- D) the set of codified laws called ordinances

Answer: B

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

53) A(n) \_\_\_\_\_ is a compact made between two or more nations.

- A) amendment
- B) treaty
- C) charter
- D) statute

Answer: B

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

54) A(n) \_\_\_\_\_ is a written law enacted by the legislative branch of the federal and state governments that establishes certain courses of conduct to which covered parties must adhere.

- A) charter
- B) treaty
- C) executive order
- D) statute

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

55) From the following, identify an example of codified law in the United States?

- A) judicial rulings
- B) federal statutes
- C) treaties
- D) executive orders

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept



56) Ordinances are codified laws that are issued by \_\_\_\_\_.

- A) the president
- B) the state legislature
- C) the Supreme Court judges
- D) local government bodies

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

57) \_\_\_\_\_ are established by the legislative and executive branches of the federal and state governments to enforce and interpret statutes enacted by the Congress and state legislatures.

- A) Commissaries
- B) State courts
- C) Administrative agencies
- D) Councils

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

58) What is a judicial decision?

- A) a decision issued by the executive branch in a state of emergency
- B) a decision about an individual lawsuit issued by a federal or state court
- C) a codified law passed by the state legislature
- D) a decision issued by the legislative branch to establish courses of conduct to which covered parties must adhere

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

59) *Stare decisis* is the doctrine of \_\_\_\_\_.

- A) providing proof to assert a fact in court
- B) adhering to legal precedent
- C) separating powers between state and religion
- D) ensuring all legal rights are provided to a person when otherwise deprived of them

Answer: B

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

60) How is legal precedent used between courts of different states?

- A) Courts of a state cannot cite the judicial decisions of courts of another state in its decisions.
- B) Courts of a state must follow precedent from courts of another state for similar cases.
- C) Courts of a state can use precedent from courts of another state as a form of guidance.
- D) Courts of a state cannot challenge the precedence of courts of another state.

Answer: C

Diff: 2

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

61) How does the doctrine of *stare decisis* help in creating stability in a legal system?

- A) by ensuring that witnesses of a case will be protected by the state
- B) by ensuring that the legal rights of a defendant are preserved
- C) by allowing the use of precedence in deciding future cases
- D) by allowing the use of writs

Answer: C

Diff: 2

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

62) The Securities and Exchange Commission (SEC), created by the Congress to enforce federal securities laws, is an example of a(n) \_\_\_\_\_.

- A) intelligence agency
- B) congressional body
- C) judicial body
- D) administrative agency

Answer: D

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

63) According to the priority of law in the United States, which of the following statements is true?

- A) State regulations take precedence over state statutes.
- B) Valid state laws take precedence over any conflicting federal laws.
- C) Valid state laws take precedence over local laws.
- D) State laws take precedence over the U.S. Constitution within that state.

Answer: C

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

64) Powers not given to the federal government by the U.S. Constitution are reserved to the states.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

65) Provisions of federal law are valid as long as they do not conflict with any state law.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

66) Within a state, the state constitution precedes the U.S. Constitution.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

67) Administrative agencies are created by the judicial branch of governments.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

68) A treaty does not require Senate approval before being passed.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

69) Federal statutes take precedence over federal regulations.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

70) Treaties are considered to be part of the supreme law of the United States of America.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

71) Statutes are written laws that establish certain courses of conduct that covered parties can use as a form of guidance.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

72) Statutes are enacted by Congress and state legislatures.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

73) Federal statutes are organized by topic into code books.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

74) Statutes are written laws that establish certain courses of conduct that covered parties must adhere to.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

75) The authority to enact ordinances lies solely with the state legislatures.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

76) Executive orders are an example of codified law.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

77) Ordinances are not codified into code books.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

78) Executive orders are issued only by the executive branch of the federal government.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

79) Decisions issued by administrative agencies are called statutes.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

80) State courts of one state are not required to follow the legal precedent established by the courts of another state.

Answer: TRUE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

81) The doctrine of stare decisis provides that each court decision is independent and should stand on its own.

Answer: FALSE

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

82) Explain the doctrine of *stare decisis* and how it has influenced the legal system.

Answer: Adherence to precedent is called the doctrine of stare. The doctrine of *stare decisis* promotes uniformity of law within a jurisdiction, makes the court system more efficient, and makes the law more predictable for individuals and businesses. A court may later change or reverse its legal reasoning if a new case is presented to it and change is warranted. Based on the common law tradition, past court decisions become precedent for deciding future cases. Lower courts must follow the precedent established by higher courts. That is why all federal and state courts in the United States must follow the precedents established by U.S. Supreme Court decisions. The courts of one jurisdiction are not bound by the precedent established by the courts of another jurisdiction, although they may look to each other for guidance.

Diff: 2

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

83) Explain the priority of law in the United States.

Answer: The U.S. Constitution and treaties take precedence over all other laws in the United States. Federal statutes take precedence over federal regulations. Valid federal law takes precedence over any conflicting state or local law. State constitutions rank as the highest state law. State statutes take precedence over state regulations. Valid state law takes precedence over local laws.

Diff: 1

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

84) Give an account of how the digital age has affected lawmaking in the United States.

Answer: In a span of about three decades, computers have revolutionized society. Computers, once primarily used by businesses, have permeated the lives of most families as well. The electronic age arrived before new laws were written that were unique and specific for this environment. Courts have applied existing laws to the new digital environment by requiring interpretations and applications. In addition, new laws have been written that apply specifically to this new environment. The U.S. Congress has led the way, enacting many new federal statutes to regulate the digital environment.

Diff: 2

Skill: Legal Concepts

LO: 1.4 List and describe the sources of law in the United States.

AACSB: Analytical thinking

Classification: Concept

85) The Supreme Court case decision on the case of Brown v. Board of Education was important because it exhibited \_\_\_\_\_.

- A) the use of the affirmative action policy
- B) the scope of flexibility of the law
- C) the state's supremacy over federal rulings
- D) the importance of following precedence

Answer: B

Diff: 2

Skill: Legal Concepts

LO: 1.5 Discuss the importance of the U.S. Supreme Court's decision in Brown v. Board of Education.

AACSB: Analytical thinking

Classification: Concept