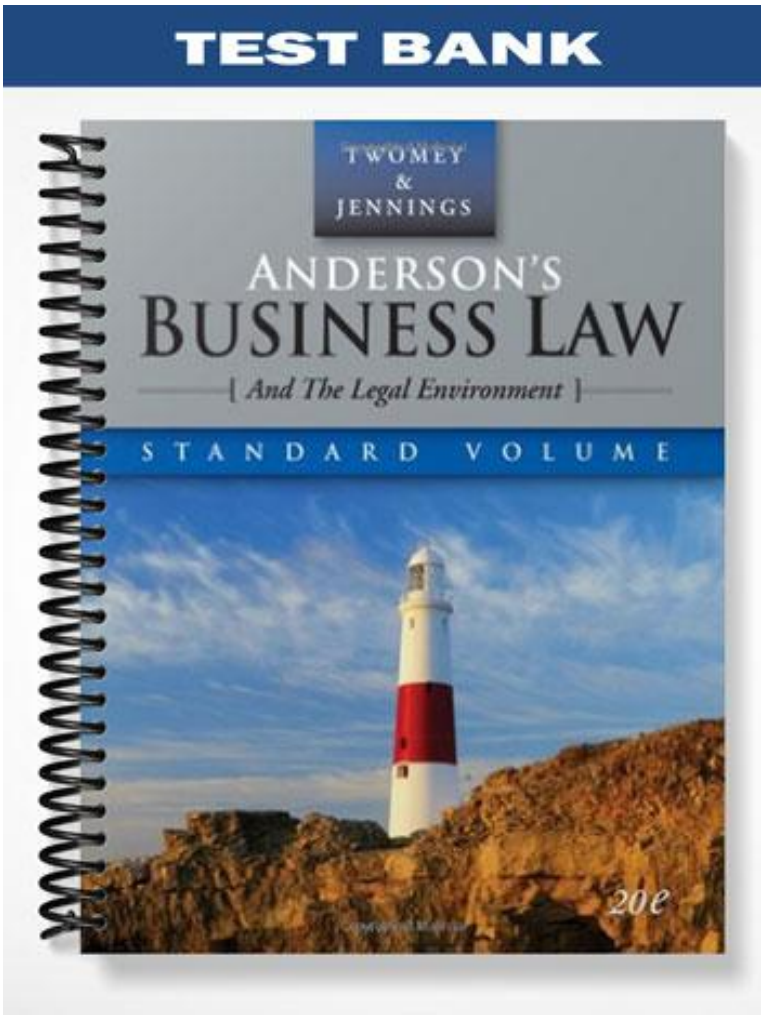
TEST BANK
TWOMEY
&
JENNINGS
ANDERSON'S
BUSINESS LAW
{ And The Legal Environment }
STANDARD VOLUME
20e

Chapter 2—THE COURT SYSTEM AND DISPUTE RESOLUTION

TRUE/FALSE

1. The power of a court to decide certain types of cases is called *jurisdiction*.

   ANS: T MSC: AACSB Analytic

2. All courts have original jurisdiction.

   ANS: F MSC: AACSB Analytic

3. A court with limited jurisdiction can only hear certain types of cases.

   ANS: T MSC: AACSB Analytic

4. Reversible errors are commonly made by supreme courts.

   ANS: F MSC: AACSB Analytic

5. The federal court system consists of three levels.

   ANS: T MSC: AACSB Analytic

6. All federal courts are expressly created by the United States Constitution.

   ANS: F MSC: AACSB Analytic

7. The United States Supreme Court can never function as a court of original jurisdiction.

   ANS: F MSC: AACSB Analytic

8. A probate court is an example of a general trial court.

   ANS: F MSC: AACSB Analytic

9. The decisions of state circuit courts generally may be reviewed by the state's supreme court.

   ANS: T MSC: AACSB Analytic

10. State supreme courts generally hear all cases appealed to them.

    ANS: F MSC: AACSB Analytic

11. The defendant in a civil case is the party who is suing.

    ANS: F MSC: AACSB Analytic

12. To begin a lawsuit, both parties must appear in person and state their claims and defenses in court.

    ANS: F MSC: AACSB Analytic

13. If questions of fact are involved, the court will decide the case based on the pleadings alone.

ANS: F MSC: AACSB Analytic

14. Documents filed by both parties at the beginning of a lawsuit are called the *pleadings*.

ANS: T MSC: AACSB Analytic

15. Depositions are usually taken in the courtroom.

ANS: F MSC: AACSB Analytic

16. A peremptory challenge to a prospective juror generally can be exercised without giving a reason.

ANS: T MSC: AACSB Analytic

17. A motion for a directed verdict occurs immediately after the last pleading is filed.

ANS: F MSC: AACSB Analytic

18. Once a lawsuit is commenced, the case must go to the jury.

ANS: F MSC: AACSB Analytic

19. Generally, the prevailing party in a lawsuit will be awarded the costs of the action, including witness fees and jury fees.

ANS: T MSC: AACSB Analytic

20. Garnishment is a procedure accomplished only by attorneys.

ANS: F MSC: AACSB Analytic

21. Mediation is a generally accepted method of resolving disputes.

ANS: T MSC: AACSB Analytic

22. Arbitration procedures occur in a court of law.

ANS: F MSC: AACSB Analytic

23. The Uniform Arbitration Act requires a written agreement to arbitrate an issue.

ANS: T MSC: AACSB Analytic

24. When arbitration is mandatory under a statute, the losing party generally can appeal from such arbitration to a court.

ANS: T MSC: AACSB Analytic

25. A mediator has the power to actually make a decision in a dispute.

ANS: F MSC: AACSB Analytic

26. Mediation tends to keep discussions between parties proceeding.

ANS: T MSC: AACSB Analytic

27. If there is a reference to a third party to determine a dispute, most often the loser is not allowed to appeal the third party's decision.

ANS: T MSC: AACSB Analytic

28. A "rent-a-judge" serves as a referee.

ANS: T MSC: AACSB Analytic

29. A person who hears summary jury trials is called an *ombudsman*.

ANS: F MSC: AACSB Analytic

30. The Seventh Amendment to the United States Constitution provides for a federal ombudsman.

ANS: F MSC: AACSB Analytic

MULTIPLE CHOICE

1. A court is a tribunal established by:
   a. the parties to a lawsuit.
   b. the government.
   c. the parties to a contract.
   d. none of the above.

   ANS: B MSC: AACSB Analytic

2. The power given to courts to hear certain types of cases is called:
   a. jurisdiction.
   b. mediation.
   c. arbitration.
   d. summary judgment.

   ANS: A MSC: AACSB Analytic

3. Original jurisdiction courts are generally what type of courts?
   a. supreme courts
   b. appellate courts
   c. trial courts
   d. limited courts

   ANS: C MSC: AACSB Analytic

4. An example of limited or special jurisdiction courts would include:
   a. probate courts.
   b. juvenile courts.
   c. equity courts.
   d. all of the above.

ANS: D MSC: AACSB Analytic

5. The federal courts system consists of ____ level(s) of courts.
   a. one
   b. two
   c. three
   d. four

   ANS: C MSC: AACSB Analytic

6. The types of civil cases that can be brought in federal district court include:
   a. the probate of an estate.
   b. cases between citizens of different states.
   c. cases brought by the citizen of one state against the state government of the same state.
   d. none of the above.

   ANS: B MSC: AACSB Analytic

7. The United States Supreme Court was created by:
   a. Congress.
   b. the President.
   c. the Uniform State Law Commission.
   d. none of the above.

   ANS: D MSC: AACSB Analytic

8. State supreme courts primarily have what type of jurisdiction?
   a. appellate
   b. limited trial court
   c. general
   d. none of the above

   ANS: A MSC: AACSB Analytic

9. The person who initiates a lawsuit is called the:
   a. defendant.
   b. moving party.
   c. plaintiff.
   d. none of the above.

   ANS: C MSC: AACSB Analytic

10. "Service of process" refers to:
    a. a demand letter sent by the plaintiff to the defendant.
    b. a reply sent to the plaintiff by the defendant.
    c. giving the defendant proper notice that a legal action is pending.
    d. a record of the court's preliminary hearing.

    ANS: C MSC: AACSB Analytic

11. The answer to the complaint is filed by the:
    a. defendant.
    b. moving party.
    c. plaintiff.
    d. none of the above.

ANS: A MSC: AACSB Analytic

12. A motion to dismiss a lawsuit on the basis that, even if everything in the complaint were true, the party would not be entitled to relief is called a *motion*:
    a. *to compel*
    b. *to dismiss*
    c. *for summary judgment*
    d. none of the above

    ANS: B MSC: AACSB Analytic

13. Which party or parties are entitled to file a motion to dismiss?
    a. defendant only
    b. plaintiff only
    c. both plaintiff and defendant
    d. none of the above

    ANS: A MSC: AACSB Analytic

14. A deposition:
    a. is the testimony of a witness taken under oath.
    b. is conducted outside of the courtroom.
    c. can be used to impeach a witness.
    d. all of the above.

    ANS: D MSC: AACSB Analytic

15. *Voir dir*e examination is used in connection with:
    a. determining whether the pleadings are valid.
    b. jury selection.
    c. deciding whether to appeal a trial court decision.
    d. none of the above.

    ANS: B MSC: AACSB Analytic

16. Who rules on the admissibility of evidence?
    a. judge
    b. jury
    c. attorneys
    d. court clerk

    ANS: A MSC: AACSB Analytic

17. A motion for a directed verdict is appropriate:
    a. immediately after the pleadings are filed.
    b. immediately after discovery is concluded.
    c. immediately after presentation of all evidence at trial.
    d. on appeal.

    ANS: C MSC: AACSB Analytic

18. One of the motions that can be made after a verdict has been entered is a motion for a:
    a. voluntary nonsuit.
    b. compulsory nonsuit.
    c. directed verdict.
    d. judgment n.o.v.

ANS: D MSC: AACSB Analytic

19. Costs generally are awarded to the prevailing party. Those costs usually do not include:
    a. witness fees.
    b. attorney fees.
    c. private detective fees.
    d. any of the above.

    ANS: B MSC: AACSB Analytic

20. Garnishment applies to one's:
    a. wages.
    b. attorney fees.
    c. land and home.
    d. cars.

    ANS: A MSC: AACSB Analytic

21. Which is not considered an alternate means of dispute resolution?
    a. civil lawsuit
    b. arbitration
    c. association tribunals
    d. minitrial

    ANS: A MSC: AACSB Analytic

22. In mediation, the mediator acts like a:
    a. judge.
    b. attorney.
    c. messenger.
    d. expert witness.

    ANS: C MSC: AACSB Analytic

23. A summary jury trial is:
    a. binding on the parties.
    b. a mock trial.
    c. a full and complete hearing of all the evidence.
    d. a shortcut to establishing case-law precedent.

    ANS: B MSC: AACSB Analytic

24. In a minitrial:
    a. only three jurors are used.
    b. all issues are before the court, which has only a limited time to decide.
    c. the decision is always fully binding on the parties.
    d. none of the above.

    ANS: B MSC: AACSB Analytic

25. An ombudsman:
    a. is usually a government official.
    b. is often appointed by a judge.
    c. receives a large amount of judicial power.
    d. none of the above.

ANS: A MSC: AACSB Analytic

CASE

1. Chandra sues Martin for breach of contract. Both parties have completed discovery. Chandra now wants her attorney to file a motion to have the judge rule in her favor without having to proceed further. Chandra does not know whether the motion to dismiss or the motion for a summary judgment is proper. Which motion is proper and why?

   ANS:
   The motion for a summary judgment is appropriate for where the parties are in their lawsuit. The purpose of the motion is to test the sufficiency of the facts alleged in the pleadings. The proper motion therefore, is one for summary judgment.

   MSC: AACSB Reflective Thinking | AACSB Analytic

2. Billy has a dispute with Bump and Tumble Bedspring Company over a bed Billy recently purchased from Bump and Tumble for use in his hotel. Billy needs to decide whether to pursue litigation or employ an alternative dispute resolution mechanism. What advantages are associated most often with using alternative dispute resolution mechanisms? Which choice would be most appropriate in this case?

   ANS:
   The most-often-cited advantages are the expenses associated with litigation and the length of court actions. Arbitration might be the best approach; it has a long history of success in the field of commercial contracts.

   MSC: AACSB Reflective Thinking | AACSB Analytic