
print name

INSTRUCTIONS:

1. The Comprehensive Final Exam must be completed within the allocated time
(*i.e.*, 7:00 - 9:30).
It is a closed book exam.
2. **Recall the material difference between**
e.g. (for example) and i.e. (that is).
3. As each student finishes the Comprehensive Final Exam,
that student will receive a Comprehensive Final Exam answer sheet
and leave the exam room until after the end of the Comprehensive Final Exam
(*i.e.*, 9:30, unless all students finish earlier).
4. Grades will be posted to BlackBoard
no later than 5:00 PM Thursday, August 5.
An email notice of the posting will be sent.
5. The Comprehensive Final Exam is worth 30% of the course grade.
The Comprehensive Final Exam has 52 questions graded as if there are 50.
Harmless errors are far more likely than non-harmless errors in this test design.
Any student may appeal the grading of Comprehensive Final Exam questions.
However, only if a student successfully appeals the ambiguity of **AT LEAST**
THREE questions on the Comprehensive Final Exam will *that* student's exam
grade change by the number of successful appeals in excess of two questions.
An appeal only affects the exam grade of the student that appealed.
Based on a statistical analysis of all students' answers,
the instructor unilaterally may alter the grading of specific exam questions
for all similarly situated students.
6. **All appeals** of Comprehensive Final Exam questions must be:
[6A] typed; [6B] signed by the student in three ways, typed name,
handwritten signature, and typed social security number; [6C] immediately
following the [6B] signature, list in sequence the question number of each
question 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 an employee of UNO CBA for delivery to O'Hara
(*preferably RH 502 suite secretary, Lous Thomas [554-2418]*),
no later than 4:30 PM on Monday, August 9.

QUESTIONS:

1. Which of the following is/are true?
 - A. Businesses will earn greater short-term profits by sustaining the current focus on narrowly defined subsystem revenue streams rather than adopting a whole system focus.
 - B. The law favors the objective over the subjective. For example, with respect to an accountant's criminal intent for security law fraud the accountant objectively must possess objective knowledge of the security law fraud (*e.g., scienter*).
 - C. Both A and B are true.
 - D. Neither A nor B is true.

2. Which of the following is/are true?
 - A. An observer of a complex system will see that system through the lens of the observer's paradigm. Accordingly, superior accuracy of perception is available from a solitary expert (*e.g., from a regulated industry*) than from a collection of experts (*e.g., from trade associations **and** environmental groups*).
 - B. All express contracts have all terms in writing.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

3. Which of the following is/are true?
 - A. Both natural systems **and** social systems provide both monetized resources **and** services **as well as** both **non**monetized resources **and** services.
 - B. Implied contracts have all terms in acts, words, **and/or** circumstances.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

4. Which of the following is/are true?
 - A. Often, the cause of a current problem is a prior, narrowly tailored, technological solution to a different problem.
 - B. In the USA separation of powers, the government has less power than the Individual.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

5. Which of the following is/are true?
- A. Efficiency enhancing innovations **and** related information flows penetrate the market swiftly.
 - B. In the USA separation of powers, the judiciary has the least power, **but** the judicial power is at its zenith when protecting the power of the government over the Individual.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
6. Which of the following is/are true?
- A. Current market price signals reflect businesses' valuation of the environment as an input critical to the continued success of business.
 - B. If a transaction exhibits **unequal** bargaining power, history of abuse, **and/or** disparate impact then the legislature reacts.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
7. Which of the following is/are true?
- A. The presence **or** the absence of a stimuli (*e.g., price signal*) is less important than the stimulated system's (*e.g., climate*) ability to respond to that stimuli, **and** thus to generate the desired change in that system intended by the stimuli.
 - B. The Police Power is a power of a State government to regulate businesses' actions that directly effect the State.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
8. Which of the following is/are true?
- A. Human behavior **neither** now can, **nor** will be able to in the foreseeable future, alter the Earth's climate.
 - B. **No** private party owes any other private party any procedural due process. **But**, all governments of the USA owe all legal persons procedural due process.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

9. Which of the following is/are true?
- A. Wholly **unavoidable** *muda* is part of the very definition of "manufactured systems". For example, the current manufactured systems for delivery **and** recovery of water primarily contains *muda* that is wholly **unavoidable**.
 - B. The Commerce Clause is a power of a federal government to regulate commerce among the several States (*i.e., post-1937 any close **and** substantial affect on commerce between the States*). The dormant Commerce Clause power retards State regulations even when the federal government takes **no** action to regulate commerce.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
10. Which of the following is/are true?
- A. Water is a limiting factor for life on Earth; **but**, fresh water is abundant relative to human demands, both current **and** reasonably forecasted.
 - B. Federal preemption of State laws is favored **and** the courts shall allow it if:
 - [1] clear intent of Congress **and** national interests outweigh State interests;
 - or**
 - [2] express intent of Congress **and** a need for uniformity.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
11. Which of the following is/are true?
- A. 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.
 - B. A trial court finds facts **and** applies the law, while an appellate court finds error (*i.e., clear error of fact, **non-harmless** error of procedure, **or** any error of law*) **and** interprets the law.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

12. Which of the following is/are true?
- A. Large scale industrial agriculture internalizes far more spillovers **and** yet is profitable, while small scale agriculture internalizes far fewer spillovers **and** is noticeably less profitable.
 - B. Standing to sue requires the plaintiff to suffer an injury in fact (*i.e., an objective, easy to satisfy, constitutional requirement*) **and** to be within the zone of protected interests (*i.e., a hard to satisfy policy question serving judicial efficiency*).
 - C. Both A and B are true.
 - D. Neither A nor B is true.
13. Which of the following is/are true?
- A. Opening material loops **unlocks** opportunities both for reduction **and** recycling of inputs.
 - B. As an ethical system, Capitalism asserts that the ends justify the means. Accordingly, the Elements of Capitalism are far less important than the Functions of Capitalism.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
14. Which of the following is/are true?
- A. While manufactured fibers (*e.g., nylon*) are **not** produced in a sustainable manner, natural fibers (*e.g., cotton*) are.
 - B. The Functions of Capitalism embody, measure, coordinate, **and** regulate self-interests, **and** facilitate private property, prices, markets, **and** competition.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
15. Which of the following is/are true?
- A. Subsidies encourage behavior detrimental to the process being subsidized.
 - B. Both supply **and** demand **non-price** determinants include the budget constraint **and** expectations.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

16. Which of the following is/are true?
- A. While manufactured capital, alone, rarely is a true substitute for natural capital, natural capital is **not** a limiting factor for human existence because manufactured capital when leveraged with human capital **and** financial capital routinely is a true substitute for natural capital.
 - B. Expectations are volatile (*i.e., capable of rapid and large changes*) **and** technology is dynamic (*i.e., volatile network effect*).
 - C. Both A and B are true.
 - D. Neither A nor B is true.
17. Which of the following is/are true?
- A. Price signals always better organize complex system interactions **and** incite innovation than does direct government management.
 - B. The Elements of a Contract are agreement (*i.e., acceptance that is the mirror image of the offer*), consideration (*i.e., legally sufficient, rather than fair*), capacity (*i.e., ability to grasp the natural consequences of one's actions*), reality of assent (*i.e., voluntary agreement*), form (*e.g., Statute of Frauds*), **and** legal subject matter (*i.e., consistent with public policy*).
 - C. Both A and B are true.
 - D. Neither A nor B is true.
18. Which of the following is/are true?
- A. Even though **neither** risk **nor** *muda* can equal zero, lean thinking urges competition against absolute perfection.
 - B. The Elements of Common Law Fraud are the defendant knowingly **and** intentionally **mis**represents a material fact thereby inducing the plaintiff's justifiable reliance **and** causing the plaintiff's injury.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

19. Which of the following is/are true?
- A. *Muda* is any human activity that absorbs resources **but** creates **no** value.
 - B. If a contract calls for:
sale of at least \$500, sale of property, may take longer than one year, suretyship for debts of another, **or** for marriage, then that contract is covered by the Statute of Frauds.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
20. Which of the following is/are true?
- A. Downstream savings offer the greatest leverage when seeking efficiency for a whole system.
 - B. A contract covered by the Statute of Frauds must have its material terms
(*i.e., parties, time, consideration, and subject matter*) in a written memorandum with sufficient definiteness to support court enforcement of the contract.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

NOTE: for "P" and "A" versus P and A the QUOTE MARKS ARE MATERIAL.

21. Which of the following is/are true?
- A. Optimizing components in isolation tends to optimize the whole system.
 - B. An "agent" acts for **and** acts instead of the "principal" when the "agent" acts within the "agent's" scope of authority. Accordingly, the "agent" does **not** act personally either legally **or** ethically when the "agent" acts within the "agent's" scope of authority.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
22. Which of the following is/are true?
- A. Design is applied foresight.
 - B. Every partner is simultaneously a principal of **and** an agent for the other partners. Thus, Partner A has personal liability that is joint **and** several liability for all actions of the other partners even if their actions are outside their scope of authority as agents of Partner A.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

23. Which of the following is/are true?
- A. Efficiency tends to **not** be capitalized.
 - B. Good faith by a consumer does **not** include objective knowledge. Good faith by a merchant includes commercial reasonableness. A fiduciary's utmost good faith includes personalized objective knowledge.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
24. Which of the following is/are true?
- A. The whole is greater than the summation of its parts.
 - B. The Elements of a Tort are duty of care, breach of the duty, actual causation, injury, **and no** defenses (*e.g., contributory negligence*).
 - C. Both A and B are true.
 - D. Neither A nor B is true.
25. Which of the following is/are true?
- A. A building's design can both negatively effect **and** positively effect human behavior in organizations.
 - B. Assumption of the Risk requires the plaintiff to knowing **and** to voluntarily accept the risk. For example, a seller with actual knowledge of a latent defect has a valid claim to the defense of Assumption of Risk when selling to a buyer using the words *caveat emptor*.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
26. Which of the following is/are true?
- A. Biomimicry can inform both the design of specific manufacturing processes **as well as** inform the structure **and** function of the entire economy.
 - B. A private nuisance exists when the defendant interferes with the plaintiff's reasonable use **and** enjoyment of the plaintiff's real property.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

27. Which of the following is/are true?
- A. Industrial production designs that are cyclic are far more likely to have open material loops.
 - B. As long as a USA government takes private property using due process
(*i.e., notice **and** hearing, both proportional to the interest involved*) it is a lawful use of the government's power of eminent domain.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
28. Which of the following is/are true?
- A. If both a process **and** the measurement **and** control of that process are more local, then pessimization of both that process **and** its related process are more likely.
 - B. The victim of a tort has standing to sue for the related crime.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
29. Which of the following is/are true?
- A. Industrial production systems are falsely optimized if fewer than all related feedback loops are included in the optimization. Bounded Rationality guarantees false optimization.
 - B. The *Per Se* **Un**reasonable violations of the antitrust laws are vertical price fixing (*e.g., franchisor nationally advertises one price*), vertical divisions of territories (*e.g., manufacturer limiting outlets*), boycotts (*e.g., Clear Channel bans the Dixie Chicks from its stations*), **and** tying (*e.g., MS operating system **and** the IE browser*).
 - C. Both A and B are true.
 - D. Neither A nor B is true.
30. Which of the following is/are true?
- A. Oil is more likely to be **un**competitive at low prices before oil is **un**available at high prices.
 - B. A negotiable instrument is a contract that does **not** require consideration.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

31. Which of the following is/are true?
- A. *Muda* is internal, **not** external, to the industrial production system.
 - B. The perfection description of collateral is fundamentally different from the attachment description, thus a financing statement can **not** be used as the security agreement.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
32. Which of the following is/are true?
- A. The by-products of automobiles, whether internal combustion **or** hypercar, contribute to the Greenhouse Effect, **but** in different ways **and** magnitudes.
 - B. A shareholder lacks standing to bring a derivative law suit to Pierce the Corporate Veil if the shareholder also is either a member of the corporation's Board of Directors **or** one of its Officers.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
33. Which of the following is/are true?
- A. Factor Ten efficiency is achieved when the same output is obtained from one-tenth the inputs.
 - B. In the USA, the four main forms of intellectual property are: patents, copyrights, trademarks, **and** trade secrets.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
34. Which of the following is/are true?
- A. Switching from the current focus of marketing a sale of goods to marketing of a cradle-to-cradle sale of services **and** flows from those goods would tend to align more closely a manufacturer's interests with the environment's interests.
 - B. A security is an investment of money in a common enterprise with a reasonable expectation of profit derived from the efforts of others.
 - C. Both A and B are true.
 - D. Neither A nor B is true.

35. Which of the following is/are true?
- A. Routinely, markets do **not** accurately value to damage to an ecosystem.
 - B. Security law fraud is defined as an omission **or** a **mis**representation of a material (*i.e., big enough to have changed the investor's mind*) fact causing injury.
 - C. Both A and B are true.
 - D. Neither A nor B is true.
36. T F **Neither** the subjective component of normal profit **nor** the entrepreneur's risk preference influence when the entrepreneur's firm objectively ought to Shut Down.
37. T F As the firm's total quantity sold increases **and** the firm's size increases, the Learning Curve **and** the Minimum Efficient Size (*i.e., MES*) curve both forecast an onset of Destructive Competition.
38. T F The Amendment XIV Equal Protection Clause reduces the discretion of the Legislature of each State. For example, the equitable limitation on standing to sue know as latches is rendered objective by a statute in the form of a tollable Statute of Limitations; however, its **non**-tollable companion (**and** necessarily longer) Statute of Repose may **not** provide a duration shorter than the substantive due process rights of the plaintiff constitutionally allow.
39. T F The **un**limited personal liability of a corporate Officer under the Business Judgment Rule is substantially identical to the **un**limited personal liability of a member of the Board of Directors. Accordingly, a Board member can accept an Officer position **without** increasing the Board member's liability; **and** conversely, an Officer can accept a position on the Board of Directors **without** increasing the Officer's liability.

40. T F The Rule of 72 (*or its ilk*) usually is used by business persons in **uncovering** the correct decision; **but**, rarely do business persons implement the decision they **uncover**.
41. T F A wise decision maker considers the use of the Precautionary Principle because regardless of the level of information aggregation the decision maker still suffers from Bounded Rationality. In a sense, the Precautionary Principle is an application of the Veil of Ignorance.
42. T F Both commercial free speech **and** political free speech are at the core of the Amendment I right to free speech. In contrast, because the constitutional right to privacy springs from Amendment IX, the right to privacy is **not** a core constitutional right.
43. T F Typically, every public nuisance also involves multiple private nuisances. Each private real property owner suffering a private nuisance as part of that public nuisance has standing to sue only for the private nuisance suffered. Thus, it can be profitable for the infringer to pay damages on one **or** more private nuisances **and** continue the public nuisance. In a sense, this becomes a lawful form of private eminent domain.
44. T F Only real property owners have CERCLA remediation liability.
45. T F Copyright law **and** patent law both favor the employee over the employer. For example, an employee may, **without** liability, parody the employer's copyrighted work; **and** an employee may, via reverse engineering, defeat the employer's patent.
46. T F Duress (*i.e., defeat capacity by use of force*) can come in many forms. The law is most likely to recognize as **unlawful** physical duress **and** the law is least likely to recognize as **unlawful** privileged economic duress.

47. T F A party that breaches a contract is liable for damages. That liability can be limited in several ways: *first*, the parties to the contract might have included a liquidated damages clause in their contract; *second*, the **non**-breaching party has a duty to mitigate; **and** *third*, the law, as part of legal subject matter, implies a *Force Majeure* clause into all contracts.
48. T F Because of Amendment XIII, the standard employment relationship in the USA is at-will employment. However, because of rampant market failures, in part caused by standing to sue law, the States require employers to carry Worker's Compensation Insurance **and** the federal OSHA makes **un**lawful some production methods. The definition of work place risk is **not** identical for the States **and** OSHA.
49. T F For an insurance contract to have legal subject matter the insured must have an insurable interest. Accordingly, the courts must balance its ordinarily hostile enforcement of the adhesion insurance contract against risk as a material term.
50. T F The Uniform Commercial Code makes contract formation for all commercial contracts much easier because of the UCC's provisions allowing for open terms, cure, **and** value.
51. T F An employer's legitimate business interest, with respect to hiring, promoting, **and** firing employees, is objectively qualified employees. The **anti**-discrimination laws prohibit the use of specific forms of cheap information for identifying objectively qualified employees.
52. T F Fair market value is objective **and** includes implicit use of the Rule of 72.