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print name

**GROUP FINAL EXAM INSTRUCTIONS:**

1.     The Group Final Exam must be completed within the allocated time.  
      As Study Group members finish the Solo Final Exam those Study Group members may converse in a voice of reasonable volume.  
      Be considerate of your fellow students.  
      It is a closed book exam.
  
2.     The last member of the Study Group to finish the Solo Final Exam will receive the Study Group's answer sheet for its Group Final Exam.  
      All Study Group members must (using their printed names as their signature) sign the Group Final Exam answer sheet prior to submitting it for its first grading. Time permitting; each Study Group may submit its answer sheet for grading three times:  
      the instructor will identify which questions are answered correctly.
  
3.     At the conclusion of its Group Final Exam each Study Group will exchange its Group Final Exam answer sheets for all of their Solo Final Exams as well as answer keys for both exams.
  
4.     The Group Final Exam is worth 20% of the course grade.  
      The Group Final Exam has 20 questions graded as if there are 20.  
      No student alone  
      may appeal the grading of Group Final Exam's questions.  
      Only Study Groups may appeal the grading of a Group Final Exam question. To have standing to sue for the appeal of a Group Final Exam question every member of the Study Group needs to have appealed AND needs to have appealed the same relevant Solo Final Exam question from which the Group Final Exam was derived. ***Appeals only affect the exam grades of those students that appeal.*** Based on adequate evidence, the instructor may unilaterally alter the grading of specific exam questions for all similarly situated students.
  
5.     **All appeals of Group Final exam questions**  
      must satisfy the same typing and form requirements  
      as used for appeals of Solo Final Exam questions.
  
6.     ***Grades will be posted  
as identified in the Solo Final's instructions.***

a      b      c      d = all      e = none      f = a+b      g = a+c      h = b+c

**NOTE: While each question only has printed answer options a, b, and c.**

**In fact, as displayed at the top of each page,**

**each question can be answered with the answer options**

**a; b; c; d = all; e = none, f = a+b; g = a+c; or h = b+c.**

**On your answer sheet print legibly or risk missing a question.**

**1. Which of the following is/are true?**

- a. While the law seeks to satisfy reasonable expectations, the law might require objective proof of subjective knowledge. This course covered **no** fewer than four such instances.
- b. The Major Forces of Change helped spawn the need for **and** the use of legal persons. However, all consumers are natural persons; **and** every legal person must have at least one natural person who bears the **unlimited** personal liability.
- c. Typically, if a plaintiff is a consumer, then the plaintiff may lawfully assume that the merchant has reduced risk of physical injury to zero. This is especially true with respect to latent defects in post-Industrial Revolution products for which aggregate information has a material influence on the ability to perceive a risk.

**2. Which of the following is/are true?**

- a. The Ninth **and** the Tenth Amendments to the USA *Constitution* expressly protect implied rights (*e.g., privacy*) of the People.
- b. When Capitalism works as theorized, then **neither** destructive competition **nor** shut down will exist.
- c. Zoning regulations of public nuisances predictably will be adequate to the task of addressing whatever problems that might arise of changes in the quantity **and/or** the quality of human generated pollution. Accordingly, federal preemption of such State regulations is **unconstitutional**.

**3. Which of the following is/are true?**

- a. Article VI, paragraph 2 of the USA *Constitution* addresses two forms of the separation of powers: Supremacy Clause (*implemented by the Preemption Doctrine*) **and** Judicial Review.
- b. A firm's acts objectively are ethical if those acts internalize a spillover cost. Additionally, the firm must be at MES if the firm is to act in an objectively ethical manner.
- c. The federal government **and/or** a State government may take all of your life, all of your liberty, **and** all of your property if that government uses procedural due process. However, with respect to taking property the government **also** must do so while pursuing a public purpose **and** paying just compensation.

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4. **Which of the following is/are true?**

- a. An appellate court is far more likely to affirm a civil trial court, than to affirm a criminal trial court.
- b. Typically, a principal/employer is vicariously liable for the negligence of the agent **or** the employee **but not** of the independent contractor.
- c. In a criminal case the executive must, beyond a reasonable doubt, prove to the judiciary **and** the People that the defendant both did the prohibited act **and** did so with the requisite state of mind; while the defendant need only prove defenses to a reasonable doubt.

5. **Which of the following is/are true?**

- a. A shareholder obtains standing to sue for a derivative lawsuit upon the purchase of the share.
- b. A court always has the power to compel revelation of confidential information; **and** a court never has the power to compel revelation of privileged information.
- c. A note (*i.e.*, *maker signed*) is an instrument, **but** a draft (*i.e.*, *drawer signed*) is **not** an instrument. A check is a draft drawn on a bank. Accordingly, the status of HDC (*Holder in Due Course*) **and** HtHDC (*Holder through an HDC*) only is available on checks.

6. **Which of the following is/are true?**

- a. The Police Power is narrower than the Commerce Clause.
- b. Both past consideration **and** moral consideration are legally sufficient forms of consideration to support a contract because the capacity that is objectively present is far greater.
- c. Security agreements, **but not** financing statements, may be oral. However, only secured creditors who have both written **and** signed security agreements **and** financing statements are eligible to recover as **unsecured** creditors on deficiency judgments when the collateral proves **insufficient**.

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7. **Which of the following is/are true?**

- a. As interpreted by the federal judiciary; the Commerce Clause in the USA *Constitution* is a grant of power from the States to the Congress such that both the scope of **and** magnitude of that granted power varies materially across the contexts of retail, manufacturing, **and** transportation.
- b. There are various types of fraud. These three would rank from least likely to be, to most likely to be, successfully proved: common law fraud, lawyer fraud via breach of ethics, **and** security law fraud. A similar ranking of the various types of duress would be: economic duress, emotional duress, **and** physical duress.
- c. A natural person may file a voluntary bankruptcy using chapter 7, chapter 11, **or** chapter 13; **but** a legal person only may use either chapter 7 **or** chapter 11. Accordingly, the bankruptcy trustee lacks the power to reverse preferential transfers **and** to avoid executory contracts in a chapter 13 bankruptcy.

8. **Which of the following is/are true?**

- a. Each USA government may both reasonably regulate the time, place, **and** manner of free speech as well as regulate the content of commercial free speech: **but, none** may regulate the content of political free speech.
- b. Only one party must sign a prenuptial contract.
- c. Unless there is a prior, written, **and** signed contract, then the owner of a patent **and** the owner of a copyright created by an employee is the employer.

9. **Which of the following is/are true?**

- a. Procedural due process of law requires every USA government that seeks to infringe upon the life, liberty, **or** property of any person to provide both notice **and** hearing proportional to the interest that will be infringed.
- b. The material terms of a contract are: parties, time, consideration, **and** subject matter.
- c. Fair Use in USA copyright law creates a broad public domain during the duration of the copyright. However, the public domain user may **not** seek to earn a profit.

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10. Which of the following is/are true?

- a. The USA *Constitution's* 14th Amendment Equal Protection Clause expands powers of the People **and** the federal government while also reducing the powers of each State.
- b. Intentional torts **and** negligence torts require proximate cause; **but**, because strict liability torts are **not** fault based, strict liability torts do **not** require proximate cause.
- c. Parody is a fraction of the First Amendment free speech right. Accordingly, because copyright law **and** trademark law have fundamentally different motivations (*i.e., respectively, right of speaker versus right of listener*), parody of a copyright is more likely to be lawful than is parody of a trademark.

11. Which of the following is/are true?

- a. Reverse engineering of a patent is lawful acquisition of the knowledge taught by the patent; while, reverse engineering of a trade secret is **not** lawful acquisition of the knowledge taught by the trade secret.
- b. Since the articles of incorporation must specify that a corporation will be a close corporation, the shareholders must vote to make a corporation a close corporation.
- c. Bad managers, who are acting **illegally and** thus who should be fired, use a 4/5ths rule as a quota (*i.e., make employment decisions {e.g., hire, promote} based on protected class status rather than objective qualification for the job*).

12. Which of the following is/are true?

- a. A negotiator who is dedicated to the principled technique might use some positional technique tactics, as a temporary counter-tactic to a stubborn positional negotiator **or** during an exclusively distributive segment of the negotiations.
- b. Both secured creditors **and** shareholders have standing to sue to "Pierce the Corporate Veil"; **but** unsecured creditors do **not**.
- c. The legal standard of "sexual harassment" requires objective proof of the objective harassing intent of the harasser **and** objective proof of the objective victim experience of the victim.

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**13. Which of the following is/are true?**

- a. Our ZOPA may be zero. If our ZOPA is greater than zero, then our ZOPA must include at least one of our reservation values, might include one or both of our aspiration values; **but** must **exclude** both of our BATNAs.
- b. Typically, a director may justifiably **and** detrimentally rely upon material information provided to the director by a relevant officer, **and** thus the director often avoids personal liability under the Business Judgment Rule.
- c. A lawyer's problem solving in negotiations includes such tasks as a search for value creating trades based upon differences in relative preferences (*e.g., risk, time*), minimization of transaction costs, **and** tailoring the allocation of opportunities **and** risks.

**14. Which of the following is/are true?**

- a. Informational **asymmetries** typically conceal from one **or** more parties substantial value creation opportunities. Strategic opportunism is the distribution of the value created by the minimization of informational **asymmetries**.
- b. All negotiations take place under the shadow of the law.
- c. Because it takes two to tango, the principled, problem solving approach should be temporarily abandoned in favor of positional bargaining if only one of the persons present (*be it client **or** lawyer*) is willing to use the principled, problem solving approach.

**15. Which of the following is/are true?**

- a. Each negotiator has a tendency towards either empathy **or** assertiveness. An effective negotiator learns to increase the use of that tendency.
- b. Lawyers in negotiations should identify **and** allocate ancillary risks with significant distributional consequences.
- c. A "security" is an investment of money in a common enterprise with the expectation of profit derived from the **undeniably** significant efforts of others.

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**16. Which of the following is/are true?**

- a. The negotiation principal should structure the relationship between the negotiation principal **and** the negotiation agent so as to achieve a perfect alignment of their interests; because, once their interests are perfectly aligned, there will be **no** tension between that principal **and** agent.
- b. A shop foreman, who formulates management policies, is a member of the bargaining unit.
- c. Both an omission **and** a **mis**representation that would **not** be even remotely material under common law fraud could very easily be a felony under security law fraud.

**17. Which of the following is/are true?**

- a. Both corporations **and** LLCs (*Limited Liability Companies*) offer their investors limited liability. However, investors in both a corporation **and** an LLC are at risk of **un**limited personal liability via a cause of action to Pierce the Corporate Veil.
- b. A prior contract between the union representing the bargaining unit **and** management expands (*by increased objectivity*) the mandatory subjects of bargaining.
- c. Some issues **and** trades of securities are exempt transactions. Exempt transactions are exempt from registration **and** prospectus at issue, **as well as** security law fraud.

**18. Which of the following is/are true?**

- a. Each general partner is simultaneously a principal **and** an agent.
- b. A State's law on Workers' Compensation allocates financial responsibility to employeRs without regard to the employeE's fault in causing the employeE's injury arising out of **and** happening in the course of the employment.
- c. A section 16b statutory insider (*i.e., 10% shareholder, director, or officer*) can **not** commit section 10b insider trading. Accordingly, while the statutory insider must offer all 16b short swing profits to the corporation, the statutory insider need **not** offer any 10b profits to the corporation.

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19. Which of the following is/are true?

- a. Under the ULPA (*Uniform Limited Partnership Act*) a limited partner may lose limited liability **and** thus become a general partner. Under the RULPA (*Revised ULPA*) a limited partner may lose limited liability, **but** does **not** become a general partner.
- b. OSHA (*Occupational Safety and Health Act*) creates an absolute duty for employers (*over a certain size*) to remove all known risks of serious physical injury.
- c. A lawyer commits fraud when the lawyer makes a false statement of opinion of law to a third person during negotiations.

20. Which of the following is/are true?

- a. A promoter of a corporation is an agent of the corporation during the promotion only if the corporation later accepts the actions of the agent offered by the agent to the corporation. With respect to contracts, such agent's offer **and** such principal's acceptance occur after the agent has accepted **unlimited** personal liability on the contract.
- b. "Protected class" to the layperson means something like "female" **or** "black". In stark contrast, to person educated in the law, with respect to those types of "protected class" the meaning is far closer to "any sex" **or** "any color".
- c. Negotiations with the client, the lawyer, **and** the opponent at the table, always involve at least five parties: each with distinctive ethical claims via loyalty **and** obligation.

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FIRST      ANSWER SHEET FOR GROUP FINAL EXAM  
SECOND      FINAL

GROUP MEMBERS  
**PRINT YOUR NAME**  
**AS YOUR SIGNATURE**

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**CORRECT ANSWERS ARE CIRCLED**

SCORE      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_