

Chapter 2

The Court Systems

TEST BANK

1. The first thing a business with a civil dispute going to litigation must determine is:
 - a. which court has the power and authority to decide the case
 - b. the lowest settlement it is willing to take
 - c. how the press will view the case
 - d. how the case will affect profit margins
 - e. none of the other choices are correct

ANSWER: a (page 26)

National: AACSB Analytic; AICPA BB-Legal

2. The U.S. Constitution provides that the judicial power (the court system) is:
 - a. determined by the Congress establishing such courts as it deems necessary
 - b. determined by the President with the advice and consent of the Senate
 - c. in one Supreme Court and in lower courts as the Supreme Court may establish
 - d. in one Supreme Court and in lower courts as Congress may establish
 - e. none of the other choices are correct

ANSWER: d (page 27)

National: AACSB Analytic; AICPA BB-Legal

3. The U.S. Constitution provides that the judicial power (the court system) is:
 - a. determined by the Congress establishing such courts as it deems necessary
 - b. determined by the President with the advice and consent of the Senate
 - c. in one Supreme Court and in lower courts as the Supreme Court may establish
 - d. in one Supreme Court and in lower courts as the President may establish
 - e. none of the other choices are correct

ANSWER: e (page 27)

National: AACSB Analytic; AICPA BB-Legal

4. The Supreme Court was created:
- a. by the Constitution
 - b. by the Declaration of Independence
 - c. by England when the U.S. was a colony; it was retained when the nation was formed
 - d. by the Bill of Rights
 - e. by Congress in 1832

ANSWER: a (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

5. The Supreme Court was created:
- a. by the President
 - b. by the Declaration of Independence
 - c. by England when the U.S. was a colony; it was retained when the nation was formed
 - d. by the Bill of Rights
 - e. none of the other choices are correct

ANSWER: e (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

6. The federal court system is a _____ system:
- a. one-level
 - b. executive
 - c. legislative
 - d. three-level
 - e. four-level

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

7. The federal court system is a _____ system:
- a. executive
 - b. single level
 - c. two-level
 - d. three-level
 - e. four-level

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

8. Which of the following are part of the federal court system:
- a. U.S. district courts
 - b. U.S. courts of appeals
 - c. U.S. Supreme Court
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

9. If a federal judge is impeached from office:
- a. they keep their salary for life
 - b. they are tried by the Senate
 - c. they are tried by the House
 - d. the President removes them from office
 - e. none of the above; they may not be impeached

ANSWER: b (page 27)

National: AACSB Analytic; AICPA BB-Legal

10. If a federal judge is impeached from office:
- a. they keep their salary for life
 - b. they are tried by the President
 - c. they are tried by the House
 - d. the President removes them from office
 - e. none of the other choices are correct

ANSWER: e (page 27)

National: AACSB Analytic; AICPA BB-Legal

11. Federal judges are appointed for a term of:
- a. four years
 - b. seven years
 - c. ten years
 - d. fourteen years
 - e. none of the above

ANSWER: e (page 27)

National: AACSB Analytic; AICPA BB-Legal

12. Federal judges are appointed for:
- a. a term of four years
 - b. life
 - c. a term of ten years
 - d. a term of fourteen years
 - e. none of the above

ANSWER: b (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

13. The _____ guarantees federal judges the right to serve “during good behavior.”
- a. Bill of Rights
 - b. Supreme Court
 - c. President
 - d. Constitution
 - e. judicial system

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

14. Federal judges are nominated by:
- a. the Congress
 - b. the Senate
 - c. the state legislatures
 - d. the President
 - e. the House of Representatives

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

15. Federal judges may be impeached for:
- a. treason
 - b. marital infidelity
 - c. inconsistency
 - d. refusal to say the Pledge of Allegiance
 - e. none of the other choices are correct

ANSWER: a (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

16. Federal judges may be impeached for:
- a. bribery

- b. marital infidelity
- c. inconsistency
- d. refusal to say the Pledge of Allegiance
- e. none of the other choices are correct

ANSWER: a (page 27)

National: AACSB Analytic; AICPA BB-Legal

17. Federal judges may be impeached for:
- a. making politically incorrect statements
 - b. marital infidelity
 - c. inconsistency
 - d. refusal to say the Pledge of Allegiance
 - e. none of the other choices are correct

ANSWER: e (page 27)

National: AACSB Analytic; AICPA BB-Legal

18. State judges:
- a. are elected in non-partisan (no party affiliation) in some states
 - b. are elected in partisan (party) elections in some states
 - c. are appointed by the governor in some states
 - d. are selected by the legislature in some states
 - e. all of the other choices are correct

ANSWER: e (page 27)

National: AACSB Analytic; AICPA BB-Legal

19. State judges can be:
- a. elected
 - b. appointed
 - c. chosen by a method that mixes the election and appointment processes
 - d. all of the other specific choices can be correct
 - e. none of the other specific choices are correct

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

20. The Missouri System for choosing state judges:
- a. is an example of a system that mixes the election and appointment processes
 - b. is an example of a system that uses the election process
 - c. is an example of a system that uses the appointment process

- d. is an example of a system that does not work
- e. is an example of an internationally accepted system

ANSWER: a (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

21. In the Missouri System for choosing state judges:
- a. the state bar association has a committee to recommend candidates for the bench
 - b. the Supreme Court recommends candidates for the bench
 - c. the Missouri Legislature recommends candidates for the bench
 - d. the Kansas Legislature recommends candidates for the bench
 - e. the general public recommends candidates for the bench through the voting process

ANSWER: a (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

22. In the Missouri System for choosing state judges:
- a. a judge appointed by the governor serves until the next election at which point the public votes for or against him
 - b. a judge is appointed by the general public
 - c. a judge appointed by the state legislature serves until the next election at which point the public votes for or against him
 - d. a judge is appointed by the judge who previously held the position
 - e. the senators from Missouri appoint a judge

ANSWER: a (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

23. Unlike federal judges, most state judges:
- a. serve for life
 - b. cannot be impeached
 - c. can only be impeached for criminal offenses
 - d. serve for a fixed term
 - e. cannot be married

ANSWER: d (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

24. Unlike federal judges, most state judges:
- a. serve for life
 - b. cannot be impeached
 - c. can only be impeached for criminal offenses

- d. cannot be married
- e. none of the other choices are correct

ANSWER: e (page 27)

National: AACSB Analytic; Communication; AICPA BB-Legal

25. Rhode Island is unique in that it allows its state judges to:
- a. be married
 - b. speak out against the President
 - c. serve for life
 - d. serve for more than 5 years
 - e. be reelected twice

ANSWER: c (page 27)

National: AACSB Analytic; AICPA BB-Legal

26. The doctrine of judicial immunity means judges may:
- a. commit crimes and not be punished
 - b. act as diplomats for the U.S.
 - c. be sued in their capacity as judges only if they exhibit “clear bias” toward one party in a case they hear
 - d. be sued for negligent application of the law
 - e. not be sued for damages that result from their judicial acts

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

27. The doctrine of judicial immunity means judges may:
- a. commit crimes and not be punished
 - b. act as diplomats for the U.S.
 - c. be sued in their capacity as judges only if they exhibit “clear bias” toward one party in a case they hear
 - d. be sued for negligent application of the law
 - e. none of the other choices are correct

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

28. The doctrine of judicial immunity protects judges’ ability to:
- a. respond to public opinion
 - b. be independent decision makers
 - c. work from home

- d. be influenced by political parties
- e. none of the other choices are correct

ANSWER: b (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

29. The doctrine that protects judges from suits for damages for judicial acts is called:
- a. the doctrine of judicial worth
 - b. the doctrine of judicial privilege
 - c. the doctrine of judicial knowledge
 - d. the doctrine of judicial immunity
 - e. the doctrine of judicial cause

ANSWER: d (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

30. The doctrine that protects judges from suits for damages for judicial acts is called:
- a. the doctrine of judicial worth
 - b. the doctrine of judicial privilege
 - c. the doctrine of judicial knowledge
 - d. the doctrine of judicial cause
 - e. none of the other choices is correct

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

31. Besides judges, the doctrine of judicial immunity also applies to:
- a. the plaintiff
 - b. parties who perform services that are related to the performance of judicial functions
 - c. the defendant
 - d. parties who have vested interests in the case
 - e. none of the other choices are correct

ANSWER: b (page 28)

National: AACSB Analytic; AICPA BB-Legal

32. In *Davis v. West*, where Davis sued the receiver who was appointed to collect the money she owed Houston Reporting Service (HRS), the appeals court held that:
- a. Davis did not have a case because the receiver was protected by derived judicial immunity
 - b. Davis did not have a case because the receiver was protected by diplomatic immunity
 - c. Davis did not have a case because the receiver was a judge

- d. Davis did not have a case because the receiver was not court appointed
- e. Davis had a case because the receiver was not protected by derived judicial immunity

ANSWER: a (page 29)

National: AACSB Analytic; AICPA BB-Legal

33. In *Davis v. West*, where Davis sued the receiver who was appointed to collect the money she owed Houston Reporting Service (HRS), the appeals court held that the receiver was:
- a. not guilty of abuse of process because he was protected by diplomatic immunity
 - b. not guilty of abuse of process because he was protected by derived judicial immunity
 - c. not guilty of abuse of process because he was protected by reasonable immunity
 - d. not guilty of abuse of process because he was a member of the state legislature
 - e. none of the other choices are correct

ANSWER: b (page 29)

National: AACSB Analytic; AICPA BB-Legal

34. In *Davis v. West*, where Davis sued the receiver who was appointed to collect the money she owed Houston Reporting Service (HRS), Radoff, the court appointed receiver, was protected from Davis's suit for abuse of process by:
- a. derived diplomatic immunity
 - b. derived judicial immunity
 - c. derived legislative immunity
 - d. derived service immunity
 - e. derived receiver immunity

ANSWER: b (page 29)

National: AACSB Analytic; AICPA BB-Legal

35. Original jurisdiction means power to:
- a. revise or correct proceedings by a lower court
 - b. accept a lawsuit, try it, and pass judgment
 - c. remove a lawsuit from a court to arbitration
 - d. appoint special prosecutors to investigate a case of alleged abuse
 - e. legally create disputes

ANSWER: b (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

36. Original jurisdiction means power to:
- a. revise or correct proceedings by a lower court
 - b. remove a lawsuit from a court to arbitration

- c. appoint special prosecutors to investigate a case of alleged abuse
- d. legally create disputes
- e. none of the other choices are correct

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

37. Both state and federal court systems have lower courts of _____, where disputes are first brought and tried.
- a. appellate judgment
 - b. appellate jurisdiction
 - c. original jurisdiction
 - d. final jurisdiction
 - e. original crime

ANSWER: c (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

38. Both state and federal court systems have lower courts of _____, where disputes are first brought and tried.
- a. appellate judgment
 - b. appellate jurisdiction
 - c. initial jurisdiction
 - d. final jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

39. Both state and federal court systems have courts of _____, where the decisions of a lower court case can be taken for review.
- a. original judgment
 - b. appellate judgment
 - c. original jurisdiction
 - d. appellate jurisdiction
 - e. final jurisdiction

ANSWER: d (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

40. Both state and federal court systems have courts of _____, where the decisions of a lower court case can be taken for review.

- a. original judgment
- b. appellate judgment
- c. original jurisdiction
- d. final jurisdiction
- e. none of the other choices are correct

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

41. In both the federal and state systems, the courts of original jurisdiction are:
- a. trial courts
 - b. supreme courts
 - c. tort courts
 - d. defense courts
 - e. criminal courts

ANSWER: a (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

42. There is (are) _____ judge(s) presiding in a court of original jurisdiction.
- a. one
 - b. two
 - c. three
 - d. more than three
 - e. between two and five, depending on the case

ANSWER: a (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

43. There is (are) _____ judge(s) presiding in a court of original jurisdiction.
- a. five
 - b. nine
 - c. three
 - d. more than three
 - e. none of the other choices are correct

ANSWER: e (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

44. The majority of litigation occurs in the:
- a. state courts
 - b. federal courts

- c. representative courts
- d. county courts
- e. none of the other choices are correct

ANSWER: a (page 28)

National: AACSB Analytic; Communication; AICPA BB-Legal

45. In the American court system:
- a. there is a federal system and a similar system of trial and appeals courts in each state
 - b. all state court decisions can be appealed to U.S. Courts of Appeal
 - c. federal court precedents must be followed by state courts
 - d. state supreme court decisions may not be appealed to the U.S. Supreme Court
 - e. all of the other choices are correct

ANSWER: a (page 28)

National: AACSB Analytic; AICPA BB-Legal

46. The Constitution intends for the judiciary to have:
- a. no independence from the other parts of the government
 - b. limited independence from the other parts of the government
 - c. significant independence from the other parts of the government
 - d. its own governmental structure
 - e. none of the other choices are correct

ANSWER: c (page 30)

National: AACSB Analytic; AICPA BB-Legal

47. The Constitution intends for the judiciary to have:
- a. no independence from the other parts of the government
 - b. limited independence from the other parts of the government
 - c. a close partnership with the other parts of the government
 - d. Its own governmental structure
 - e. none of the other choices are correct

ANSWER: e (page 30)

National: AACSB Analytic; AICPA BB-Legal

48. The Constitution intends for the judiciary to have significant independence from the other parts of the government as part of:
- a. the system of checks and balances
 - b. the system of power checking
 - c. the system of judicial influence

- d. the system of equality and fairness
- e. none of the other choices are correct

ANSWER: a (page 30)

National: AACSB Analytic; Communication; AICPA BB-Legal

49. Most federal judges are:
- a. appointed by the House of Representatives
 - b. elected by senators
 - c. elected in general elections
 - d. appointed by the Vice President
 - e. appointed by the President

ANSWER: e (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

50. Most federal judges are:
- a. appointed by the House of Representatives
 - b. elected by senators
 - c. elected in general elections
 - d. appointed by the Vice President
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

51. Most federal judges must be both appointed by the President and:
- a. confirmed by the Senate
 - b. confirmed by the House of Representatives
 - c. confirmed by the Vice President
 - d. confirmed by the Speaker of the House
 - e. none of the other choices is correct

ANSWER: a (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

52. Most federal judges must be both appointed by the President and:
- a. confirmed by popular vote in a general election
 - b. confirmed by the House of Representatives
 - c. confirmed by the Vice President
 - d. confirmed by the Speaker of the House
 - e. none of the other choices is correct

ANSWER: e (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

53. _____ judges are the only federal judges not appointed by the President.
- a. district court
 - b. bankruptcy court
 - c. appellate court
 - d. Supreme Court
 - e. none of the other choices are correct

ANSWER: b (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

54. _____ judges are the only federal judges not appointed by the President.
- a. district court
 - b. Federal Circuit Court of Appeals
 - c. Supreme Court
 - d. U.S. Courts of Appeals
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

55. In the American court system:
- a. there is a federal system and a similar system of trial and appeals courts in each state
 - b. federal court precedents must be followed by state courts
 - c. state supreme court decisions may not be appealed to the U.S. Supreme Court
 - d. none of the three specific choices are correct
 - e. all of the three specific choices are correct

ANSWER: a (page 30)

National: AACSB Analytic; AICPA BB-Legal

56. Which court(s) in the federal court system uses juries?
- a. the U.S. appellate courts
 - b. the U.S. district courts
 - c. the U.S. Claims Court
 - d. the U.S. Court of International Trade
 - e. all federal courts, except the Supreme Court, use juries

ANSWER: b (page 31)

National: AACSB Analytic; AICPA BB-Legal

57. Which courts are the courts of original jurisdiction in the federal court system?
- a. the circuit courts
 - b. the appeals courts
 - c. the district courts
 - d. only the Supreme Court has original jurisdiction
 - e. all courts in the federal system have original jurisdiction

ANSWER: c (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

58. U.S. district courts:
- a. are not found in each state
 - b. do not use juries
 - c. are the trial courts of the federal system
 - d. have five-judge panels for exceptional situations
 - e. all of the other choices are true

ANSWER: c (page 31)

National: AACSB Analytic; AICPA BB-Legal

59. Federal trial courts are called:
- a. district courts
 - b. municipal courts
 - c. superior courts
 - d. claims courts
 - e. none of the other choices are correct

ANSWER: a (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

60. Most cases involving questions of federal law originate in:
- a. the U.S. superior courts
 - b. the U.S. claims courts
 - c. the U.S. district courts
 - d. the state district courts
 - e. the state municipal courts

ANSWER: c (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

61. Most cases involving questions of federal law originate in:
- a. the U.S. superior courts
 - b. the U.S. claims courts
 - c. the U.S. municipal courts
 - d. the state district courts
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

62. There is at least one federal district court for each:
- a. state
 - b. county
 - c. major city
 - d. capital city
 - e. Congressional district

ANSWER: a (page 31)

National: AACSB Analytic; AICPA BB-Legal

63. There are _____ federal districts in the court system.
- a. 14
 - b. 50
 - c. 100
 - d. 94
 - e. 3

ANSWER: d (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

64. There are _____ federal districts in the court system.
- a. 14
 - b. 50
 - c. 100
 - d. 200
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Communication; Analytic; AICPA BB-Legal

65. Magistrates are:

- a. judicial officers who serve in federal trial courts
- b. judicial assistants who file paperwork
- c. judicial reporters
- d. judicial representatives
- e. voter-elected judges

ANSWER: a (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

66. Judicial officers who serve in federal trial courts are called:
- a. judicial assistants
 - b. magistrates
 - c. special judges
 - d. official judges
 - e. judicial representatives

ANSWER: b (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

67. Magistrates can hear cases on:
- a. discovery disputes
 - b. habeas corpus petitions
 - c. civil rights claims filed by prisoners
 - d. all of the other specific choices can be correct
 - e. none of the other specific choices are correct

ANSWER: d (page 31)

National: AACSB Analytic; AICPA BB-Legal

68. When authorized by the Judicial Conference of the United States, federal judges may:
- a. appoint one or more magistrate for a one year term
 - b. only appoint magistrates after serving for at least five years
 - c. appoint one or more magistrate for eight year terms
 - d. appoint one or more magistrates who “serve at their pleasure”
 - e. chose which cases they want to hear

ANSWER: c (page 31)

National: AACSB Analytic; AICPA BB-Legal

69. If both parties agree, a case can be tried by a magistrate instead of a district judge. This generally happens when:
- a. there is a backlog of cases in the courts and the parties want a quick trial

- b. there is bad feeling between the district judge(s) and one or more of the attorneys
- c. one of the parties involved is a minor
- d. both of the parties involved are minors
- e. none of the other choices are correct

ANSWER: a (page 31)

National: AACSB Analytic; AICPA BB-Legal

70. If both parties agree, a case can be tried by a magistrate instead of a district judge. This generally happens when:
- a. the parties involved have religious conflicts with the days the district court can hear their case
 - b. there is bad feeling between the district judge(s) and one or more of the attorneys
 - c. one of the parties involved is a minor
 - d. both of the parties involved are minors
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; AICPA BB-Legal

71. Magistrates may not try cases unless:
- a. both parties agree
 - b. at least one party agrees
 - c. the Supreme Court agrees
 - d. the arresting officer agrees
 - e. the prosecuting attorney agrees

ANSWER: a (page 31)

National: AACSB Analytic; AICPA BB-Legal

72. Magistrates cannot try cases in the place of a district judge unless both parties agree because:
- a. magistrates are not true judicial officials
 - b. magistrates are not appointed under Article III of the Constitution
 - c. magistrates are appointed under Article III of the Constitution
 - d. magistrates are appointed under Article I of the Constitution
 - e. magistrates are not appointed under Article IV of the Constitution

ANSWER: b (page 31)

National: AACSB Analytic; AICPA BB-Legal

73. Federal appellate courts are called:
- a. superior courts

- b. intermediate courts
- c. district courts
- d. courts of appeal
- e. none of the other choices are correct

ANSWER: d (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

74. Federal appellate courts are called:
- a. superior courts
 - b. intermediate courts
 - c. district courts
 - d. courts of appearance
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

75. Which of the following is true about the federal appeals courts?
- a. there are ten circuit courts of appeals
 - b. courts of appeals usually assign three-judge panels to review decisions of district courts
 - c. the U.S. government does not have the right to appeal any decision lost at district court
 - d. the judges must retire at age 65
 - e. all of the other choices are true

ANSWER: b (page 31)

National: AACSB Analytic; AICPA BB-Legal

76. Which of the following is true about the federal appeals courts?
- a. there are twelve circuit courts of appeals not counting the federal circuit
 - b. courts of appeals usually assign three-judge panels to review decisions of district courts
 - c. the U.S. government does not have the right to appeal a decision in a criminal case
 - d. the judges are appointed until they reach age 70, but they may hear cases after age 70
 - e. all of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; AICPA BB-Legal

77. Not counting the Federal Circuit, there are _____ geographically-based U.S. circuit courts of appeals.
- a. three
 - b. ten

- c. twelve
- d. fifteen
- e. fifty

ANSWER: c (page 31)

National: AACSB Analytic; Communication; AICPA BB-Legal

78. Cases come to the court of appeals when:
- a. one of the parties to the litigation is not satisfied with a federal district court's decision
 - b. one of the parties to the litigation is a minor
 - c. one of the parties to the litigation is a minority
 - d. one of the parties to the litigation has a previous criminal record
 - e. none of the other choices are correct

ANSWER: a (page 31)

National: AACSB Analytic; AICPA BB-Legal

79. If one of the parties to the litigation is not satisfied with a federal district court's decision, it has the right to appeal to the court of appeals for the circuit in which that district court is located. The one exception to this is:
- a. cases involving custody of children
 - b. previously convicted criminals may not appeal a verdict in a criminal case
 - c. minors may not appeal a verdict
 - d. the U.S. government may not appeal a verdict in a criminal case
 - e. none of the other choices are correct

ANSWER: d (page 31)

National: AACSB Analytic; AICPA BB-Legal

80. If one of the parties to the litigation is not satisfied with a federal district court's decision, it has the right to appeal to the court of appeals for the circuit in which that district court is located. The one exception to this is:
- a. cases involving custody of children
 - b. previously convicted criminals may not appeal a verdict in a criminal case
 - c. minors may not appeal a verdict
 - d. the plaintiff may not appeal a verdict in a civil case
 - e. none of the other choices are correct

ANSWER: e (page 31)

National: AACSB Analytic; AICPA BB-Legal

81. An *en banc* proceeding is when:

- a. all the active judges in a circuit hear a case
- b. only one of the active U.S. courts of appeals judges in a circuit hears a case
- c. only one of the active U.S. courts of appeals judges in a circuit hears a case regarding bankruptcy
- d. two of the active U.S. courts of appeals judges in a circuit hear a case
- e. a case is given to a magistrate for trial

ANSWER: a (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

82. An *en banc* proceeding is when:
- a. a case is given to a magistrate for trial
 - b. only one of the active U.S. courts of appeals judges in a circuit hears a case
 - c. only one of the active U.S. courts of appeals judges in a circuit hears a case regarding bankruptcy
 - d. two of the active U.S. courts of appeals judges in a circuit hear a case
 - e. none of the other choices are correct

ANSWER: e (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

83. Sometimes, in the U.S. courts of appeals, all the active judges in a circuit will hear a case. This is called:
- a. a full hearing
 - b. an *en banc* proceeding
 - c. a *stare decisis* proceeding
 - d. a complete hearing
 - e. an entire proceeding

ANSWER: b (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

84. Sometimes, in the U.S. courts of appeals, all the active judges in a circuit will hear a case. This is called:
- a. a precedential hearing
 - b. an entire proceeding
 - c. a *stare decisis* proceeding
 - d. a complete hearing
 - e. none of the other choices are correct

ANSWER: e (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

85. Federal courts of limited or special jurisdiction include:
- a. the Federal Probate Court
 - b. the Court of Appeals for the Federal Circuit
 - c. Courts of Common Pleas
 - d. the Star Chamber
 - e. the D.C. Circuit Court of Appeals

ANSWER: b (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

86. Federal courts of limited or special jurisdiction include:
- a. federal district courts
 - b. Courts of Common Pleas
 - c. the Star Chamber
 - d. the D.C. Circuit Court of Appeals
 - e. none of the other choices are correct

ANSWER: e (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

87. Federal courts of limited or special jurisdiction include:
- a. federal district courts
 - b. Courts of Common Pleas
 - c. the Star Chamber
 - d. the D.C. Circuit Court of Appeals
 - e. U.S. Bankruptcy Courts

ANSWER: e (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

88. Federal courts of limited or special jurisdiction include:
- a. federal district courts
 - b. U.S. Court of International Trade
 - c. the Star Chamber
 - d. the D.C. Circuit Court of Appeals
 - e. none of the other choices are correct

ANSWER: b (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

89. Federal courts of limited or special jurisdiction include:

- a. U.S. Bankruptcy Courts
- b. U.S. Court of International Trade
- c. U.S. Court of Federal Claims
- d. all of the other specific choices are correct
- e. none of the other specific choices are correct

ANSWER: d (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

90. The U.S. Tax Court is part of the _____:
- a. legislative branch of government
 - b. executive branch of government
 - c. judicial branch of government
 - d. regional branch of government
 - e. local branch of government

ANSWER: a (page 32)

National: AACSB Analytic; Communication; AICPA BB-Legal

91. The Court of Appeals for the Federal Circuit has jurisdiction:
- a. in Washington, D.C.
 - b. in New York City
 - c. nationwide
 - d. in the eastern half of the country
 - e. in suits brought against federal judges

ANSWER: c (page 33)

National: AACSB Analytic; AICPA BB-Legal

92. The Court of Appeals for the Federal Circuit has jurisdiction only:
- a. in Washington, D.C.
 - b. in New York City
 - c. in the western half of the country
 - d. in suits brought against federal judges
 - e. none of the other choices are correct

ANSWER: e (page 33)

National: AACSB Analytic; AICPA BB-Legal

93. Although it has nationwide jurisdiction, the Court of Appeals for the Federal Circuit primarily hears appeals from the district courts involving:
- a. patent cases

- b. trademark cases
- c. copyright cases
- d. all of the other specific choices are correct
- e. none of the other specific choices are correct

ANSWER: d (page 33)

National: AACSB Analytic; AICPA BB-Legal

94. Although it has nationwide jurisdiction, the Court of Appeals for the Federal Circuit primarily hears appeals from the district courts involving:
- a. tax, tort and bankruptcy cases
 - b. patent, trademark and copyright cases
 - c. criminal cases
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: b (page 33)

National: AACSB Analytic; AICPA BB-Legal

95. The U.S. Supreme Court:
- a. was created by Congress
 - b. hears all appeals made from the federal district courts
 - c. hears all appeals made from the federal appeals courts
 - d. must have nine justices
 - e. none of the other choices are correct

ANSWER: e (page 33)

National: AACSB Analytic; AICPA BB-Legal

96. The U.S. Supreme Court:
- a. was created by the U.S. Constitution
 - b. hears all appeals made from the federal district courts
 - c. hears all appeals made from the federal appeals courts
 - d. must have nine justices
 - e. all of the other choices are correct

ANSWER: a (page 33)

National: AACSB Analytic; AICPA BB-Legal

97. The U. S. Supreme Court was created by:
- a. the Constitution
 - b. vote of 2/3 of the states

- c. vote of a majority of the states
- d. the President with the approval of the Senate
- e. the President with the approval of both houses of Congress

ANSWER: a (page 33)

National: AACSB Analytic; AICPA BB-Legal

98. The U. S. Supreme Court was created by:
- a. vote of 2/3 of the states
 - b. vote of a majority of the states
 - c. the President with the approval of the Senate
 - d. the President with the approval of both houses of Congress
 - e. none of the other choices are correct

ANSWER: e (page 33)

National: AACSB Analytic; AICPA BB-Legal

99. The highest court in the United States is the:
- a. federal district court
 - b. Court of Appeals for the Federal Circuit
 - c. Court of Presidential Appeals
 - d. Supreme Court
 - e. Court of International Justice

ANSWER: d (page 33)

National: AACSB Analytic; AICPA BB-Legal

100. The highest court in the United States is the:
- a. Court of Appeals for the D.C. Circuit
 - b. Court of Appeals for the Federal Circuit
 - c. Court of Presidential Appeals
 - d. Court of International Justice
 - e. none of the other choices are correct

ANSWER: e (page 33)

National: AACSB Analytic; AICPA BB-Legal

101. The U.S. Supreme Court is primarily:
- a. an executive court
 - b. an appellate review court
 - c. an original jurisdiction court
 - d. a district court

- e. a. high court

ANSWER: b (page 33)

National: AACSB Analytic; Communication; AICPA BB-Legal

102. The U.S. Supreme Court is primarily:
- a. an executive court
 - b. a. high court
 - c. an original jurisdiction court
 - d. a district court
 - e. none of the other choices are correct

ANSWER: e (page 33)

National: AACSB Analytic; Communication; AICPA BB-Legal

103. The U.S. Supreme Court may review appeals from:
- a. the U.S. district courts
 - b. the U.S. courts of appeals
 - c. the highest courts of the states
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: d (page 33)

National: AACSB Analytic; AICPA BB-Legal

104. Congress may change the U.S. Supreme Court's appellate jurisdiction, but it cannot:
- a. change the Court's original jurisdiction conferred upon it by the Constitution
 - b. change the Court's original jurisdiction conferred upon it by the Bill of Rights
 - c. change the Court's original jurisdiction conferred upon it a writ of certiorari
 - d. change the Court's final jurisdiction conferred upon it by the Constitution
 - e. change the Court's ultimate jurisdiction conferred upon it by the Constitution

ANSWER: a (page 33)

National: AACSB Analytic; AICPA BB-Legal

105. If the U.S. Supreme Court accepts a case on appeal it:
- a. grants a writ of certiorari
 - b. grants original jurisdiction
 - c. grants exclusive jurisdiction
 - d. asserts trial de novo
 - e. none of the other choices are correct

ANSWER: a (page 33)

National: AACSB Analytic; Communication; AICPA BB-Legal

106. If the U.S. Supreme Court accepts a case on appeal it:
- a. grants a brief of appeal
 - b. grants original jurisdiction
 - c. grants exclusive jurisdiction
 - d. asserts trial de novo
 - e. none of the other choices are correct

ANSWER: e (page 33)

National: AACSB Analytic; Communication; AICPA BB-Legal

107. In some rare instances, the U.S. Supreme Court has:
- a. appellate jurisdiction
 - b. jurisdiction over state law matters
 - c. original and exclusive jurisdiction
 - d. decisive jurisdiction
 - e. to accept all appeals from appellate courts

ANSWER: c (page 33)

National: AACSB Analytic; AICPA BB-Legal

108. An example of an instance in which the U.S. Supreme Court would have original and exclusive jurisdiction is:
- a. a dispute between two businesses
 - b. a dispute with a foreign country
 - c. a dispute between two foreign parties
 - d. a dispute between two state governments
 - e. none of the other choices are correct

ANSWER: d (page 33)

National: AACSB Analytic; AICPA BB-Legal

109. The Supreme Court:
- a. selects appeals at the Court's discretion
 - b. must review cases involving constitutional issues
 - c. must review cases involving conflicting decisions among the courts of appeal
 - d. must review the constitutionality of international treaties
 - e. none of the other choices are correct

ANSWER: a (page 33)

National: AACSB Analytic; AICPA BB-Legal

110. The Supreme Court:
- a. selects appeals at the Court's discretion
 - b. must review cases involving constitutional issues
 - c. must review cases involving conflicting decisions among the courts of appeal
 - d. certifies the election of the members of Congress
 - e. none of the other choices are correct

ANSWER: a (page 33)

National: AACSB Analytic; AICPA BB-Legal

111. To obtain appellate review from the U.S. Supreme Court a party must:
- a. petition the court for a writ of certiorari
 - b. petition the court for a writ of stare decisis
 - c. petition the court for a writ of appellation
 - d. petition the court for a pardon
 - e. petition the court for judgment

ANSWER: a (page 33)

National: AACSB Analytic; AICPA BB-Legal

112. For the Supreme Court to agree to review a case:
- a. at least two justices must agree to review the case
 - b. at least four justices must agree to review the case
 - c. only one justice must agree to review the case
 - d. the President must ask the Court to review the case
 - e. none of the other choices are correct

ANSWER: b (page 33)

National: AACSB Analytic; AICPA BB-Legal

113. If three Supreme Court justices agree to review a case:
- a. the case goes back to the lower courts for reconsideration
 - b. the case will be reviewed by the Supreme Court
 - c. the decision of the lower court becomes final
 - d. the decision of the lower court is reversed
 - e. none of the other choices are correct

ANSWER: c (page 33)

National: AACSB Analytic; AICPA BB-Legal

114. In contrast to most state high courts, the U.S. Supreme Court:
- a. issues 300-400 opinions per term
 - b. issues only 5 opinions per term
 - c. issues about 70-80 opinions per term
 - d. issues thousands of opinions per term
 - e. none of the other choices are correct

ANSWER: c (page 33)

National: AACSB Analytic; AICPA BB-Legal

115. Like most European countries, France is:
- a. a civil-law country
 - b. a appellate decision country
 - c. a stare decisis country
 - d. a common-law country
 - e. a tort-law country

ANSWER: a (page 34)

National: AACSB Analytic; AICPA BB-Legal

116. Since France is a civil-law country, its legal system is based on:
- a. judge-made common law
 - b. judge-made civil law
 - c. written law
 - d. unwritten law
 - e. none of the other choices are correct

ANSWER: c (page 34)

National: AACSB Analytic; AICPA BB-Legal

117. The French court system:
- a. has a similar appeals process to the U.S. system
 - b. is based on the English court system
 - c. is based on the common law
 - d. has only one appellate court.
 - e. has a very different appellate process from the U.S.

ANSWER: e (page 34)

National: AACSB Analytic; AICPA BB-Legal

118. The French court system:

- a. has a similar appeals process to the U.S. system
- b. is based on the English court system
- c. is based on the common law
- d. has only one appellate court.
- e. none of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; AICPA BB-Legal

119. In the French court system, the top court, cour de cassation:
- a. does not have the authority to pronounce judgment
 - b. may strike down any act of the legislature or the president
 - c. may pronounce new sections of the codes to replace existing code sections
 - d. may reverse decisions of the International Court of Justice
 - e. all of the other choices are correct

ANSWER: a (page 34)

National: AACSB Analytic; AICPA BB-Legal

120. In the French court system, the top court, cour de cassation:
- a. has the power to pronounce judgment on appeals from all levels of courts
 - b. may strike down any act of the legislature or the president
 - c. may pronounce new sections of the codes to replace existing code sections
 - d. may reverse decisions of the International Court of Justice
 - e. none of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; AICPA BB-Legal

121. Every state court system has trial courts where disputes are initially brought and tried. These are the courts of:
- a. limited jurisdiction
 - b. special jurisdiction
 - c. original jurisdiction
 - d. appellate jurisdiction
 - e. none of the other choices are correct

ANSWER: c (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

122. Every state court system has trial courts where disputes are initially brought and tried. These are the courts of:

- a. limited jurisdiction
- b. special jurisdiction
- c. final jurisdiction
- d. appellate jurisdiction
- e. none of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

123. State courts such as municipal courts or probate courts are called courts of:
- a. appellate jurisdiction
 - b. limited jurisdiction
 - c. general jurisdiction
 - d. small claims
 - e. none of the other choices are correct

ANSWER: b (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

124. State courts such as municipal courts or probate courts are called courts of:
- a. appellate jurisdiction
 - b. probationary jurisdiction
 - c. general jurisdiction
 - d. small claims
 - e. none of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

125. State courts of general jurisdiction:
- a. are very limited in their authority
 - b. have authority to decide almost any kind of dispute
 - c. only have authority on specific issues assigned by the state governor
 - d. are limited to cases involving less than \$2000
 - e. none of the other choices are correct

ANSWER: b (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

126. State courts of general jurisdiction:
- a. are usually organized into regions on the county level
 - b. are usually organized into districts on the county level

- c. are always organized by voting districts
- d. are organized into equal sized regions on the town level
- e. none of the other choices are correct

ANSWER: b (page 34)

National: AACSB Analytic; AICPA BB-Legal

127. State courts of limited or special jurisdiction include:

- a. municipal courts
- b. justice of the peace courts
- c. probate courts
- d. small claims courts
- e. all of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

128. A court of limited or special jurisdiction would most likely be:

- a. probation courts
- b. appellate courts
- c. probate courts
- d. supreme courts
- e. district courts

ANSWER: c (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

129. Municipal courts usually:

- a. hear claims that involve less money than claims heard in district courts
- b. hear claims that involve more money than claims heard in district courts
- c. hear the same claims as a district court
- d. hear claims rejected by the district courts
- e. none of the other choices are correct

ANSWER: a (page 34)

National: AACSB Analytic; AICPA BB-Legal

130. Litigants not satisfied with the decision of a court of limited jurisdiction may:

- a. appeal to a superior court within the area
- b. request review by an administrative tribunal
- c. request a new trial at a court of general jurisdiction
- d. engage in a “certified refusal” of the verdict

- e. none of the other choices are correct

ANSWER: c (page 34)

National: AACSB Analytic; AICPA BB-Legal

131. When litigants not satisfied with the decision of a court of limited jurisdiction appeal to a court of general jurisdiction they will get:
- a. a writ of certiorari
 - b. a trial de novo
 - c. a stare decisis
 - d. a magna carta
 - e. none of the other choices is correct

ANSWER: b (page 34)

National: AACSB Analytic; AICPA BB-Legal

132. When litigants not satisfied with the decision of a court of limited jurisdiction appeal to a court of general jurisdiction they will get:
- a. a writ of certiorari
 - b. an automatic reversal of decision
 - c. a stare decisis
 - d. a magna carta
 - e. none of the other choices is correct

ANSWER: e (page 34)

National: AACSB Analytic; AICPA BB-Legal

133. Many states provide small claims courts. These courts:
- a. have limited jurisdiction
 - b. hear cases involving a relatively small amount of money
 - c. only hear cases involving certain subjects
 - d. are less formal than other courts
 - e. all of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; AICPA BB-Legal

134. Small claims courts:
- a. may hear any case so long as the amount in controversy is less than the limit set by law
 - b. are quick to hear cases but require lawyers, so cost about the same as regular court
 - c. have less formal procedure than regular court
 - d. may not take cases that exceed a matter worth more than \$2,500

- e. none of the other choices are correct

ANSWER: c (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

135. Small claims courts:
- a. have dollar limits on the kinds of the cases they can hear
 - b. are generally quicker to hear cases than regular district courts
 - c. have less formal procedure than regular district courts
 - d. do not require the use of lawyers
 - e. all of the other choices are correct

ANSWER: e (page 34)

National: AACSB Analytic; Communication; AICPA BB-Legal

136. Small claims courts are good for collecting small debts because:
- a. the court provides the attorneys
 - b. the process is slower, but cheaper, than the district courts
 - c. the procedure is less formal and representation by an attorney is not necessary
 - d. the judges in small claims courts are friendlier
 - e. none of the other choices are correct

ANSWER: c (page 34)

National: AACSB Analytic; AICPA BB-Legal

137. State court systems:
- a. all have intermediate appeals and supreme courts beyond trial courts
 - b. all have supreme courts
 - c. have no appellate courts; federal appeals courts are used
 - d. do not all have supreme courts, but most do
 - e. are required by the U.S. Constitution to have appeals courts

ANSWER: b (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

138. State court systems:
- a. all have intermediate appeals and supreme courts beyond trial courts
 - b. have no appellate courts
 - c. do not all have supreme courts, but most do
 - d. are required by the U.S. Constitution to have appeals courts
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

139. If a party wishes to appeal from a lower court decision in a state court, which of the following is true about the right of appeal:
- a. it is a matter of right to at least one higher court
 - b. it is a matter of right to two levels of appellate review
 - c. it is a matter of right to the state supreme court
 - d. it is a matter of right to take the case to the federal system
 - e. it is a matter of right to have the cost borne by the state

ANSWER: a (page 35)

National: AACSB Analytic; AICPA BB-Legal

140. When a court system has two levels of appellate courts, appeal is usually a matter of right at the first level and _____ at the second level.
- a. discretion of the President
 - b. discretion of the state governor
 - c. discretion of the court
 - d. discretion of the jury
 - e. none of the other choices are correct

ANSWER: c (page 35)

National: AACSB Analytic; AICPA BB-Legal

141. The most common issue(s) reaching the highest state courts involve(s):
- a. the validity of a state law
 - b. the state constitution
 - c. a federal law as it is affected by a state law
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: d (page 35)

National: AACSB Analytic; AICPA BB-Legal

142. A party seeking further review from the highest state court may attempt to seek review from:
- a. the federal district court in that district
 - b. the federal appeals court in that district
 - c. a panel of state supreme court justices from surrounding states
 - d. the U.S. Supreme Court
 - e. may not seek any further review

ANSWER: d (page 35)

National: AACSB Analytic; AICPA BB-Legal

143. The legal process that resolves disputes among persons, businesses, and governments is known as:
- a. appellate jurisdiction
 - b. criminal procedure
 - c. civil litigation
 - d. general jurisdiction
 - e. limited jurisdiction

ANSWER: c (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

144. _____ involves the use of the law and the legal process to resolve disputes among individuals, businesses, and governments.
- a. civil litigation
 - b. subject matter jurisdiction
 - c. territorial jurisdiction
 - d. concurrent jurisdiction
 - e. criminal litigation

ANSWER: a (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

145. _____ involves the use of the law and the legal process to resolve disputes among individuals, businesses, and governments.
- a. criminal litigation
 - b. subject matter jurisdiction
 - c. territorial jurisdiction
 - d. concurrent jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

146. The party claiming to have suffered an injury that the law can remedy is:
- a. the appellate court
 - b. the judge
 - c. the defendant
 - d. the plaintiff
 - e. the bailiff

ANSWER: d (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

147. The party claiming to have suffered an injury that the law can remedy is:
- a. the appellate court
 - b. the judge
 - c. the defendant
 - d. the bailiff
 - e. none of the other choices is correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

148. The party who files a law suit is the:
- a. state
 - b. defendant
 - c. plaintiff
 - d. judge
 - e. bailiff

ANSWER: c (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

149. The party who files a law suit is the:
- a. state
 - b. defendant
 - c. bailiff
 - d. judge
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

150. The party who is sued in a law suit is the:
- a. state
 - b. defendant
 - c. plaintiff
 - d. judge
 - e. bailiff

ANSWER: b (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

151. The party who is sued in a law suit is the:
- a. state
 - b. bailiff
 - c. plaintiff
 - d. judge
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

152. The party who hears a law suit is the:
- a. state
 - b. defendant
 - c. plaintiff
 - d. judge
 - e. bailiff

ANSWER: d (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

153. Many aspects of the civil litigation process between two parties in the federal court system, including pleadings, discovery, trial procedures, and motions, are governed by:
- a. the U.S. Court Rules of Civil Process
 - b. the Federal Rules of Civil Procedure
 - c. the Official Litigation Rules for Civil Procedure
 - d. the Civil Litigation Code
 - e. none of the above

ANSWER: b (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

154. Many aspects of the civil litigation process between two parties in the federal court system, including pleadings, discovery, trial procedures, and motions, are governed by:
- a. the U.S. Court Rules of Civil Process
 - b. the Federal Administrative Procedure Regulations
 - c. the Official Litigation Rules for Civil Procedure
 - d. the Civil Litigation Code
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

155. Although states are free to develop their own procedural rules, many have adopted:
- a. the Civil Court Rules
 - b. the Federal Rules of Civil Procedure
 - c. the Official Litigation Rules for Civil Procedure
 - d. the Civil Litigation Code
 - e. none of the other choices are correct

ANSWER: b (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

156. Although states are free to develop their own procedural rules, many have adopted:
- a. the Civil Court Rules
 - b. the Common State Civil Procedure
 - c. the Official Litigation Rules for Civil Procedure
 - d. the Civil Litigation Code
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

157. The Federal Rules of Civil Procedure were developed by an advisory committee appointed by:
- a. the President
 - b. Congress
 - c. the Constitution
 - d. the U.S. Supreme Court
 - e. none of the other choices are correct

ANSWER: d (page 35)

National: AACSB Analytic; AICPA BB-Legal

158. The Federal Rules of Civil Procedure were developed by an advisory committee appointed by:
- a. the President
 - b. Congress
 - c. the Constitution
 - d. the founding fathers
 - e. none of the other choices are correct

ANSWER: e (page 35)

National: AACSB Analytic; AICPA BB-Legal

159. The Federal Rules of Civil Procedure govern:
- a. the procedures of the litigation process and relevant motions
 - b. where the Supreme Court has jurisdiction
 - c. how many judges may serve in a given district
 - d. how long judges can serve
 - e. none of the other choices are correct

ANSWER: a (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

160. The Federal Rules of Civil Procedure govern:
- a. only administrative litigation
 - b. only criminal litigation
 - c. only civil litigation
 - d. how long judges can serve
 - e. none of the other choices are correct

ANSWER: c (page 35)

National: AACSB Analytic; Communication; AICPA BB-Legal

161. With respect to a court, jurisdiction means:
- a. the rule of justice in practice
 - b. the right to command parties
 - c. the authority to command parties
 - d. the power to speak of the law
 - e. none of the other choices are correct

ANSWER: d (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

162. With respect to a court, jurisdiction means:
- a. the rule of justice in practice
 - b. the right to command parties
 - c. the authority to command parties
 - d. the right to write the law
 - e. none of the other choices are correct

ANSWER: e (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

163. A court's jurisdiction defines:
- a. the limits within which it may declare, administer, or apply the law
 - b. the amount it may award for damages
 - c. the limits within which it may write resolutions
 - d. the geographic area within which it may declare, administer, or apply the law
 - e. none of the other choices are correct

ANSWER: a (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

164. A court's jurisdiction defines:
- a. how many judges may preside
 - b. the amount it may award for damages
 - c. the kind of cases it may hear appeals for
 - d. the geographic area within which it may declare, administer, or apply the law
 - e. none of the other choices are correct

ANSWER: e (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

165. Limitations on the kinds of disputes a court may resolve come from:
- a. the Bill of Rights
 - b. a constitution
 - c. the Supreme Court
 - d. the presiding judge(s)
 - e. none of the other choices are correct

ANSWER: b (page 36)

National: AACSB Analytic; AICPA BB-Legal

166. When filing a lawsuit, the party bringing the suit must select a court that has both:
- a. jurisdiction over the subject matter and over the person or property of the defendant
 - b. jurisdiction over the subject matter of the dispute (the res) and appellate jurisdiction
 - c. in personam jurisdiction and quasi-in-rem jurisdiction
 - d. in personam jurisdiction and appellate jurisdiction
 - e. in rem jurisdiction and jurisdiction over the subject matter of the litigation

ANSWER: a (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

167. The party bringing a lawsuit must choose a court with:

- a. jurisdiction over the subject matter
- b. jurisdiction over the plaintiff
- c. jurisdiction over the bailiff in novo
- d. jurisdiction over the state
- e. all of the other choices are correct

ANSWER: a (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

168. The party bringing a lawsuit must choose a court with:
- a. jurisdiction over the defendant
 - b. jurisdiction over the state
 - c. jurisdiction over the bailiff in novo
 - d. jurisdiction over the witnesses
 - e. all of the other choices are correct

ANSWER: a (page 36)

National: AACSB Analytic; Communication; AICPA BB-Legal

169. If a court rules in a particular case in which it is later found not to have jurisdiction:
- a. the court will be fined
 - b. the plaintiff will be fined
 - c. the judgment of the court will be declared null and void upon appeal
 - d. the judgment of the court will be suspect in all future cases
 - e. the judgment of the court will stand

ANSWER: c (page 36)

National: AACSB Analytic; AICPA BB-Legal

170. If a court rules in a particular case in which it is later found not to have jurisdiction:
- a. the court will be fined
 - b. the plaintiff will be fined
 - c. the judgment of the court will stand
 - d. the judgment of the court will be suspect in all future cases
 - e. none of the other choices are correct

ANSWER: e (page 36)

National: AACSB Analytic; AICPA BB-Legal

171. Statutes passed by Congress may limit which types of jurisdiction?
- a. inclusive jurisdiction
 - b. de novena jurisdiction

- c. global jurisdiction
- d. subject matter jurisdiction
- e. superior jurisdiction

ANSWER: d (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

172. Statutes passed by Congress may limit which types of jurisdiction?
- a. de novena jurisdiction
 - b. interstate jurisdiction
 - c. inclusive jurisdiction
 - d. superior jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 37)

National: AACSB Analytic; AICPA BB-Legal

173. Subject-matter jurisdiction is:
- a. created by a constitution or statute on the disputes a court can resolve
 - b. relevant in civil litigation but not in criminal litigation
 - c. voided upon appeal to the appropriate court of appeals
 - d. also referred to as *trial de novo*
 - e. applied to administrative agencies but not to state or federal trial courts

ANSWER: a (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

174. Subject-matter jurisdiction is:
- a. relevant in civil litigation but not in criminal litigation
 - b. voided upon appeal to the appropriate court of appeals
 - c. also referred to as *trial de novo*
 - d. applied to administrative agencies but not to federal trial courts
 - e. none of the other choices are correct

ANSWER: e (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

175. Requirements on the amount in controversy or restrictions on the legal area a court can hear fall under the category of:
- a. diversity of citizenship jurisdiction
 - b. subject-matter jurisdiction
 - c. executive jurisdiction

- d. legal jurisdiction
- e. defendant jurisdiction

ANSWER: b (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

176. Requirements on the amount in controversy or restrictions on the legal area a court can hear fall under the category of:
- a. diversity of citizenship jurisdiction
 - b. defendant jurisdiction
 - c. executive jurisdiction
 - d. legal jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

177. Federal courts have the judicial power to hear cases involving:
- a. a federal question
 - b. a dispute between two states
 - c. a case involving a treaty
 - d. a dispute between a citizen and a foreign citizen
 - e. all of the other choices can be correct

ANSWER: e (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

178. Federal courts do not have the judicial power to hear a case involving:
- a. a treaty
 - b. the Constitution
 - c. federal laws
 - d. a foreign citizen
 - e. they do have the power to hear cases involving any of the other choices

ANSWER: e (page 37)

National: AACSB Analytic; AICPA BB-Legal

179. Federal courts have the judicial power to hear many cases involving:
- a. federal questions
 - b. diversity of citizenship
 - c. treaties with other nations
 - d. a dispute between two states

- e. any of the other choices can be correct

ANSWER: e (page 37)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

180. Federal courts have the judicial power to hear most cases involving:
- a. divorces
 - b. traffic offenses
 - c. federal questions
 - d. wills
 - e. none of the other choices are correct

ANSWER: c (page 37)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

181. Federal courts have the judicial power to hear most cases involving:
- a. interpretation of state constitutions
 - b. traffic offenses
 - c. divorce questions
 - d. wills
 - e. none of the other choices are correct

ANSWER: e (page 37)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

182. Some litigation in federal court is there because of the parties involved. In such cases it is most likely that:
- a. a foreign citizen is involved
 - b. the United States is a party to the suit
 - c. citizens of different states are involved
 - d. two or more states are parties to the suit
 - e. any of the other choices may be correct

ANSWER: e (page 37)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

183. Cases that go to federal court that involve disputes between citizens of different states are commonly referred to as:
- a. diversity of jurisdiction cases
 - b. diversity of citizenship cases
 - c. diversity of remuneration cases
 - d. diversity of statehood cases

- e. diversity of subject matter cases

ANSWER: b (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

184. Cases that go to federal court that involve disputes between citizens of different states are commonly referred to as diversity of:
- a. jurisdiction cases
 - b. remuneration cases
 - c. statehood cases
 - d. subject matter cases
 - e. none of the other choices are correct

ANSWER: e (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

185. Diversity of citizenship cases are:
- a. cases that go to federal court that involve disputes between citizens of different states
 - b. cases that involve citizens of different ethnic backgrounds
 - c. cases that involve citizens from different countries
 - d. cases that involve more than two citizens
 - e. none of the other choices are correct

ANSWER: a (page 37)

National: AACSB Analytic; Communication; AICPA BB-Legal

186. The purpose of allowing federal jurisdiction when a dispute arises between citizens of different states is:
- a. to give the defendant an advantage
 - b. to give the plaintiff an advantage
 - c. to provide a neutral forum for handling such disputes
 - d. to prevent one state courts from having more cases than another state's courts
 - e. none of the other choices are correct

ANSWER: c (page 37)

National: AACSB Analytic; AICPA BB-Legal

187. The purpose of allowing federal jurisdiction when a dispute arises between citizens of different states is:
- a. to give the defendant an advantage
 - b. to give the plaintiff an advantage
 - c. to provide a biased forum for handling such disputes

- d. to prevent one state courts from having more cases than another state's courts
- e. none of the other choices are correct

ANSWER: e (page 37)

National: AACSB Analytic; AICPA BB-Legal

188. Litigation in federal court often involves parties from different states. In addition, at least how much in dollar terms must be in controversy for a case to be heard in a federal court?
- a. \$1
 - b. \$10,000
 - c. \$50,000
 - d. \$75,000
 - e. \$100,000

ANSWER: d (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

189. A federal district court generally has the authority to accept a case for adjudication:
- a. whenever the amount in controversy is more than \$100,000 and the parties are from different states
 - b. only if it involves a constitutional question or federal law
 - c. if the state courts cannot establish appropriate jurisdiction through conflict-of-law rules
 - d. if the amount in controversy is more than \$75,000 and the parties to the dispute are from different states
 - e. none of the other choices are correct

ANSWER: d (page 38)

National: AACSB Analytic; AICPA BB-Legal

190. A federal district court generally has the authority to accept a case for adjudication:
- a. whenever the amount in controversy is more than \$100,000
 - b. only if it involves a constitutional question
 - c. if the state courts refuse jurisdiction
 - d. in any instance; federal courts can have jurisdiction over all litigation
 - e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; AICPA BB-Legal

191. In international contracts, parties can specify how future disputes will be resolved, including:
- a. the choice of a court
 - b. the choice of a judge

- c. the choice of a jury
- d. the choice of a Supreme Court justice
- e. none of the other choices are correct

ANSWER: a (page 38)

National: AACSB Analytic; AICPA BB-Legal

192. The Commercial Court in London:
- a. is a popular forum for cases involving parties from more than one country
 - b. is limited to hearing cases involving British citizens
 - c. only hears criminal cases
 - d. was formed in 2005
 - e. was formed as part of the European Union

ANSWER: a (page 38)

National: AACSB Analytic; AICPA BB-Legal

193. The Commercial Court in London:
- a. deals only with simple national business cases
 - b. deals with complex cases arising out of business disputes, both national and international
 - c. deals only with criminal cases
 - d. deals with complex divorce cases, usually involving royalty
 - e. was formed as part of the European Union

ANSWER: b (page 38)

National: AACSB Analytic; AICPA BB-Legal

194. Besides having subject-matter jurisdiction over a case, the court must also have:
- a. personal service jurisdiction
 - b. plaintiff jurisdiction
 - c. personal jurisdiction
 - d. substituted service jurisdiction
 - e. all of the other choices are correct

ANSWER: c (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

195. Besides having subject-matter jurisdiction over a case, the court must also have:
- a. court jurisdiction
 - b. plaintiff jurisdiction
 - c. personal service jurisdiction
 - d. substituted service jurisdiction

- e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

196. Besides having personal jurisdiction over a case, the court must also have:
- a. subject-matter jurisdiction
 - b. plaintiff jurisdiction
 - c. personal service jurisdiction
 - d. substituted service jurisdiction
 - e. all of the other choices are correct

ANSWER: a (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

197. Besides having personal jurisdiction over a case, the court must also have:
- a. regular jurisdiction
 - b. plaintiff jurisdiction
 - c. personal service jurisdiction
 - d. substituted service jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

198. Territorial jurisdiction can become an issue if:
- a. the defendant is not a resident of the state in which the plaintiff wishes to bring the lawsuit
 - b. the plaintiff is not a resident of the state in which the defendant wishes to bring the lawsuit
 - c. the court is located outside of the United States
 - d. the defendant was not born in the state in which the plaintiff wishes to bring the lawsuit
 - e. none of the other choices are correct

ANSWER: a (page 38)

National: AACSB Analytic; AICPA BB-Legal

199. A court's power over the person of the defendant is referred to as:
- a. default judgment
 - b. substituted service
 - c. defendant's authority
 - d. in personam jurisdiction

- e. none of the other choices are correct

ANSWER: d (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

200. When a court has power over the person who is the defendant of a lawsuit, it is called:
- a. in rem jurisdiction
 - b. quasi in rem jurisdiction
 - c. stare decisis jurisdiction
 - d. concurrent jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

201. When a court has power over the person who is the defendant of a lawsuit, it is called:
- a. in rem jurisdiction
 - b. quasi in rem jurisdiction
 - c. in personam jurisdiction
 - d. concurrent jurisdiction
 - e. none of the other choices are correct

ANSWER: c (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

202. A person files a lawsuit. To get the defendant before the court in which suit has been filed, the court must have power over the person of the defendant. This is called:
- a. issuance of a summons
 - b. in personam jurisdiction
 - c. service of process
 - d. in rem jurisdiction
 - e. venue

ANSWER: b (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

203. A person files a lawsuit. To get the defendant before the court in which suit has been filed, the court must have power over the person of the defendant. This is called:
- a. issuance of a summons
 - b. police power
 - c. venue
 - d. in rem jurisdiction

- e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

204. A person is notified that a lawsuit has been filed against them by a:
- a. default judgment
 - b. summons
 - c. venue
 - d. quasi in rem
 - e. none of the other choices are correct

ANSWER: b (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

205. A person is notified that a lawsuit has been filed against them by a:
- a. default judgment
 - b. service judgment
 - c. venue
 - d. quasi in rem
 - e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

206. Service of process (summons) is traditionally achieved by:
- a. long-arm statute
 - b. service in absentia
 - c. personal service
 - d. publication
 - e. substituted service

ANSWER: c (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

207. In practice, service of process (summons) is usually achieved by:
- a. long-arm statute
 - b. service in absentia
 - c. publication in a local media
 - d. substituted service
 - e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

208. If a defendant fails to appear in court after being issued a summons:
- a. the court will issue a default judgment against the defendant
 - b. the court will issue a faulty judgment against the defendant
 - c. the court will issue a substituted judgment against the defendant
 - d. the court will issue a standard judgment against the defendant
 - e. the court will issue a failure-to-appear judgment against the defendant

ANSWER: a (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

209. Service of process is usually achieved by:
- a. impersonal service
 - b. personal service
 - c. legal service
 - d. dramatic service
 - e. court service

ANSWER: b (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

210. Service of process is usually achieved by:
- a. impersonal service
 - b. court service
 - c. legal service
 - d. dramatic service
 - e. none of the other choices are correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

211. A summons can be delivered to the defendant by:
- a. the plaintiff
 - b. the plaintiff's attorney
 - c. a private process server
 - d. a U.S. marshal
 - e. all of the other choices are be correct

ANSWER: e (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

212. If a defendant cannot be located for a summons to be delivered:
- a substituted service, such as publication in a newspaper may be used
 - a substituted service, such as calling a relative of the defendant may be used
 - the defendant cannot be subject to the litigation
 - the plaintiff will have to pay the court to find the defendant
 - none of the other choices are correct

ANSWER: a (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

213. Jane wants to sue Bob in a Virginia state court. Bob is a resident of Texas. Which of the following method may Jane use to get jurisdiction over the person of Bob?
- have the Virginia police arrest Bob in Texas and take him to Virginia
 - Jane could disguise her voice and phone Bob, telling him he has won \$10,000 and must pick up the money in Richmond, Virginia, then have him served in Richmond
 - Jane could have Bob served with a summons while he is driving through the state on his way to Maryland
 - Jane can have Bob served with a summons in Texas; he must appear in Virginia court
 - Jane cannot serve Bob with a summons because he is not a resident of Virginia

ANSWER: c (page 38)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

214. If a nonresident defendant is passing through the state where the plaintiff wishes to bring the lawsuit:
- he cannot be legally served with a summons
 - he can be legally served with a summons
 - he can only be legally served with a summons if he remains in the state for 24 hours
 - he can only be legally served with a summons if he commits a crime while in the state
 - none of the other choices are correct

ANSWER: b (page 38)

National: AACSB Analytic; Communication; AICPA BB-Legal

215. A long-arm statute is a:
- federal law to allow regulatory agencies to sue foreign businesses in federal court
 - state law that permits its courts to reach beyond state lines for jurisdiction over non-residents defendants
 - state law that allows plaintiffs to force defendants to come to a state for purpose of serving process

- d. federal law that allows plaintiffs to force defendants to come to the U.S. for purposes of serving process
- e. none of the other choices are correct

ANSWER: b (page 39)

National: AACSB Analytic; Communication; AICPA BB-Legal; BB-Critical

216. A long-arm statute is a:
- a. federal law to allow regulatory agencies to sue foreign businesses in federal court
 - b. state law that permits its courts to reach beyond state lines for jurisdiction over non-residents defendants
 - c. state law that allows plaintiffs to force defendants to come to a state for purpose of serving process
 - d. federal law that allows escaped felons to be arrested outside of the United States
 - e. none of the other choices are correct

ANSWER: b (page 39)

National: AACSB Analytic; Communication; AICPA BB-Legal

217. A long-arm statute is a:
- a. federal law to allow agencies to sue parties anywhere in the U.S.
 - b. state law that permits courts to reach beyond state lines for jurisdiction over persons in criminal cases only
 - c. state law that allows plaintiffs to force defendants to come to a state for purpose of serving process
 - d. state law that permits courts to reach beyond state lines for jurisdiction over non-residents defendants
 - e. none of the other choices are correct

ANSWER: d (page 39)

National: AACSB Analytic; Communication; AICPA BB-Legal

218. A court can exercise jurisdiction over a corporation if the court is located in:
- a. the state in which the corporation was incorporated
 - b. the state where the corporation has its main plant
 - c. a state in which the corporation is doing business
 - d. none of the three specific choices are correct
 - e. any of the three specific choices are correct

ANSWER: e (page 39)

National: AACSB Analytic; Communication; AICPA BB-Legal

219. A state court can exercise jurisdiction over a corporation except in which of these:
- a. the state in which the corporation was incorporated
 - b. the state where the corporation has a production facility
 - c. the state where the legislature has granted jurisdiction over all U.S. corporations
 - d. the state in which the corporation is doing business
 - e. all of the other choices would be correct

ANSWER: c (page 39)

National: AACSB Analytic; Communication; AICPA BB-Legal

220. State courts may clearly exercise jurisdiction over a corporation except in which case:
- a. it is incorporated in the state
 - b. it has a website available in the state
 - c. it is doing active business in the state
 - d. it has a production facility in the state
 - e. all of the other choices are correct

ANSWER: b (page 39-40)

National: AACSB Analytic; Communication; AICPA BB-Legal

221. Suppose a business in Georgia sets up a web site advertising its services. A competitor company in Illinois sues the Georgia firm in Illinois court, claiming that the service being offered is a sham that injures the Illinois firm. The Georgia company:
- a. would not be subject to the jurisdiction of the Illinois courts
 - b. would be subject to the jurisdiction of the Illinois courts if the web page appeared on computer screens in Illinois
 - c. would be subject to the jurisdiction of the Illinois courts if Illinois had a long-arm statute
 - d. would be subject to the jurisdiction of the Illinois courts so long as the amount in controversy exceeded \$100,000
 - e. none of the other choices are correct

ANSWER: a (page 39)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

222. As the Supreme Court has explained, for a state to have jurisdiction over an out-of-state business there must exist:
- a. “significant business relationships”
 - b. physical contacts
 - c. minimum contacts
 - d. substantial contacts
 - e. none of the other choices are correct

ANSWER: c (page 40)

National: AACSB Analytic; AICPA BB-Legal

223. As the Supreme Court has explained, for a state to have jurisdiction over an out-of-state business there must exist:
- a. “significant business relationships”
 - b. a “direct physical relationships”
 - c. “substantial business contacts”
 - d. intrastate business in another state
 - e. none of the other choices are correct

ANSWER: e (page 40)

National: AACSB Analytic; AICPA BB-Legal

224. In *Blimka v. My Web Wholesalers* an Idaho resident, Blimka, ordered a large quantity of jeans from My Web, a Maine company that advertised its goods on the Internet. When a dispute arose over the quality of the jeans, Blimka sued My Web in Idaho state court. My Web contended the Idaho court did not have jurisdiction. The Idaho high court held that:
- a. due to diversity of citizenship, the case had to be transferred to federal court in Idaho
 - b. because the Maine company did business electronically, not physically, in Idaho, it was not subject to the jurisdiction of Idaho courts
 - c. Due Process was violated by forcing a Maine defendant to appear in Idaho court
 - d. because the Maine company did business, electronically, in Idaho, it was subject to the jurisdiction of Idaho courts
 - e. due to diversity of citizenship, the case had to be transferred to federal court in Maine

ANSWER: d (page 41)

National: AACSB Analytic; AICPA BB-Legal

225. In *Blimka v. My Web Wholesalers* an Idaho resident, Blimka, ordered a large quantity of jeans from My Web, a Maine company that advertised its goods on the Internet. When a dispute arose over the quality of the jeans, Blimka sued My Web in Idaho state court. My Web contended the Idaho court did not have jurisdiction. The Idaho high court held that:
- a. due to diversity of citizenship, the case had to be transferred to federal court in Idaho
 - b. because the Maine company did business electronically, not physically, in Idaho, it was not subject to the jurisdiction of Idaho courts
 - c. Due Process was violated by forcing a Maine defendant to appear in Idaho court
 - d. due to diversity of citizenship, the case had to be transferred to federal court in Maine
 - e. none of the other choices are correct

ANSWER: e (page 41)

National: AACSB Analytic; AICPA BB-Legal

226. In *Blimka v. My Web Wholesalers* an Idaho resident, Blimka, ordered a large quantity of jeans from My Web, a Maine company that advertised its goods on the Internet. When a dispute arose over the quality of the jeans, Blimka sued My Web in Idaho state court. My Web contended the Idaho court did not have jurisdiction. The Idaho high court held that:
- a. the defendants' actions did not satisfy minimum contacts with respect to the fraud allegations
 - b. the defendants' actions did satisfy minimum contacts with respect to the fraud allegations
 - c. the defendants did not visit Idaho often enough for Blimka to sue them in an Idaho Court
 - d. Blimka could sue the defendants in Idaho because the defendants owned property in Idaho
 - e. none of the choices are correct

ANSWER: b (page 41)

National: AACSB Analytic; AICPA BB-Legal

227. In *Blimka v. My Web Wholesalers* an Idaho resident, Blimka, ordered a large quantity of jeans from My Web, a Maine company that advertised its goods on the Internet. When a dispute arose over the quality of the jeans, Blimka sued My Web in Idaho state court. My Web contended the Idaho court did not have jurisdiction. The Idaho high court held that:
- a. the defendants' actions did not satisfy minimum contacts with respect to the fraud allegations
 - b. Blimka could sue the defendants because they started the business in Idaho and then moved it to Maine
 - c. the defendants did not visit Idaho often enough for Blimka to sue them in an Idaho Court
 - d. Blimka could sue the defendants in Idaho because the defendants owned property in Idaho
 - e. none of the choices are correct

ANSWER: e (page 41)

National: AACSB Analytic; AICPA BB-Legal

228. An Idaho resident bought a large quantity of jeans over the Internet from a Maine company. When a dispute over the quality of the product arose, the Idaho resident sued the Maine company in Idaho state court. When the Maine company protested, the supreme court of Idaho, in *Blimka v. My Web Wholesalers*, held that the buyer:
- a. could sue in either state court in Idaho or Maine
 - b. could sue in either federal court in Idaho or Maine
 - c. could sue in either federal or state court in Idaho
 - d. could sue in either federal or state court in Maine
 - e. none of the other choices are correct

ANSWER: e (page 41)

National: AACSB Analytic; AICPA BB-Legal

229. An Idaho resident bought a large quantity of jeans over the Internet from a Maine company. When a dispute over the quality of the product arose, the Idaho resident sued the Maine company in Idaho state court. When the Maine company protested, the supreme court of Idaho, in *Blimka v. My Web Wholesalers*, held that the buyer:
- a. could sue in state court in Idaho or in Maine
 - b. could sue in state court in Idaho
 - c. could sue in state court in Maine
 - d. could sue in either federal or state court in Maine
 - e. none of the other choices are correct

ANSWER: b (page 41)

National: AACSB Analytic; AICPA BB-Legal

230. If property that is located in a state becomes the subject matter of a lawsuit, the power of a court in that state to resolve disputes concerning the property is called:
- a. in rem jurisdiction
 - b. territorial jurisdiction
 - c. in personam jurisdiction
 - d. removal jurisdiction
 - e. venue

ANSWER: a (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

231. If property that is located in a state becomes the subject matter of a lawsuit, the power of a court in that state to resolve disputes concerning the property is called:
- a. venue
 - b. territorial jurisdiction
 - c. in personam jurisdiction
 - d. removal jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

232. In rem jurisdiction gives state courts jurisdiction to:
- a. resolve disputes over property located in their state
 - b. resolve disputes over property owned by its residents, but located in another state
 - c. resolve disputes over property owned by foreigners
 - d. resolve disputes over property leased in other states
 - e. none of the other answers are correct

ANSWER: a (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

233. In rem jurisdiction gives state courts jurisdiction to:
- a. resolve disputes over property located in a neighboring state
 - b. resolve disputes over property owned by its residents, but located in another state
 - c. resolve disputes over property owned by foreigners
 - d. resolve disputes over property leased in other states
 - e. none of the other answers are correct

ANSWER: e (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

234. Which kind of property could not be subject to in rem jurisdiction?
- a. real estate
 - b. an automobile
 - c. stock or bonds issued by a company
 - d. furniture
 - e. all of the other choices could be subject to in rem jurisdiction

ANSWER: e (page 42)

National: AACSB Analytic; AICPA BB-Legal

235. In rem jurisdiction is most likely to include jurisdiction over:
- a. a bank account
 - b. the terms of a trust or a will
 - c. misdemeanors in other states
 - d. felonies in other states
 - e. none of the other choices are correct

ANSWER: a (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

236. In rem jurisdiction can include jurisdiction over:
- a. intangible property (such as a bank account)
 - b. tangible (real) property
 - c. shares of stock in a company
 - d. a house
 - e. any of the other choices could be correct

ANSWER: e (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

237. In rem jurisdiction would not be likely to include jurisdiction over:
- a. intangible property (such as a bank account)
 - b. tangible (real) property (such as land)
 - c. personal property (such as an automobile)
 - d. jurisdiction in a child custody dispute of parents living in different states
 - e. any of the other choices could be correct

ANSWER: d (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

238. Which of the following could be subject to in rem jurisdiction:
- a. a bank account
 - b. a house
 - c. a field
 - d. shares of stock in a company
 - e. all of the other choices are correct

ANSWER: e (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

239. Which of the following would NOT be subject to in rem jurisdiction:
- a. a bank account
 - b. a house
 - c. a field
 - d. shares of stock in a company
 - e. all of the other choices would be subject to in rem jurisdiction

ANSWER: e (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

240. Because of in rem jurisdiction, if Illinois resident Andy sues Alabama resident Carol over a Illinois property dispute and Carol refuses to respond, the Illinois court may:
- a. not decide who the rightful owner is because it lacks personal jurisdiction over Carol
 - b. not decided who the rightful owner is because it lacks personal jurisdiction over Alabama
 - c. decide who the rightful owner is because the property is located in Illinois
 - d. decide who the rightful owner is because Illinois and Alabama have a special agreement
 - e. none of the other choices are correct

ANSWER: c (page 42)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

241. Because of in rem jurisdiction, if Illinois resident Andy sues Alabama resident Carol over a Illinois property dispute and Carol refuses to respond, the Illinois court may:
- a. not decide who the rightful owner is because it lacks personal jurisdiction over Carol
 - b. not decided who the rightful owner is because it lacks personal jurisdiction over Alabama
 - c. not decide who the rightful owner is because it lacks relative jurisdiction over Carol
 - d. decide who the rightful owner is because Illinois and Alabama have a special agreement
 - e. none of the other choices are correct

ANSWER: e (page 42)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

242. If a dispute may be resolved in a state court only, the state court is said to have:
- a. binding jurisdiction
 - b. exclusive jurisdiction
 - c. redundant jurisdiction
 - d. in rem jurisdiction
 - e. expedient jurisdiction

ANSWER: b (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

243. If a dispute may be resolved in a state court only, the state court is said to have:
- a. binding jurisdiction
 - b. expedient jurisdiction
 - c. redundant jurisdiction
 - d. in rem jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 42)

National: AACSB Analytic; Communication; AICPA BB-Legal

244. When a federal court has exclusive jurisdiction over a matter:
- a. state courts may try cases on that matter
 - b. state courts may try cases on that matter if they pay the federal court a fee
 - c. state courts may not try cases on that matter
 - d. state courts may not try cases on that matter unless the federal courts are backlogged
 - e. none of the other choices are correct

ANSWER: c (page 42)

National: AACSB Analytic; AICPA BB-Legal

245. When a federal court has exclusive jurisdiction over a matter:
- a. state courts may try cases on that matter
 - b. state courts may try cases on that matter if they pay the federal court a fee
 - c. state courts may not try cases on that matter unless the plaintiff agrees
 - d. state courts may not try cases on that matter unless the federal courts are backlogged
 - e. none of the other choices are correct

ANSWER: e (page 42)

National: AACSB Analytic; AICPA BB-Legal

246. In this situation, which court system has jurisdiction? The plaintiff lives in State A; the defendant lives in State B; the dispute over \$35,000 involves a matter of state law:
- a. federal court
 - b. state court
 - c. federal or state court
 - d. concurrent courts
 - e. none of the other choices are correct

ANSWER: b (page 42)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

247. State courts may never have jurisdiction in which of the following situations?
- a. plaintiff and defendant live in the same state and the dispute involves state law
 - b. plaintiff and defendant live in different states, the matter involves state law, and the amount in controversy is less than \$75,000
 - c. plaintiff and defendant live in different states, the matter involves state law, and the amount in controversy is more than \$75,000
 - d. plaintiff and defendants live in different states and the dispute involves federal law
 - e. none of the other choices; state courts could have jurisdiction in any of the above situations

ANSWER: e (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

248. State courts may have jurisdiction in which of the following situations?
- a. plaintiff and defendant live in different states, the matter involves state law, and the amount in controversy is less than \$75,000
 - b. plaintiff and defendant live in different states, the matter involves state law, and the amount in controversy is more than \$75,000
 - c. plaintiff and defendants live in different states and the dispute involves federal law
 - d. plaintiff and defendant live in the same state and have a dispute about property located in the state
 - e. all of the other choices can be correct

ANSWER: e (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

249. State courts may never have jurisdiction in which of the following situations?
- a. plaintiff and defendant both live in the same state and the dispute involves state law
 - b. plaintiff and defendant live in different states, the matter involves state law, and the amount in controversy is less than \$75,000
 - c. plaintiff and defendant live in different states, the matter involves state law, and the amount in controversy is more than \$75,000
 - d. plaintiff and defendant live in the same state and the dispute involves a law for which the federal courts have exclusive jurisdiction
 - e. none of the other choices; state courts could have jurisdiction in any of the situations

ANSWER: d (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

250. Federal courts have exclusive jurisdiction over cases involving:
- a. federal crimes
 - b. bankruptcy
 - c. patents
 - d. copyrights
 - e. all of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

251. Federal courts have exclusive jurisdiction over cases involving:
- a. matters controlled by the state government
 - b. adoption
 - c. divorce
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

252. Federal courts have exclusive jurisdiction over cases involving:
- a. divorce
 - b. adoption
 - c. copyrights
 - d. all of the other specific choices are correct

- e. none of the other specific choices are correct

ANSWER: c (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

253. Federal courts have exclusive jurisdiction over cases involving:
- a. divorce
 - b. adoption
 - c. patents
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: c (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

254. Federal courts have exclusive jurisdiction over cases involving:
- a. divorce
 - b. adoption
 - c. federal crimes
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: c (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

255. Federal crimes, bankruptcy, patents and copyrights are all examples of:
- a. matters over which federal courts have exclusive jurisdiction
 - b. matters over which federal courts have relative jurisdiction
 - c. matters over which federal courts have subjective jurisdiction
 - d. matters over which state courts have exclusive jurisdiction
 - e. matters over which state courts have ultimate jurisdiction

ANSWER: a (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

256. Federal crimes, bankruptcy, patents and copyrights are all examples of:
- a. matters over which state courts have ultimate jurisdiction
 - b. matters over which federal courts have relative jurisdiction
 - c. matters over which federal courts have subjective jurisdiction
 - d. matters over which state courts have exclusive jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

257. Divorce, adoption, and other matters controlled by the state government are examples of:
- a. matters over which state courts have ultimate jurisdiction
 - b. matters over which federal courts have relative jurisdiction
 - c. matters over which state courts have subjective jurisdiction
 - d. matters over which federal courts have exclusive jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

258. Divorce, adoption, and other matters controlled by the state government are examples of:
- a. matters over which state courts have ultimate jurisdiction
 - b. matters over which state courts have exclusive jurisdiction
 - c. matters over which state courts have subjective jurisdiction
 - d. matters over which federal courts have exclusive jurisdiction
 - e. none of the other choices are correct

ANSWER: b (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

259. If either state courts or federal courts have the power to hear a dispute this is known as:
- a. concurrent jurisdiction
 - b. simultaneous jurisdiction
 - c. alternate jurisdiction
 - d. removal jurisdiction
 - e. none of the other choices

ANSWER: a (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

260. If either state courts or federal courts have the power to hear a dispute this is known as:
- a. simultaneous jurisdiction
 - b. alternate jurisdiction
 - c. removal jurisdiction
 - d. equitable jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

261. Concurrent jurisdiction is when the:
- a. state and local court systems both have jurisdiction
 - b. court had jurisdiction over people and property
 - c. court has jurisdiction over non-current assets
 - d. federal and state court systems both have jurisdiction
 - e. federal courts have jurisdiction over foreign citizens

ANSWER: d (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

262. Concurrent jurisdiction is when the:
- a. state trial and appeals courts both have jurisdiction
 - b. court had jurisdiction over people and property
 - c. court has jurisdiction over non-citizens
 - d. court has jurisdiction over a foreign citizen
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

263. State courts often have jurisdiction to hear federal question cases. An exception to this rule exists when the:
- a. state court involved has a conflict of interest
 - b. state court has a history of deciding federal questions cases against the government
 - c. state court is found to be discriminatory
 - d. Congress declares that states do not have jurisdiction over a specific federal law
 - e. Supreme Court determines that the state courts are not capable of handling the complexity of a particular federal question

ANSWER: d (page 43)

National: AACSB Analytic; AICPA BB-Legal

264. State courts often have jurisdiction to hear federal question cases. An exception to this rule exists when the:
- a. Supreme Court determines that the state courts are not capable of handling the complexity of a particular federal question
 - b. state court has a history of deciding federal questions cases against the government
 - c. Congress declares that states do not have jurisdiction over a specific federal law
 - d. the President has assumed control over an area of law
 - e. United Nations has held that the courts of any nation do not have jurisdiction

ANSWER: c (page 43)

National: AACSB Analytic; AICPA BB-Legal

265. A plaintiff files suit in state court. The defendant wants the case tried in federal court. Both courts can properly hear the case. If the case goes to federal court it is based on:
- a. exclusive jurisdiction
 - b. simultaneous jurisdiction
 - c. alternate jurisdiction
 - d. right of removal
 - e. none of the other choices are correct

ANSWER: d (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

266. Right of removal is intended to:
- a. protect out-of-state plaintiffs from state courts that might favor their own citizens
 - b. protect out-of-state defendants from being disadvantaged by not understanding the state court system
 - c. protect out-of-state defendants from state courts that might favor their own citizens
 - d. protect a state's attorneys from competition from attorneys from other states
 - e. none of the other choices are correct

ANSWER: c (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

267. Right of removal is intended to:
- a. keep a state's court system from becoming backlogged with cases
 - b. protect out-of-state defendants from being disadvantaged by not understanding the state court system
 - c. protect out-of-state plaintiffs from state courts that might favor their own citizens
 - d. protect a state's attorneys from competition from attorneys from other states
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; Communication; AICPA BB-Legal

268. Right of removal allows:
- a. defendants to have a case removed to a federal court if concurrent jurisdiction exists
 - b. defendants to have a case rejected by a federal court if concurrent jurisdiction exists
 - c. defendants to have a court appointed lawyer
 - d. defendants to have multiple lawyers
 - e. defendants to have the plaintiff removed from the court room when the verdict is read

ANSWER: a (page 43)

National: AACSB Analytic; AICPA BB-Legal

269. Right of removal allows:
- a. defendants to have the plaintiff removed from the court room when the verdict is read
 - b. defendants to have a case rejected by a federal court if concurrent jurisdiction exists
 - c. defendants to have a court appointed lawyer
 - d. defendants to have multiple lawyers
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; AICPA BB-Legal

270. A defendant may not remove a case to federal court if:
- a. the plaintiff files suit in the defendant's home state court, rather than the plaintiff's home state court
 - b. the defendant files suit in the plaintiff's home state court, rather than the defendant's home state court
 - c. the defendant does not have a home state court
 - d. the defendant is not a citizen of the United States
 - e. the plaintiff is not a citizen of the United States

ANSWER: a (page 43)

National: AACSB Analytic; AICPA BB-Legal

271. A defendant may not remove a case to federal court if:
- a. the plaintiff is not a citizen of the United States
 - b. the defendant files suit in the plaintiff's home state court, rather than the defendant's home state court
 - c. the defendant does not have a home state court
 - d. the defendant is not a citizen of the United States
 - e. none of the other choices are correct

ANSWER: e (page 43)

National: AACSB Analytic; AICPA BB-Legal

272. Parties to a suit may prefer state or federal court because:
- a. the law may be more favorable in one court
 - b. the procedure may be more favorable in one court
 - c. the judge may be more favorable in one court
 - d. local politics may influence one court

- e. all of the other choices may play a role

ANSWER: e (page 43)

National: AACSB Analytic; AICPA BB-Legal

273. In a case involving state law that could be tried in state court, but that has been moved to federal court. The federal court will:
- a. apply federal or state law to resolve the dispute
 - b. apply federal law to resolve the dispute
 - c. apply state law to resolve the dispute
 - d. apply the Uniform Commercial Code to resolve the dispute
 - e. send the case back to state court

ANSWER: c (page 45)

National: AACSB Analytic; AICPA BB-Legal

274. In a case involving state law that could be tried in state court, but that has been moved to federal court. The federal court will:
- a. apply federal or state law to resolve the dispute
 - b. apply federal law to resolve the dispute
 - c. apply the Uniform Commercial Code to resolve the dispute
 - d. send the case to the state court for resolution
 - e. none of the other choices are correct

ANSWER: e (page 45)

National: AACSB Analytic; AICPA BB-Legal

275. In *Erie Railroad Co. v. Tompkins*, where Tompkins sued a New York company that owned a train that hit him in Pennsylvania:
- a. the U.S. Supreme Court said that state common law must be applied in federal court
 - b. the U.S. Supreme Court said that federal common law must be applied in federal court
 - c. the U.S. Supreme Court said that since this was a matter of common law involving two states, it was a matter for the state courts, not federal district court
 - d. the Supreme Court of Pennsylvania said this was a matter of New York common law that must be tried in federal court
 - e. the Supreme Court of New York said this was a matter of Pennsylvania common law that must be tried in that state

ANSWER: a (page 45)

National: AACSB Analytic; AICPA BB-Legal

276. In *Erie Railroad Co. v. Tompkins*, where Tompkins sued a New York company that owned a train that hit him in Pennsylvania:
- a. the U.S. Supreme Court said that federal common law must be applied in federal court
 - b. the U.S. Supreme Court said that since this was a matter of common law involving two states, it was a matter for the state courts, not federal district court
 - c. the Supreme Court of Pennsylvania said this was a matter of New York common law that must be tried in federal court
 - d. the Supreme Court of New York said this was a matter of Pennsylvania common law that must be tried in that state
 - e. none of the other choices are correct

ANSWER: e (page 45)

National: AACSB Analytic; AICPA BB-Legal

277. In *Erie Railroad v. Tompkins*, where Tompkins was hit by a New York train while in Pennsylvania, regarding the application of common law in a diversity of citizenship case in federal district court, the Supreme Court decided that:
- a. federal courts must follow procedural law of the state in which it is located
 - b. federal courts may apply either state or federal common law to resolve a case before it
 - c. the common law of the appropriate state must be applied in cases in federal courts
 - d. federal courts must follow federal common law in all disputes before them
 - e. none of the other choices are correct

ANSWER: c (page 45)

National: AACSB Analytic; AICPA BB-Legal

278. In *Erie Railroad Co. v. Tompkins*, where Tompkins sued a New York company that owned a train that hit him in Pennsylvania, the Supreme Court held that:
- a. federal common law did not exist in diversity-of-citizenship cases
 - b. federal courts would apply federal common law in diversity-of-citizenship cases
 - c. federal common law would be used when there was no diversity of citizenship
 - d. federal common law takes precedence over state common law in all instances
 - e. federal judges may order a case out of state court to “protect judicial integrity”

ANSWER: a (page 45)

National: AACSB Analytic; AICPA BB-Legal

279. In *Erie Railroad Co. v. Tompkins*, where Tompkins sued a New York company that owned a train that hit him in Pennsylvania, the Supreme Court reversed the decision for Tompkins by the court of appeals because it held that:
- a. applying the doctrine of *Swift v. Tyson* rendered impossible equal protection of the law
 - b. applying the doctrine of *Swift v. Tyson* rendered impossible avoidance of the in rem problem

- c. applying the doctrine of *Swift v. Tyson* created a substantial party problem
- d. applying the doctrine of *Swift v. Tyson* created a diversity of citizenship problem
- e. none of the other choices are correct

ANSWER: a (page 45)

National: AACSB Analytic; AICPA BB-Legal

280. According to the Supreme Court in *Erie Railroad Co. v. Tompkins*, where Tompkins sued a New York company that owned a train that hit him in Pennsylvania, the doctrine of *Swift v. Tyson*, which held that federal courts exercising jurisdiction on the ground of diversity of citizenship need not, in matters of general jurisprudence, apply [the common law] of the state as declared by its highest court, introduced:
- a. discrimination against state citizens by non-state citizens
 - b. discrimination against non-state citizens by state citizens
 - c. a substantial party problem
 - d. a stare decisis problem
 - e. an ultimate jurisdiction problem

ANSWER: a (page 45)

National: AACSB Analytic; AICPA BB-Legal

281. When a dispute brought in a state court involves incidents that occurred in more than one state, what problem may arise?
- a. an *Erie Railroad v. Tompkins* issue of federal versus state common law
 - b. a real and substantial party problem
 - c. a quasi-in-rem problem
 - d. a conflict-of-law problem
 - e. all of the other choices are correct

ANSWER: d (page 46)

National: AACSB Analytic; AICPA BB-Legal

282. When a state court hears a case involving incidents that took place in more than one state or entirely in a different state a _____ problem may arise.
- a. conflict-of-state
 - b. conflict-of-court
 - c. conflict-of-law
 - d. conflict-of-jurisdiction
 - e. none of the other choices are correct

ANSWER: c (page 46)

National: AACSB Analytic; Communication; AICPA BB-Legal

283. When a state court hears a case involving incidents that took place in more than one state or entirely in a different state a _____ problem may arise.
- a. conflict-of-state
 - b. conflict-of-court
 - c. conflict-of-citizenship
 - d. conflict-of-jurisdiction
 - e. none of the other choices are correct

ANSWER: e (page 46)

National: AACSB Analytic; Communication; AICPA BB-Legal

284. Conflict-of-law problems may arise when:
- a. a state court hears a case involving incidents that took place in more than one state or entirely in a different state
 - b. a state court hears a case involving two parties from different counties
 - c. a state court hears a case involving a divorce proceeding for celebrities
 - d. a state court hears a case with a lot of ambiguous evidence
 - e. a state court hears a case regarding a matter in which the state law is unclear

ANSWER: a (page 46)

National: AACSB Analytic; Communication; AICPA BB-Legal

285. Conflict-of-law problems may arise when:
- a. a state court hears a case regarding a matter in which the state law is unclear
 - b. a state court hears a case involving two parties from different counties
 - c. a state court hears a case involving a divorce proceeding for celebrities
 - d. a state court hears a case with a lot of ambiguous evidence
 - e. none of the other choices are correct

ANSWER: e (page 46)

National: AACSB Analytic; Communication; AICPA BB-Legal

286. In a business dispute involving a conflict-of-law issue, the court would apply the law from the state in which:
- a. the contract in question was formed (written)
 - b. the contract in question was performed
 - c. the contract in question designated the state
 - d. all of the other specific factor choices are important
 - e. none of the other choices are correct

ANSWER: d (page 46)

National: AACSB Analytic; Communication; AICPA BB-Legal

287. When resolving conflict-of-law problems some courts have determined that the law of the state having the “most significant” interest should apply. Suppose an airplane crashes in South Carolina, injuring all four persons aboard. If the airplane manufacturer is in Texas, the plane left from Texas to go to Virginia, and all four of the injured parties are from Texas, an attorney for the pilot of the plane, hoping to keep the case in Texas, should argue that:
- a. all of witnesses and medical records are in South Carolina
 - b. the interests of Texas in adjudicating the case outweigh the interests of South Carolina
 - c. South Carolina has a superior interest in keeping its reputation for safe airways intact
 - d. federal aviation rules control, so the case should be heard in Washington, D.C.
 - e. the attorney should avoid all of these arguments

ANSWER: b (page 46)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

288. Suppose an airplane crashes in Arkansas, injuring four passengers who file suit in South Carolina court. If the plane manufacturer is in Texas, the plane left from Texas to go to Virginia, and all injured parties are from Texas, an attorney for the pilot of the plane, hoping to keep the case in Texas, should argue that, under the conflict-of-laws rules:
- a. all of witnesses and medical records are in South Carolina
 - b. the interests of Texas in resolving the case outweigh the interests of South Carolina
 - c. South Carolina has a superior interest in keeping its reputation for safe airways intact
 - d. federal aviation rules apply, which means Texas controls the matter
 - e. the case must be heard in federal court under federal law

ANSWER: b (page 46)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

289. The general conflict-of-law rule for tort cases is that:
- a. the law of the place where the tort occurred applies
 - b. the law of the place where the defendant lives applies
 - c. the law of the place where the plaintiff lives applies
 - d. the court may decide what law to apply
 - e. none of the other choices are correct

ANSWER: a (page 46)

National: AACSB Analytic; AICPA BB-Legal

290. The general conflict-of-law rule for tort cases is that:
- a. the law of the place where the defendant’s attorney lives applies
 - b. the law of the place where the defendant lives applies
 - c. the law of the place where the plaintiff lives applies

- d. the court may decide what law to apply
- e. none of the other choices are correct

ANSWER: e (page 46)

National: AACSB Analytic; AICPA BB-Legal

291. In *Williamson Pounders Architects v. Tuncia*, where Williamson sued Tunica County in federal court in Mississippi for breach of contract, the appeals court held that:
- a. the district court was correct in dismissing the claim because Mississippi law does not allow verbal adjustment of contracts
 - b. the district court was incorrect in dismissing the claim because Mississippi law does not allow verbal adjustment of contracts
 - c. the district court was correct in dismissing the claim because Tennessee law does not allow verbal adjustment of contracts
 - d. the district court was incorrect in dismissing the claim because Tennessee law does not allow verbal adjustment of contracts
 - e. none of the other choices are correct

ANSWER: a (page 47)

National: AACSB Analytic; AICPA BB-Legal

292. In *Williamson Pounders Architects v. Tuncia*, where Williamson sued Tunica County in federal court in Mississippi for breach of contract, the appeals court held that:
- a. the primary rule of the “center of gravity” concept meant that Tennessee law would apply
 - b. the primary rule of the “center of gravity” concept meant that Mississippi law would apply
 - c. the primary rule of the “center of gravity” concept meant that Williamson Pounders Architects should have been compensated for their work
 - d. the primary rule of the “center of jurisdiction” concept meant that Mississippi law would apply
 - e. none of the other choices

ANSWER: b (page 47)

National: AACSB Analytic; AICPA BB-Legal

293. Proper venue refers to:
- a. the final place a lawsuit is heard
 - b. the first place a lawsuit is heard
 - c. the proper place for a case to be filed
 - d. the proper place where a lawsuit is heard
 - e. none of the other choices

ANSWER: d (page 14)

National: AACSB Analytic; AICPA BB-Legal

294. Proper venue has as its basis:
- a. removal jurisdiction
 - b. fairness
 - c. deterrent value
 - d. long-arm statute limits
 - e. none of the other choices are correct

ANSWER: b (page 48)

National: AACSB Analytic; AICPA BB-Legal

295. Proper venue has as its basis:
- a. removal jurisdiction
 - b. the Federal Rules of Civil Procedure
 - c. deterrent value
 - d. long-arm statute limits
 - e. none of the other choices are correct

ANSWER: e (page 48)

National: AACSB Analytic; AICPA BB-Legal

296. A defendant can only be sued in a federal court in:
- a. the district where the dispute arose
 - b. the district where the plaintiff lives
 - c. the district where the defendant lives
 - d. all of the other specific choices can be correct
 - e. none of the other specific choices are correct

ANSWER: d (page 48)

National: AACSB Analytic; AICPA BB-Legal

297. If there has been a lot of publicity surrounding a case, the defendant may request:
- a. a declaration of forum non conveniens
 - b. a determination of concurrent jurisdiction
 - c. a conflict-of-law ruling
 - d. a change of venue
 - e. none of the other choices are correct

ANSWER: d (page 48)

National: AACSB Analytic; AICPA BB-Legal

298. If there has been a lot of publicity surrounding a case, the defendant may request:
- a. a declaration of forum non conveniens
 - b. a determination of concurrent jurisdiction
 - c. a conflict-of-law ruling
 - d. a “quashing” of the indictment
 - e. none of the other choices are correct

ANSWER: e (page 48)

National: AACSB Analytic; AICPA BB-Legal

299. When a party to lawsuit uses the doctrine of forum non conveniens, she asks the court:
- a. to retry the case
 - b. to send the case to an appellate court
 - c. to dismiss the case and send it to another court
 - d. to remove one of the defendants
 - e. to add a plaintiff

ANSWER: c (page 48)

National: AACSB Analytic; AICPA BB-Legal

300. When considering a motion to transfer a case for forum non conveniens a court considers:
- a. where the actions related to the case took place
 - b. where the witnesses and evidence are located
 - c. whether the parties will be unfairly burdened by using a particular court
 - d. all of the other specific choices are correct
 - e. none of the other specific choices are correct

ANSWER: d (page 49)

National: AACSB Analytic; AICPA BB-Legal

301. Forum non conveniens (the forum is not suitable) is a doctrine used by judges to:
- a. dismiss civil but not criminal cases
 - b. dismiss criminal but not civil cases
 - c. dismiss either civil or criminal cases
 - d. transfer cases to another court
 - e. transfer foreign defendants to their home countries

ANSWER: d (page 49)

National: AACSB Analytic; AICPA BB-Legal

FACT PATTERN QUESTIONS**FACT Pattern 2-1**

Questions 302-307 apply to Fact Pattern 2-1

Yoshi, a Japanese citizen working in Atlanta for his Tokyo firm, decided to rent an airplane and fly himself to the Annual Catfish and Zydeco festival in Thibodaux, Louisiana. He rented a small plane to fly there. Over Alabama, thunderstorms formed. Because Yoshi was not trained to fly by instruments, he decided to land at the next airport.

As he searched for a runway, Yoshi heard a loud clank followed by silence as the engine died. He tried to land in a field but crashed. While recovering in a rehabilitation center in California, Yoshi filed suit there against the Atlanta Airport and the owners of the airplane, alleging that they were negligent in their maintenance.

302. Refer to Fact Pattern 2-1. If Yoshi wants to obtain jurisdiction over the owner of the airplane he may:
- a. send California police to Atlanta to serve the summons
 - b. serve the owner with a summons while the owner is bar hopping in Los Angeles
 - c. serve the owner with a summons while the owner is on a business trip to Oregon
 - d. serve the owner with a summons while the owner is in a Delta jet flying over California on his way to Hawaii
 - e. not serve the owner because he is a Georgia resident

ANSWER: b

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

303. Refer to Fact Pattern 2-1. For a California court to have jurisdiction to hear this case it must have jurisdiction over the:
- a. subject matter of the case
 - b. the law relating to the matter
 - c. person or property of the airplane owner
 - d. all of the specific choices are correct
 - e. none of the other choices are correct

ANSWER: d

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

304. Refer to Fact Pattern 2-1. Yoshi sues defendants \$5 million. The defendants may ask the California court to use its:
- a. original jurisdiction to move the suit to a federal court
 - b. concurrent jurisdiction to move the suit to federal court

- c. its removal powers to move the suit to a federal court
- d. removal powers to move the suit to a Georgia state court
- e. none of the other choices; the case must be in California state court if Yoshi insists

ANSWER: c

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

305. Refer to Fact Pattern 2-1. The Atlanta airport is a corporation. California has a long-arm statute. How might Yoshi use the statute to exercise jurisdiction over the airport?
- a. if the airport is incorporated in Georgia, Yoshi may use the California statute to gain jurisdiction
 - b. if the airport has its headquarters in Georgia, Yoshi may use the California statute to gain jurisdiction
 - c. if the airport does all of its business in Georgia, Yoshi may use the California statute to gain jurisdiction
 - d. if the airport does business in, or has minimum contacts with California, Yoshi may use the California statute to gain jurisdiction
 - e. Yoshi may not take advantage of the California statute because the accident occurred in Alabama

ANSWER: d

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

306. Refer to Fact Pattern 2-1. Suppose Yoshi can exercise jurisdiction over the defendants in court in California. They fail to appear to defend themselves and Yoshi wins a default judgment for \$5 million which defendants do not pay. Yoshi discovers that the owner of the airplane also owns a Lear jet, which is in San Diego. If Yoshi has the court seize the jet in satisfaction of the judgment, Yoshi has obtained what type of jurisdiction?
- a. in personam jurisdiction
 - b. de novo jurisdiction
 - c. lex loci jurisdiction
 - d. quasi in rem jurisdiction
 - e. in rem jurisdiction

ANSWER: d

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

307. Refer to Fact Pattern 2-1. Assume the defendants have the case removed from the state court in California to a federal court. Under *Erie v. Tompkins* what law will the federal court be most likely to apply in deciding the dispute?
- a. the state law of Georgia where Yoshi contracted to rent the airplane
 - b. the federal common law
 - c. the civil law of Japan because Yoshi is a Japanese native

- d. the state law of Louisiana, because Yoshi was going there
- e. none of the other choices are correct

ANSWER: a

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

TRUE - FALSE QUESTIONS

1. T F With the exception of the U.S. Supreme Court, Congress has the power to abolish and create federal courts.

ANSWER: T (page 27)

National: AACSB Analytic; AICPA BB-Legal

2. T F The Constitution created the U.S. Supreme Court and authorized it to establish lower courts as needed.

ANSWER: F (page 27)

National: AACSB Analytic; AICPA BB-Legal

3. T F Federal judges are nominated by the President and confirmed by the Senate.

ANSWER: T (page 27)

National: AACSB Analytic; AICPA BB-Legal

4. T F In the history of the United States, over 200 judges have been removed from the office of federal judge.

ANSWER: F (page 27)

National: AACSB Analytic; AICPA BB-Legal

5. T F When a federal judge is impeached from office, the trial is heard by the Supreme Court, unless a Supreme Court judge is involved.

ANSWER: F (page 27)

National: AACSB Analytic; AICPA BB-Legal

6. T F Federal judges can retire at age 70 but then keep working as a judge.

ANSWER: T (page 27)

National: AACSB Analytic; AICPA BB-Legal

7. T F Several times over the years, Congress has punished federal courts for decisions Congress did not like by cutting the salary of judges.

ANSWER: F (page 27)

National: AACSB Analytic; AICPA BB-Legal

8. T F All state supreme court judges are elected.

ANSWER: F (page 27)

National: AACSB Analytic; AICPA BB-Legal

9. T F State judges, unlike federal judges, are generally not appointed for life.

ANSWER: T (page 27)

National: AACSB Analytic; AICPA BB-Legal

10. T F In some states, judges are elected in partisan (party) elections.

ANSWER: T (page 27)

National: AACSB Analytic; AICPA BB-Legal

11. T F In some states, judges are appointed by the governor.

ANSWER: T (page 27)

National: AACSB Analytic; AICPA BB-Legal

12. T F If a judge makes a clearly incorrect decision in a case (called “gross error of law”) he or she may be liable for the damages caused.

ANSWER: F (page 28)

National: AACSB Analytic; AICPA BB-Legal

13. T F Judges are protected from damages caused by bad decisions they make on the bench by judicial immunity.

ANSWER: T (page 28)

National: AACSB Analytic; AICPA BB-Legal

14. T F If a judge shows personal bias toward a party in a case, the judge may not be sued for the bias.

ANSWER: T (page 28)

National: AACSB Analytic; AICPA BB-Legal

15. T F Trial courts at both the federal and state level are called courts of original jurisdiction.

ANSWER: T (page 28)

National: AACSB Analytic; AICPA BB-Legal

16. T F By definition, the only court of “original jurisdiction” in the U.S. is the U.S. Supreme Court.

ANSWER: F (page 28)

National: AACSB Analytic; AICPA BB-Legal

17. T F In *Davis v. West*, where Davis was sued for not having paid a bill and a court-appointed receiver took money from a bank account owned by Davis, the receiver was held personally liable for removing the funds improperly without notice.

ANSWER: F (page 29)

National: AACSB Analytic; AICPA BB-Legal

18. T F In *Davis v. West*, where Davis sued a court-appointed receiver, the appeals court noted that when a person acts on behalf of a court, they receive judicial immunity.

ANSWER: T (page 29)

National: AACSB Analytic; AICPA BB-Legal

19. T F Juries are used in state courts, but not in federal court.

ANSWER: F (page 31)

National: AACSB Analytic; AICPA BB-Legal

20. T F Every state has one federal district court judge, for a total of 50 in the U.S.

ANSWER: F (page 31)

National: AACSB Analytic; AICPA BB-Legal

21. T F The only federal courts in which a jury is used are the courts of appeals.

ANSWER: F (page 31)

National: AACSB Analytic; AICPA BB-Legal

22. T F There are twelve geographically based U.S. courts of appeals.

ANSWER: T (page 31)

National: AACSB Analytic; AICPA BB-Legal

23. T F There is no right of appeal in a criminal case lost by the government at the district court trial.

ANSWER: T (page 31)

National: AACSB Analytic; AICPA BB-Legal

24. T F In most federal court of appeals cases, three judges hear the appeals.

ANSWER: T (page 31)

National: AACSB Analytic; AICPA BB-Legal

25. T F Most federal court of appeals cases are reviewed by the Supreme Court.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

26. T F The federal government does not have the right to appeal involving a court judgment in a civil case.

ANSWER: F (page 31)

National: AACSB Analytic; AICPA BB-Legal

27. T F Appeals of decisions of regulatory agencies must go to the federal district court in the District of Columbia.

ANSWER: F (page 31)

National: AACSB Analytic; AICPA BB-Legal

28. T F A specialized court in the federal court system is the Court of Appeals for the Federal Circuit.

ANSWER: T (page 33)

National: AACSB Analytic; AICPA BB-Legal

29. T F The Court of Appeals for the Federal Circuit has national jurisdiction.

ANSWER: T (page 33)

National: AACSB Analytic; AICPA BB-Legal

30. T F The Court of Appeals for the Federal Circuit specializes in cases involving securities law and claims against the U.S. government.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

31. T F The highest court in France, the cour de cassation, in general has much more power than does the U.S. Supreme Court.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

32. T F In some matters, such as a dispute between two state governments, the U.S. Supreme Court has original and exclusive jurisdiction.

ANSWER: T (page 33)

National: AACSB Analytic; AICPA BB-Legal

33. T F A writ of certiorari directs a lower court to send up the record of a case for review by the Supreme Court.

ANSWER: T (page 33)

National: AACSB Analytic; AICPA BB-Legal

34. T F A writ of mandamus directs a lower court to send up the record of a case for review by the Supreme Court.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

35. T F Any one member of the Supreme Court can accept a case for the Court to hear.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

36. T F Four justices must agree to hear an appeal to the Supreme Court for it to be placed on the Court docket.

ANSWER: T (page 33)

National: AACSB Analytic; AICPA BB-Legal

37. T F The U.S. Supreme Court must accept appeals from state supreme courts when there is a conflict of laws between two or more states.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

38. T F There is a right of appeal of all lower court decisions to either the U.S. or a state supreme court.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

39. T F Because it is an appellate court, the U.S. Supreme Court has no original jurisdiction.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

40. T F Nearly all appeals to the Supreme Court are accepted at its discretion.

ANSWER: T (page 33)

National: AACSB Analytic; AICPA BB-Legal

41. T F In most years, the Supreme Court hears and decides about 20 cases.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

42. T F State courts, in contrast to federal courts, are known as court of limited jurisdiction.

ANSWER: F (page 33)

National: AACSB Analytic; AICPA BB-Legal

43. T F The Constitution requires each state court system to have appeals courts and a supreme court.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

44. T F The American court system contains two interrelated systems of courts: the English-style, private law courts and the federal, public law courts.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

45. T F In the federal and state systems, the only courts with general jurisdiction are the U.S. and state supreme courts.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

46. T F Only state court systems, not the federal court system, have courts of original jurisdiction.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

47. T F Like the federal court system, state courts have a system of appellate courts and courts of original jurisdiction.

ANSWER: T (page 34)

National: AACSB Analytic; AICPA BB-Legal

48. T F Courts of general jurisdiction are appellate courts with authority to hear all appeals from lower, more specialized, courts.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

49. T F All courts have general jurisdiction.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

50. T F One advantage of small claims courts is that they are less formal than regular courts.

ANSWER: T (page 34)

National: AACSB Analytic; AICPA BB-Legal

51. T F Small claims courts in all states may not hear cases involving amounts in dispute over \$1,000.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

52. T F By constitutional rules of fairness, there may be no dollar limit, upper or lower, set on the value of cases that must be heard by trial courts.

ANSWER: F (page 34)

National: AACSB Analytic; AICPA BB-Legal

53. T F At the state level, there is always a right of review up to the supreme court level.

ANSWER: F (page 35)

National: AACSB Analytic; AICPA BB-Legal

54. T F A decision of a state's highest court may be appealed to the U.S. Supreme Court.

ANSWER: T (page 35)

National: AACSB Analytic; AICPA BB-Legal

55. T F State court systems are all, by constitutional law, like the federal system, with trial courts, courts of appeal, and a supreme court.

National: AACSB Analytic; AICPA BB-Legal

ANSWER: F (page 35)

National: AACSB Analytic; AICPA BB-Legal

56. T F State law may limit the right of citizens to bring certain cases to certain courts for resolution.

ANSWER: T (page 35)

National: AACSB Analytic; AICPA BB-Legal

57. T F The plaintiff is the party who initiates a lawsuit.

ANSWER: T (page 35)

National: AACSB Analytic; AICPA BB-Legal

58. T F The *Federal Rules of Civil Procedure* were adopted by Congress in 1984 in an effort to reform the federal judiciary, which had become outdated in procedures.

ANSWER: F (page 35)

National: AACSB Analytic; AICPA BB-Legal

59. T F The *Federal Rules of Civil Procedure* are used in many state court systems to set procedure in state courts.

ANSWER: T (page 35)

National: AACSB Analytic; AICPA BB-Legal

60. T F Jurisdiction means the “power to speak of the law” by a court.

ANSWER: T (page 36)

National: AACSB Analytic; AACSB Communication; AICPA BB-Legal

61. T F Jurisdiction means the “authority of government” by a court.

ANSWER: F (page 36)

National: AACSB Analytic; AICPA BB-Legal

62. T F It is the responsibility of the plaintiff to determine the proper court in which to file a legal action.

ANSWER: T (page 36)

National: AACSB Analytic; AICPA BB-Legal

63. T F A plaintiff who wants to bring a lawsuit must go to a court that has subject matter jurisdiction and jurisdiction over the defendant.

ANSWER: T (page 36)

National: AACSB Analytic; AICPA BB-Legal

64. T F Subject-matter jurisdiction is a constitutional or statutory limitation on the disputes a court can resolve.

ANSWER: T (page 37)

National: AACSB Analytic; AICPA BB-Legal

65. T F Federal courts have limited jurisdiction and are empowered to hear only those cases within the judicial power of the United States.

ANSWER: T (page 37)

National: AACSB Analytic; AICPA BB-Legal

66. T F Cases concerning the application of the U.S. Constitution are federal questions within the power of the federal courts.

ANSWER: T (page 37)

National: AACSB Analytic; AICPA BB-Legal

67. T F Diversity of citizenship is a basis for allowing federal jurisdiction when a legal dispute arises between citizens of different states.

ANSWER: T (page 37)

National: AACSB Analytic; AICPA BB-Legal

68. T F Diversity of citizenship in federal courts refers only to cases where one party is a U.S. citizen and the other party to the case is a citizen of another country.

ANSWER: F (page 37)

National: AACSB Analytic; AICPA BB-Legal

69. T F To get a case into federal court which involves parties from different states, the claim must involve more than \$5,000.

ANSWER: F (page 37)

National: AACSB Analytic; AICPA BB-Legal

70. T F A court's jurisdictional authority is generally limited to the boundaries of the state in which it is located.

ANSWER: T (page 38)

National: AACSB Analytic; AICPA BB-Legal

71. T F The area over which a court has the power to hear cases is called territorial jurisdiction.

ANSWER: T (page 38)

National: AACSB Analytic; AICPA BB-Legal

72. T F The plaintiff notifies the defendant of a legal action against him by a conflict-of law declaration.

ANSWER: F (page 38)

National: AACSB Analytic; AICPA BB-Legal

73. T F Service of process is usually by newspaper publication.

ANSWER: F (page 38)

National: AACSB Analytic; AICPA BB-Legal

74. T F In general, constructive notice to a defendant, such a publication in the newspaper, is not sufficient notification.

ANSWER: T (page 38)

National: AACSB Analytic; AICPA BB-Legal

75. T F The power of a court over a defendant is called in personam jurisdiction.

ANSWER: T (page 38)

National: AACSB Analytic; AACSB Communication: AICPA BB-Legal

76. T F For a court to have in personam jurisdiction over the defendant to a suit, the defendant must agree to allow the court to resolve the matter in dispute.

ANSWER: F (page 38)

National: AACSB Analytic; AACSB Communication: AICPA BB-Legal

77. T F If a defendant fails to appear in court after receiving a summons, the court will order that a default judgment be entered against that defendant.

ANSWER: T (page 38)

National: AACSB Analytic; AICPA BB-Legal

78. T F A default judgment is entered against a defendant who fails to present a “legally sufficient defense” to the court.

ANSWER: F (page 38)

National: AACSB Analytic; AICPA BB-Legal

79. T F A court has jurisdiction over a business defendant if the business has a web site that can be accessed in the state in which suit was filed.

ANSWER: F (page 39)

National: AACSB Analytic; AICPA BB-Legal

80. T F A long-arm statute is a state law that allows state courts to reach beyond the state to obtain jurisdiction over non-residents.

ANSWER: T (page 39)

National: AACSB Analytic; AICPA BB-Legal

81. T F State long-arm statutes may be used to obtain jurisdiction over any corporation regardless of how much business it does in a state.

ANSWER: F (page 39)

National: AACSB Analytic; AICPA BB-Legal

82. T F A court can exercise jurisdiction over a corporate defendant if the court is located in the state in which the corporation is incorporated.

ANSWER: T (page 39)

National: AACSB Analytic; AICPA BB-Legal

83. T F A court can exercise jurisdiction over a corporate defendant if the court is located in the state in which the corporation has a production plant.

ANSWER: T (page 39)

National: AACSB Analytic; AICPA BB-Legal

84. T F A court can exercise jurisdiction over a corporate defendant if the court is located in the state in which the corporation is doing business.

ANSWER: T (page 39)

National: AACSB Analytic; AICPA BB-Legal

85. T F A court can exercise jurisdiction over a corporate defendant if the court is located in the state in which the corporation has “visible advertising.”

ANSWER: F (page 39)

National: AACSB Analytic; AICPA BB-Legal

86. T F In *Blimka v. My Web Wholesalers*, which involved a dispute between an Idaho resident who ordered jeans from a Maine website-based seller, the Idaho court held that since the Maine seller had no physical presence in Idaho it was not subject to Idaho court jurisdiction.

ANSWER: F (page 41)

National: AACSB Analytic; AICPA BB-Legal

87. T F In *Blimka v. My Web Wholesalers*, which involved a dispute between an Idaho resident who ordered jeans from a Maine website-based seller, the Idaho court held that the Maine seller was subject to Idaho court jurisdiction under the state long-arm statute.

ANSWER: T (page 41)

National: AACSB Analytic; AICPA BB-Legal

88. T F In *Blimka v. My Web Wholesalers*, which involved a dispute between an Idaho resident who ordered jeans from a Maine website-based seller, the Idaho court held that due to diversity of citizenship the case would have to be heard in federal court.

ANSWER: F (page 41)

National: AACSB Analytic; AICPA BB-Legal

89. T F In *Blimka v. My Web Wholesalers*, which involved a dispute between an Idaho resident who ordered jeans from a Maine website-based seller, the Idaho court held that since the Maine seller intended to do business in Idaho, it became subject to Idaho court jurisdiction.

ANSWER: T (page 41)

National: AACSB Analytic; AICPA BB-Legal

90. T F In rem jurisdiction means that a court has the power to issue a judgment with respect to property such as a house or bank account.

ANSWER: T (page 42)

National: AACSB Analytic; AICPA BB-Legal

91. T F A case involving in rem jurisdiction means a court has authority to control property such as a house, but does not include intangible property, such as stock in a company.

ANSWER: F (page 42)

National: AACSB Analytic; AICPA BB-Legal

92. T F Under in rem jurisdiction, a court has power over the real (physical) property of a defendant but not financial assets of a defendant.

ANSWER: F (page 42)

National: AACSB Analytic; AICPA BB-Legal

93. T F Under in rem jurisdiction, a court has power over the property of a defendant regardless of where the property is located.

ANSWER: F (page 42)

National: AACSB Analytic; AICPA BB-Legal

94. T F If a dispute may be resolved in federal courts only, the federal court is said to have exclusive jurisdiction.

ANSWER: T (page 42)

National: AACSB Analytic; AICPA BB-Legal

95. T F Federal courts have jurisdiction over matters such as divorce if the parties to the case now live in separate states.

ANSWER: F (page 42)

National: AACSB Analytic; AICPA BB-Legal

96. T F If both parties to a case live in the same state and there is less than \$75,000 in dispute, then no matter what the legal issue, the case must be in state court.

ANSWER: F (page 43)

National: AACSB Analytic; AICPA BB-Legal

97. T F If the parties to a case are from different states, there is more than \$75,000 in dispute, and state law is involved, the case may be heard in either federal or state court.

ANSWER: T (page 43)

National: AACSB Analytic; AICPA BB-Legal

98. T F If the parties to a case are from different states, there is more than \$75,000 in dispute, and federal law is involved, the case may be heard in either federal or state court.

ANSWER: T (page 43)

National: AACSB Analytic; AICPA BB-Legal

99. T F Concurrent jurisdiction means both a state court and a federal court may have the power to hear a case.

ANSWER: T (page 43)

National: AACSB Analytic; AICPA BB-Legal

100. T F Because more than one court cannot have jurisdiction over the same case, federal courts have removal jurisdiction to insure that cases are moved to the proper state court.

ANSWER: F (page 43)

National: AACSB Analytic; AICPA BB-Legal

101. T F An action may be removed from state court to federal court by a defendant based on diversity of citizenship.

ANSWER: T (page 43)

National: AACSB Analytic; AICPA BB-Legal

102. T F A suit tried in federal court must use federal law to resolve the matter; a suit tried in state court must use state law to resolve the matter.

ANSWER: F (page 43)

National: AACSB Analytic; AICPA BB-Legal

103. T F A suit involving a dispute for \$1 million over a contract signed in California, for business to be done in California, under California law, with parties from two different states could only be tried in California courts.

ANSWER: F (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

104. T F A suit involving a dispute for \$1 million over a contract signed in California under California law with parties from two different states could be tried in federal or California courts using the same law.

ANSWER: T (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

105. T F A suit involving a dispute for \$1 million over a contract signed in California under California law with parties from two different states could be tried in federal court using federal law or in a California court using California law.

ANSWER: F (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

106. T F A suit involving a dispute for \$45,000 over a contract signed in California under California law with parties from two different states could be tried in federal court using federal law or in a California court using California law.

ANSWER: F (page 43)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

107. T F A suit involving a dispute for \$45,000 over a contract signed in California under California law with parties from two different states could be tried in federal court using California law or in a California court using California law.

ANSWER: F (page 45)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

108. T F A suit involving a dispute for \$45,000 over a contract signed in California under California law with parties from two different states would be tried in a California court using California law.

ANSWER: T (page 450)

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal

109. T F The case *Erie v. Tompkins*, involving a man hit by a train in Pennsylvania, holds that federal courts must apply either state common law or state statutory law in resolving disputes between citizens of different states.

ANSWER: T (page 45)

National: AACSB Analytic; AICPA BB-Legal

110. T F In *Erie v. Tompkins*, where Tompkins was hit by a New York train in Pennsylvania, the Supreme Court held that the matter must be tried under federal law because the law of New York and Pennsylvania were in conflict.

ANSWER: F (page 45)

National: AACSB Analytic; AICPA BB-Legal

111. T F In *Erie v. Tompkins*, where Tompkins was hit by a New York train in Pennsylvania, the Supreme Court held that federal common law, as first announced in *Swift v. Tyson*, had to be applied to cases where there was diversity of citizenship, forcing the case into federal court.

ANSWER: F (page 45)

National: AACSB Analytic; AICPA BB-Legal

112. T F In *Erie v. Tompkins*, where Tompkins was hit by a New York train in Pennsylvania, the Supreme Court held that federal common law, as first announced in *Swift v. Tyson*, was to be abandoned in favor of state common law.

ANSWER: T (page 45)

National: AACSB Analytic; AICPA BB-Legal

113. T F A conflict-of-law arises when incidents occur that have taken place in more than one state or entirely in another state from the one in which the lawsuit was filed.

ANSWER: T (page 46)

National: AACSB Analytic; AICPA BB-Legal

114. T F Traditionally, in contracts cases, the conflict-of-law rule is that the law of the state in which a contract was breached will determine the validity of the contract.

ANSWER: F (page 46)

National: AACSB Analytic; AICPA BB-Legal

115. T F Courts often apply a “significant interest” test in conflicts-of-law cases to determine which court should have jurisdiction over a dispute.

ANSWER: T (page 46)

National: AACSB Analytic; AICPA BB-Legal

116. T F Some states require that no matter what the dispute, all cases must be tried under the law of that state. No conflict-of-law tests will be applied.

ANSWER: F (page 46)

National: AACSB Analytic; AICPA BB-Legal

117. T F In *William Pounder Architects v. Tunica County*, where a Tennessee company did work for a Mississippi customer, the appeals court held that since the Tennessee company filed suit, it could choose the state law that would apply—Tennessee.

ANSWER: F (page 47)

National: AACSB Analytic; AICPA BB-Legal

118. T F In *William Pounder Architects v. Tunica County*, the federal appeals court held that an agreement calling for Tennessee law to govern a dispute was void, Mississippi law would apply because public policy required that.

ANSWER: T (page 47)

National: AACSB Analytic; AICPA BB-Legal

119. T F Venue of a lawsuit concerns the fairness of the location in which a case is tried.

ANSWER: T (page 48)

National: AACSB Analytic; AICPA BB-Legal

120. T F The venue of a case may be changed due to excessive publicity about the matter.

ANSWER: T (page 48)

National: AACSB Analytic; AICPA BB-Legal

121. T F The doctrine of *forum non conveniens* is closely related to the issue of venue.

ANSWER: T (page 48)

National: AACSB Analytic; AICPA BB-Legal

122. T F The doctrine of *forum non conveniens* applies only in federal district courts, not state trial courts.

ANSWER: F (page 48)

National: AACSB Analytic; AICPA BB-Legal

FACT PATTERN QUESTIONS

Yoshi, a Japanese citizen working in Atlanta for his Tokyo firm, decided to rent an airplane and fly himself to the Annual Catfish and Zydeco festival in Thibodaux, Louisiana. He rented a small plane to fly there. Over Alabama, thunderstorms formed. Because Yoshi was not trained to fly by instruments, he decided to land at the next airport.

As he searched for a runway, Yoshi heard a loud clank followed by silence as the engine died. He tried to land in a field but crashed. While recovering in a rehabilitation center in California, Yoshi filed suit there against the Atlanta Airport and the owners of the airplane, alleging that they were negligent in their maintenance.

Please answer True-False questions 123 to 130 based on the facts above.

123. T F Yoshi may obtain personal jurisdiction over the Atlanta Airport by having the court seize a bank account the airport holds in California.

ANSWER: F

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

124. T F Only Yoshi has the ability to remove the case he brought in a California state court to a federal court.

ANSWER: F

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

125. T F A court in which Yoshi's case may be brought and tried to a conclusion is said to have original jurisdiction over the case.

ANSWER: T

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

126. T F If Yoshi wants to sue the Atlanta Airport in California he will most likely have to use a long-leg statute to obtain personal jurisdiction.

ANSWER: F

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

127. T F Because of the size of his alleged damages and the nature of the case, Yoshi could, if he wished, sue the defendants in small claims court.

ANSWER: F

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

128. T F If Yoshi's case were removed to federal court, the federal court would have to apply conflict-of-law rules to determine what law to apply to the dispute.

ANSWER: T

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

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129. T F If Yoshi's case was tried in federal court in California, and the substantive issue of law involved was liability for the injuries arising from Yoshi's crash, the court would apply the common law of California.

ANSWER: F

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical

130. T F If Yoshi's case was tried in federal court in California and the issue of substantive law was whether or not a contract existed between Yoshi and the airplane owner, the court would apply the law of Georgia.

ANSWER: T

National: AACSB Analytic; Reflective Thinking; AICPA BB-Legal; BB-Critical