

NAME \_\_\_\_\_

## **BUSINESS LAW CHAPTER 1 TEST**

### **Part One – True/False (T or F)**

- \_\_\_\_\_ 1. Many of today's religions have adopted the golden rule.
- \_\_\_\_\_ 2. Laws can only be created at the federal and state level of government.
- \_\_\_\_\_ 3. Administrative agencies have the power to make their own rules.
- \_\_\_\_\_ 4. Decisions made by the highest court of a state become the law of precedent for that state.
- \_\_\_\_\_ 5. Previous court decisions are used as a basis for today's laws.
- \_\_\_\_\_ 6. The first 12 amendments to the U.S. Constitution are called the Bill of Rights.
- \_\_\_\_\_ 7. A state's constitution is the supreme law of the land.
- \_\_\_\_\_ 8. Indiana is the only state that does not follow English common law.
- \_\_\_\_\_ 9. An action or law that is no longer valid is said to be unconstitutional.
- \_\_\_\_\_ 10. Another name for a law is statute.

### **Part Two – Fill In**

- 1. Laws passed at the local level are often referred to as city \_\_\_\_\_.
- 2. This term means, "let a decision stand" \_\_\_\_\_.
- 3. A country's \_\_\_\_\_ spells out the principles by which that country's government operates.
- 4. The \_\_\_\_\_ amendment gave 18 year olds the right to vote.
- 5. "Treat others as you would like to be treated" is called the \_\_\_\_\_.
- 6. Rules of conduct established by the government of a society to maintain stability and justice are called \_\_\_\_\_.
- 7. The values that govern a society's attitude toward right or wrong are called \_\_\_\_\_.

### **Part Three – Short Answer**

- 1. State laws should not be vague. What does this mean?

2. Give a relationship where ethics and law may conflict.

3. List 5 sources of today's laws:

4. List 3 of the 4 functions of administrative agencies.

#### Part Four

1. Ethical decisions are based on:

- Feelings & opinions
- The Greatest Good
- The Golden Rule

*Directions:* Read the following scenario and write a paragraph explaining how the scenario relates to one of the three items listed above. Pick the one that best explains the scenario.

#### Scenario

Haley and her boyfriend, Tom, have just had a serious argument. To make Tom jealous, she promises Eddie that she will go to the junior prom with him, even though she has no intention of doing so. When Tom finds out about Haley's promise to Eddie, Tom and Haley make up. Haley then breaks her date with Eddie.