

Exam

Name _____

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 1) Laws are the rules of conduct that protect the rights of individuals and businesses. 1) _____
Answer: True False
- 2) Each level of government can pass laws to protect businesses and the public from harm. 2) _____
Answer: True False
- 3) A privacy policy is a list of rules of conduct for employees relating to the creation, usage, control, and maintenance of personal information. 3) _____
Answer: True False
- 4) Businesses must follow the guidelines of the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, when collecting and using personal information from their customers. 4) _____
Answer: True False
- 5) A business can use personal information only for the purposes for which it was collected. 5) _____
Answer: True False
- 6) A business need only obtain consent once for the personal information it collects. 6) _____
Answer: True False
- 7) When drafting a privacy policy, it is important to include what information is being collected and how it is being collected. 7) _____
Answer: True False
- 8) Business Law is all the laws that are created in order to form and run a business. 8) _____
Answer: True False
- 9) Business laws are in place to protect the business, the owner, and the public. 9) _____
Answer: True False
- 10) Laws guide the businessperson in the proper way to conduct the business. 10) _____
Answer: True False
- 11) If a business did not retain documentation necessary for a lawsuit, they run the risk of losing their lawsuit. 11) _____
Answer: True False
- 12) It is not necessary for a business to retain documentation for lawsuits. 12) _____
Answer: True False

- 13) A business can protect its rights and ability to do business by understanding its obligations to the public. 13) _____
Answer: True False
- 14) Risk management allows a business to understand and assess risks associated with doing business. 14) _____
Answer: True False
- 15) Good risk management may allow a business to avoid legal consequences. 15) _____
Answer: True False
- 16) Business ethics refers to the moral decisions made by the stakeholders of a business. 16) _____
Answer: True False
- 17) How to manage a conflict of interest with an employee is **not** an example of an ethical decision. 17) _____
Answer: True False
- 18) How to submit information to the Canada Revenue Agency to maximize profits while following rules is an example of an ethical decision. 18) _____
Answer: True False
- 19) You need to understand the area of law that may apply to your business. 19) _____
Answer: True False
- 20) Canada has three (3) types of law. 20) _____
Answer: True False
- 21) Canada has two (2) types of law. 21) _____
Answer: True False
- 22) Public law governs the relationship between individuals. 22) _____
Answer: True False
- 23) Public law sets the rules for the relationship between society and business. 23) _____
Answer: True False
- 24) Private law governs the relationship between individuals. 24) _____
Answer: True False
- 25) Private law sets the rules for the relationship between society and business. 25) _____
Answer: True False
- 26) Public law dictates how a business resolves a dispute with the government. 26) _____
Answer: True False

- 27) Businesses need not be concerned with white-collar crime. 27) _____
Answer: True False
- 28) Criminal law is designed to protect society from crimes. 28) _____
Answer: True False
- 29) Criminal law is a set of rules that individuals and not businesses must obey. 29) _____
Answer: True False
- 30) Constitutional law limits the exercise of governmental power over individuals and businesses through the protection of fundamental rights and freedoms. 30) _____
Answer: True False
- 31) Administrative laws set out broad policy statements and establish a board commission or agency to ensure compliance by business. 31) _____
Answer: True False
- 32) Administrative tribunals, boards, or commissions usually use Registration or licensing to control business subject to the administrative law. 32) _____
Answer: True False
- 33) Administrative tribunals, boards, or commissions all use the same process to resolve issues. 33) _____
Answer: True False
- 34) The Tax Court of Canada is a superior court in which businesses may litigate disputes concerning GST with the federal government. 34) _____
Answer: True False
- 35) Civil law is another name for private law. 35) _____
Answer: True False
- 36) In civil law, a plaintiff sues a defendant for compensation. 36) _____
Answer: True False
- 37) A slip and fall outside your business is an example of civil law. 37) _____
Answer: True False
- 38) In civil law, the Crown tries to prove that the accused is guilty beyond a reasonable doubt. 38) _____
Answer: True False
- 39) Common law is used in all courts of Canada. 39) _____
Answer: True False

- 40) Canada adopted common law from Britain. 40) _____
Answer: True False
- 41) Statute law is a set of codes, rules, and regulations that have been enacted by government. 41) _____
Answer: True False
- 42) Common law is case law or judge made precedent law. 42) _____
Answer: True False
- 43) *Stare decisis* means that judges in lower courts must follow decisions from higher courts in their provinces. 43) _____
Answer: True False
- 44) A business can use common law as precedent to help make its decisions involving legal risks. 44) _____
Answer: True False
- 45) The *Constitution Act 1867* outlines the executive and legislative powers of federal and provincial governments. 45) _____
Answer: True False
- 46) The *Constitution Act 1982* entrenches the *Canadian Charter of Rights and Freedoms* as well as other rights such as Aboriginal rights. 46) _____
Answer: True False
- 47) A statute is a law enacted at the municipal, provincial, or federal level. 47) _____
Answer: True False
- 48) Regulations are laws developed by departments and other organizations in specific areas. 48) _____
Answer: True False
- 49) A business needs to only be aware of statutes made for the province in which it does business. 49) _____
Answer: True False
- 50) Canada has three (3) branches of government. 50) _____
Answer: True False
- 51) The role of the judiciary is to interpret and pronounce the law. 51) _____
Answer: True False
- 52) The executive branch of government has the power to make, alter, and repeal the laws. 52) _____
Answer: True False

- 53) The legislative branch of government has the power to make, alter and repeal the laws. 53) _____
Answer: True False
- 54) The executive branch of government is responsible for administering and enforcing the laws. 54) _____
Answer: True False
- 55) The legislative branch of government is responsible for administering and enforcing the laws. 55) _____
Answer: True False
- 56) Court decisions are based on what the law says and what the evidence proves. 56) _____
Answer: True False
- 57) The hierarchy of courts is the same in each province. 57) _____
Answer: True False
- 58) Alternative Dispute Resolution is a process to resolve disputes in a way that does not involve going to court. 58) _____
Answer: True False
- 59) Mediation and arbitration are examples of ADR. 59) _____
Answer: True False
- 60) ADR is usually less expensive than litigation. 60) _____
Answer: True False
- 61) ADR is usually more expensive than litigation. 61) _____
Answer: True False
- 62) ADR is usually less time consuming than litigation. 62) _____
Answer: True False
- 63) ADR is usually more time consuming than litigation. 63) _____
Answer: True False
- 64) ADR is usually less private than litigation. 64) _____
Answer: True False
- 65) ADR is usually more private than litigation. 65) _____
Answer: True False
- 66) ADR can preserve the goodwill between the parties. 66) _____
Answer: True False

67) ADR can harm the goodwill between the parties. 67) _____
Answer: True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

68) Which of the following is **not** required to be put into a privacy policy? 68) _____
A) How the information is going to be shared with third parties.
B) Details on how the information is being kept secure.
C) Details of the impact of the information on the business.
D) A pledge to protect the client's privacy.
Answer: C

69) The *Personal Information Protection and Electronics Documents Act* is: 69) _____
A) A federal statute that applies in none of the provinces.
B) A provincial statute that applies in all provinces.
C) A provincial statute that applies in one province only.
D) A federal statute that applies in all provinces.
Answer: D

70) As a general rule, it is best for a businessperson to: 70) _____
A) Resolve legal business problems without legal advice.
B) Get legal advice after making any business decision.
C) Get legal advice before making complex legal business decisions.
D) Get legal advice before making any business decision.
Answer: C

71) Having access to legal advice is: 71) _____
A) A critical component of a risk management plan.
B) Usually too expensive to be worthwhile.
C) A legal requirement of operating a business.
D) Only necessary for large companies.
Answer: A

72) Which of the following is **not** a good reason for a businessperson to seek advice from a lawyer? 72) _____
A) The businessperson cannot find the necessary legal information.
B) The businessperson cannot understand the necessary legal information.
C) It would take too long for the businessperson to find the necessary legal information.
D) The necessary legal information is available online.
Answer: D

- 73) The difference between law and ethics is that: 73) _____
A) Law tells us what we must do and ethics tells us what we should do
B) Law tells us what we should do and ethics tells us what we must do
C) Law tells us what others should do and ethics tells us what we must do
D) Law tells us what others must do and ethics tells us what we must do

Answer: A

- 74) Which one of the following is **not** a business stakeholder? 74) _____
A) Shareholders B) Suppliers C) Employees D) Customers

Answer: D

- 75) Which of the following is **not** an area of public law? 75) _____
A) Contract law B) Criminal law
C) Tax law D) Administrative law

Answer: A

- 76) Which of the following is **not** a white-collar crime? 76) _____
A) Identity theft B) Assault & battery
C) Tax evasion D) Bankruptcy fraud

Answer: B

- 77) Which of the following activities does **not** constitute a criminal activity? 77) _____
A) A business owner seeks insurance compensation for a property he or she lost in a fire
B) A business owner transfers his or her land to a related person before declaring bankruptcy
C) A business owner tells a friend about an undisclosed merger that will increase his or her business's value
D) A business owner forgets to advise the accountant that he or she sold an asset

Answer: A

- 78) The Simpson brothers have applied to the Liquor License Board of their province to obtain a wine and beer license for their new restaurant. Which of the following is **not** true? 78) _____
A) The decisions of the Board become part of the administrative law of the province
B) All decisions of the Board are subject to approval by the provincial legislature
C) The Board is an administrative tribunal, not a court of law
D) The Simpsons will deal with civil servants rather than elected representatives while applying for their license

Answer: B

79) When judges apply the principle of *stare decisis* in deciding a case before them they are, in effect, applying: 79) _____
A) Statute law B) Precedent law
C) Constitutional law D) Civil law

Answer: B

80) Which of the following statues outlines the executive and legislative powers of federal and provincial governments? 80) _____
A) *Constitution Act 1982* B) *Constitution Act 1867*
C) *Charter of Rights and Freedoms* D) *Constitution Act 1967*

Answer: B

81) If you were a judge in a court system in Canada, which of the following would **not** normally be a role that you might be called upon to perform? 81) _____
A) Deciding whether or not federal legislation interfered with provincial legislative jurisdiction.
B) Deciding whether or not a plumber has the proper qualifications to be granted a license.
C) Deciding whether or not an individual has breached the terms of a contract with another individual.
D) Deciding whether a government agency has interfered with the constitutional rights of a citizen.

Answer: B

82) The legislative branch of government refers to which of the following? 82) _____
A) Prime Minister and Cabinet B) Courts and Judges
C) Members of Parliament D) The Senate

Answer: C

83) The executive branch of government refers to which of the following? 83) _____
A) Prime Minister and Cabinet B) Courts and Judges
C) The Senate D) Members of Parliament

Answer: A

84) The judicial branch of government refers to which of the following? 84) _____
A) The Senate B) Prime Minister and Cabinet
C) Courts and Judges D) Members of Parliament

Answer: C