
print name

INSTRUCTIONS:

1. Both the Objective Final Exam (OFE) and the Subjective Final Exam (SFE) must be completed within the allocated time (i.e., 7[or 6]:00 - 8:40 PM). Additionally, the OFE must be completed prior to starting the SFE. Both exams are closed book, solo exams.
2. **Recall the material difference between e.g. (for example) and i.e. (that is).**
3. As each student finishes the OFE that student will exchange the OFE exam and answer sheet for a copy of the SFE. As each student finishes the SFE that student will exchange the student's **typed** SFE answers for the OFE and its answer key; whereupon that student shall leave the exam room until after the end of the exam (i.e., 8:40, unless all students finish earlier, which is not likely).
4. Grades will be posted to BlackBoard no later than 5:00 PM Friday, May 5. An email notice of the posting will be sent.
5. **The OFE is worth 15% of the course grade as is the SFE.**
The OFE has 52 questions graded as if there are 50.
Harmless errors are far more likely than non-harmless errors on the OFE test.
Based on a statistical analysis of all students' answers, the instructor unilaterally may alter the grading of specific OFE questions for all similarly situated students.
Any student may appeal the grading of the OFE questions.
There is NO APPEAL of the grading of the SFE.
Only if a student successfully appeals the ambiguity of AT LEAST THREE questions on the OFE will that student's exam grade change by the number of successful appeals in excess of TWO questions.
Appeals only affect the OFE grades of those students that appeal.
6. **All appeals** of the OFE's questions must be: **[6A]** typed; **[6B]** signed by the student in three ways, typed name, handwritten signature, and typed social security number; **[6C]** in sequence, list, immediately following the signature, each of the questions, by number, being appealed; **[6D]** after the [6C] list, argue each question, one at a time; **[6E]** at the beginning of each question's appeal, identify two or more reasonable meanings that the question could have had; **[6F]** argue why one or more of the identified reasonable meanings is as appropriate or is *more* appropriate than the meaning used for the answer key answer; and **[6G]** *personally handed to the instructor* **no later than 6:01 PM, Tuesday, May 10 in RH 218.**
EBRUNO grades will be posted late on May 10.

NOTE: *The presence **and** the absence of quote marks on “principal” (i.e., principal, principal, **or** employER) **and** on “agent” (i.e., agent, independent contractor, **or** employEE) is a material difference.*

QUESTIONS:

1. Which of the following is/are true?

- a. The law does **not** use the subjective.
- b. Because of both spillover benefits **and** spillover costs, **but** especially spillovers aggregating upstream through the production system, markets of a global economy are less likely than markets of a more local economy to accurately value any damage to one **or** more ecosystems that are implicit critical inputs for that production system.
- c. Both of the above are true.
- d. None of the above is true.

2. Which of the following is/are true?

- a. All express contracts **also** are implied contracts.
- b. Marketing of a cradle-to-cradle sale of services **and** flows from goods aligns a manufacturer’s interests with the environment’s interests.
- c. Both of the above are true.
- d. None of the above is true.

3. Which of the following is/are true?

- a. An implied contract can create an enforceable guarantee.
- b. Factor Ten efficiency is a theoretical feasibility, **but** it is **not** practical.
- c. Both of the above are true.
- d. None of the above is true.

4. Which of the following is/are true?

- a. In the USA separation of powers, if most USA States adopt a uniform law, then the federal power of preemption is eliminated.
- b. It is more likely than **not** that human actions are causing a Greenhouse Effect.
- c. Both of the above are true.
- d. None of the above is true.

5. Which of the following is/are true?

- a.** The federal separation of powers between branches of government is far weaker than Nebraska's.
- b.** World oil supply in the market over the last decade has **and** over the next decade will approximately match world oil demand in the market.
- c.** Both of the above are true.
- d.** None of the above is true.

6. Which of the following is/are true?

- a.** The legislature reacts if a transaction exhibits **unequal bargaining power, history of abuse, or** disparate impact.
- b.** Industrial production systems tend to optimize narrowly defined feedback loops.
- c.** Both of the above are true.
- d.** None of the above is true.

7. Which of the following is/are true?

- a.** The Police Power is a power of a USA State government to regulate for the People's health, safety, morals, **and** general welfare.
- b.** Typically, industrial production systems seek to minimize initial costs internal to that production system.
- c.** Both of the above are true.
- d.** None of the above is true.

8. Which of the following is/are true?

- a.** Procedural due process requires both the notice **and** the hearing to be proportional to the interest involved
(*e.g., privacy as one fragment of liberty*).
- b.** If both a process **and** the measurement **and** control of that process are more local, then superior optimization of both that process **and** related process is more likely, **but not** a necessary outcome.
- c.** Both of the above are true.
- d.** None of the above is true.

9. Which of the following is/are true?

- a. The Commerce Clause is greater than the federal power to regulate commerce among the several States.
- b. An industrial production design is superior if it is cyclic.
- c. Both of the above are true.
- d. None of the above is true.

10. Which of the following is/are true?

- a. Federal preemption is allowed if Congress gives its express intent **and** there is a need for uniformity.
- b. If biomimicry informs both the design of specific manufacturing processes **as well as** biomimicry informs the structure **and** function of the entire economy, then output of those processes **and** economy are likely to be more efficient.
- c. Both of the above are true.
- d. None of the above is true.

11. Which of the following is/are true?

- a. A trial court finds facts **and** applies the law, while an appellate court finds error (*e.g., clear error of law*) **and** interprets the law.
- b. A building design that reflects total cost of energy consumption as a mere fraction of the total cost of capital investments consuming energy is a superior design because such building design reflects a rational implementation of the Rule of 72.
- c. Both of the above are true.
- d. None of the above is true.

12. Which of the following is/are true?

- a. A land owner abutting a public water way lacks standing to sue for pollution added to that public water way by another abutting land owner.
- b. The greatest savings for the entire system most often are available from capturing downstream savings; thus, the primary opponents of such savings are upstream merchants.
- c. Both of the above are true.
- d. None of the above is true.

13. Which of the following is/are true?

- a. Capitalism would rather have **no** private property, than have significant self interest **not** embodied **and** thus **not** reflected in market transactions.
- b. Efficiency can be capitalized.
- c. Both of the above are true.
- d. None of the above is true.

14. Which of the following is/are true?

- a. The purpose of the Elements of Capitalism is the Functions of Capitalism.
- b. Design is applied foresight.
- c. Both of the above are true.
- d. None of the above is true.

15. Which of the following is/are true?

- a. The supply **non**-price determinants are number **and** size of sellers, cost of inputs, price of related goods (*i.e., substitutes **and** complements*), technology, **and** expectations.
The demand **non**-price determinants are number **and** size of buyers, income, price of related goods (*i.e., substitutes **and** complements*), tastes, **and** expectations.
- b. Individually optimizing system components aggregates to an optimized system.
- c. Both of the above are true.
- d. None of the above is true.

16. Which of the following is/are true?

- a. Expectations are volatile **and** technology is dynamic.
- b. Downstream savings are a perverse incentive for downstream users.
- c. Both of the above are true.
- d. None of the above is true.

17. Which of the following is/are true?

- a. The Elements of a Contract are agreement, consideration, capacity, reality of assent, form, **and** subject matter.
- b. *Muda* absorbs resources **and** creates value.
- c. Both of the above are true.
- d. None of the above is true.

18. Which of the following is/are true?

- a.** The Elements of Common Law Fraud are the defendant knowingly **and** intentionally **misrepresents or** omits a material fact thereby inducing the plaintiff's justifiable reliance **and** causing the plaintiff's injury.
- b.** Lean thinking urges competition against direct competitors.
- c.** Both of the above are true.
- d.** None of the above is true.

19. Which of the following is/are true?

- a.** If a contract calls for: sale price of at least \$5,000, sale of land, may take as long as one year, guarantee the debts of another, **or** in consideration of marriage, then that contract is covered by the Statute of Frauds.
- b.** As compared with direct management by government, price signals that arrive in a synchronized fashion relative to a system's needs tend to better organize complex system interactions **and** better incite innovation.
- c.** Both of the above are true.
- d.** None of the above is true.

20. Which of the following is/are true?

- a.** A contract covered by the Statute of Frauds must have all of its terms in a written memorandum with sufficient definiteness to support court enforcement of the contract.
- b.** Manufactured capital can be a partial **and** temporary substitute for natural capital.
- c.** Both of the above are true.
- d.** None of the above is true.

21. Which of the following is/are true?

- a.** An "agent" acts for **and** acts instead of the "principal" when the "agent" acts within the "agent's" scope of authority.
- b.** All subsidies are **inefficient**.
- c.** Both of the above are true.
- d.** None of the above is true.

22. Which of the following is/are true?

- a. Every general partner simultaneously is a principal to **and** an agent of the other general partners.
- b. Natural fiber production can be sustainable.
- c. Both of the above are true.
- d. None of the above is true.

23. Which of the following is/are true?

- a. In some, **but not** in all, contexts all three forms of good faith (*i.e., consumer, merchant, and fiduciary*) have **both** an objective **and** a subjective element.
- b. Opening material loops increases the maximum feasible output for both the system's local segments **and** the entire system in the short run, **but not** in the long run.
- c. Both of the above are true.
- d. None of the above is true.

24. Which of the following is/are true?

- a. A defendant commits a tort if the defendant breaches a duty of care.
- b. Industrial agriculture has been very successful from the perspective of sustainability.
- c. Both of the above are true.
- d. None of the above is true.

25. Which of the following is/are true?

- a. Assumption of the Risk requires the plaintiff to knowing **and** to voluntarily accept the risk of harm created by the defendant's actions. Scierter is a requirement of Assumption of the Risk.
- b. Farms, as natural systems, offer many opportunities to use the four forms of capital (*i.e., human, financial, manufactured, and natural*) of Natural Capitalism **as well as** to use the four central strategies (*i.e., radical resource productivity, biomimicry, service and flow economy, and investing in natural capital*) of Natural Capitalism.
- c. Both of the above are true.
- d. None of the above is true.

26. Which of the following is/are true?

- a. A nuisance exists when the defendant **unreasonably** interferes with the plaintiff's reasonable use **and** enjoyment of the plaintiff's real property.
- b. Fresh water is a slack variable.
- c. Both of the above are true.
- d. None of the above is true.

27. Which of the following is/are true?

- a. Upon due process **and** payment of just compensation, a USA government may use its power of eminent domain to take private property, **but** only for a public purpose.
- b. The current manufactured systems for the delivery of **and** the recovery of fresh water rely on price signals to allocate fresh water to the highest **and** best uses.
- c. Both of the above are true.
- d. None of the above is true.

28. Which of the following is/are true?

- a. The Elements of a Crime are bad deed, bad thought, **and no** defenses.
- b. Human behavior can **not** alter the Earth's climate.
- c. Both of the above are true.
- d. None of the above is true.

29. Which of the following is/are true?

- a. The *Per Se* **Unreasonable** violations of the antitrust laws are price fixing, divisions of territories, group boycotts, **and** tying.
- b. To accurately allocate an ecosystem's regenerative ability a price signal must be present, accurate, **and** synchronized.
- c. Both of the above are true.
- d. None of the above is true.

30. Which of the following is/are true?

- a. Negotiable instrument law changes ordinary contracts law by greatly expanding the acceptance of third parties to a contract.
- b. On net, the current array of market price signals **and** market decisions reflect implicit assumptions that the future is worthless **and** that the environment is **not** a relevant input.
- c. Both of the above are true.
- d. None of the above is true.

31. Which of the following is/are true?

- a.** Both a written security agreement creating a security interest **and** the financing statement used for perfection of that security interest must contain a description of the collateral **and** the debtor's signature.
- b.** Because efficiency enhancing innovations improve a firm's profitability, such innovations rapidly move into the market **displacing** less efficient processes.
- c.** Both of the above are true.
- d.** None of the above is true.

32. Which of the following is/are true?

- a.** If a court of equity Pierces the Corporate Veil, then shareholders, directors, **and** officers might have **unlimited** personal liability.
- b.** Often, the cause of a current problem is a prior, narrowly tailored, technological solution to a different problem, **and** that prior solution revealed previously **unknown or misunderstood** feed back loops.
- c.** Both of the above are true.
- d.** None of the above is true.

33. Which of the following is/are true?

- a.** Parody of a trademark is **not** lawful.
- b.** Both social systems **and** natural systems provide monetized resources **and** services **and** provide **nonmonetized** resources **and** services.
- c.** Both of the above are true.
- d.** None of the above is true.

34. Which of the following is/are true?

- a.** A security is an investment in a common enterprise with an expectation of profit derived from the **undeniably** significant efforts of others.
- b.** An observer of a complex system will see that system through the lens of the observer's paradigm. Accordingly, any sufficiently advanced technology will be **indistinguishable** from magic.
- c.** Both of the above are true.
- d.** None of the above is true.

- 35. Which of the following is/are true?**
- a.** Security law fraud is defined as a **misrepresentation or** omission of a material fact causing injury.
 - b.** Businesses will earn greater long-term profits by focusing on broadly defined system revenue streams **and** reasonably internalizing known spillover costs.
 - c.** Both of the above are true.
 - d.** None of the above is true.
- 36. T F** When, with scienter, one confronts one's Bounded Rationality, a Rational Person uses both the Rule of 72 **and** fuzzy logic, while a Reasonable Person only uses the Rule of 72.
- 37. T F** Both the Charrette Process **and** the Delphi Technique reduce both Type I error **and** Type II error.
- 38. T F** The Prisoners' Dilemma teaches caution for all business strategies based on trust **and** threatened by rational opportunism.
- 39. T F** Proportional to how critical technology is as an economic input, economists use a definition of technology that is consistent across the various economic concepts wherein technology appears as an input.
- 40. T F** Application of the Shut Down Rule generates the same conclusion if the analysis is based on total factor productivity **or** is based on labor productivity.
- 41. T F** A natural monopolist sets quantity so as to sell at a price with unitary elasticity as the best means of achieving third degree price discrimination.
- 42. T F** A comparative advantage, **unlike** a competitive advantage, always includes an absolute advantage.
- 43. T F** Political free speech is more than a mere difference in degree, it is a difference in kind, when compared to commercial free speech.

44. **T F** OSHA, as viewed from the perspective of Police Power analysis **and** Commerce Clause analysis, is an example of both “the specific controls the general” **and** “one may **not** do **indirectly** that which one may **not** do directly”.
45. **T F** Amendment XIV’s due process clause is interpreted using the Absorption Doctrine **or** Incorporation Doctrine. This interpretation is an application of substantive due process.
46. **T F** Fair market value is an objective value of what the legal fiction willing buyer would voluntarily pay **and** what the legal fiction willing seller would voluntarily accept, when both such buyer **and** seller has full knowledge of all relevant facts **and** material information, **and** the fictional sale is an arm’s length transaction with equity to both.
47. **T F** A State government tends to address the symptoms of problems (*e.g., Workers’ Compensation laws*) while the federal government tends to address the causes of problems (*e.g., OSHA*).
48. **T F** The need to use the sophisticated risk management tools of liquidated damages clauses, *Force Majeure* clauses, **and** exculpatory clauses is reduced, **but not** eliminated, by a contract clause that effectively **disclaims** all consequential damages.
49. **T F** Both the Nuremberg Principal **and** the Equal Dignity Rule are applications of the general rule of “form over substance” in the context of the principal-agent problem.
50. **T F** The principal-agent problem is reduced with joint **and** several liability **but** it is increased with market share liability.
51. **T F** In the context of a functioning competitive market, tort reform of the variety of reducing the probability of **and/or** the magnitude of corporate liability necessarily will increase the frequency of **and** the magnitude of those actions that, prior to the reform, would have triggered liability. Thus, proponents of such tort reform either are ignorant of how competitive markets function **or** desire to have more consumers harmed **and** with **no** standing to sue.
52. **T F** A competitive market rewards (*e.g., lower costs yield higher profits*) firms that act **unethically**.