

- 1) Commercial Law is
 - a. **the wide body of law that relates to business and trade between business entities and between people engaged in business.**
 - b. a branch of the law that deals with the relations between individuals or institutions, rather than relations between these and the state.
 - c. is an organization created by one or more natural persons to carry on a trade or business.
 - d. treaties or agreements between countries.
- 2) To whom the agent is responsible?
 - a. **Principal**
 - b. Sub Agent
 - c. Contractor
 - d. None of these
- 3) An agency relationship exists when one person, the _____ acts for, or on the behalf of another person, the _____.
 - a. Client, agent
 - b. **Agent, principal**
 - c. Principal, agent
 - d. Broker, customer
- 4) Which of the following if grounds for suspension or revocation of license by TREC?
 - a. **Splitting a commission with a person other than a license holder**
 - b. Splitting a commission with Texas real estate license holder
 - c. Disclosing a material defect of a property.
 - d. All of these are grounds for suspension or revocation of license
- 5) The commission can deny licensure to applicant based on the applicant's _____.
 - a. **Moral character**
 - b. Lack of college degree
 - c. Credit score
 - d. IQ
- 6) What form must an agent provide to potential client at the first substantive discussion of a real estate transaction?
 - a. Buyer's Representation Agreement
 - b. **IABS**
 - c. Canons of Professional Ethics for Real Estate Agents
 - d. The VAMA
- 7) In real estate, an example of a general agent would be a(n) _____.
 - a. **Property manager**
 - b. Escrow agent
 - c. Cooperative Broker
 - d. Intermediary
- 8) When a agent and potential party enter into a _____ discussion of a real estate transaction, the party must be provided with a TREC-prescribed agency information form. First contact/orally or written.
 - a. "written-only"
 - b. "orally only"
 - c. "face-to-face"
 - d. **"substantive"**
- 9) A third party cannot rely on apparent authority when he knows of the lack of actual authority
 - a. **True**

- b. False
- 10) Principal's liability to the agent....
- a. To request remuneration or commission for services performed
 - b. To claim remuneration or commission for services performed**
 - c. To claim an indemnity against P for most expenses reasonably incurred in carrying act his obligations
- 11) Contracts are made between the principal and the third party or directly with the agent.
- a. True
 - b. False**
- 12) _____ arises where P implies that A is his agent even though that is not. He is then prevented or "stopped" from denying A's authority.
- a. Ratification
 - b. Estoppel**
 - c. Necessity
 - d. Agreement
- 13) Note that a void or illegal contract may still be ratified.
- a. True
 - b. False**
- 14) To become an agent by necessity requires _____ condition to be satisfied.
- a. A's property is entrusted to P
 - b. it's not possible to communicate with A
 - c. An emergency arises making it necessary for A to act**
- 15) An agency relationship can be established in some ways....
- a. by ratification, express necessity, by necessity, enforced agreement
 - b. implied necessity, enforced agreement, implied agreement
 - c. by estoppel, implied necessity, express necessity
 - d. by ratification, implied agreement, by estoppel, by necessity**
- 16) 'He is a person for whom such act is done, or who is so represented in dealing with a third party.'
- a. Agent
 - b. Third Party
 - c. Principal**
 - d. Leader
- 17) The agreement created between principal and agent is
- a. Contract of employment
 - b. Contract of service
 - c. Contract of sale and purchase
 - d. Contract of agency**
- 18) In the agency by ratification, if the principal does not ratify the contract made by the agent, the effect of the contract is _____
- a. The agent will be responsible for the contract**
 - b. The principal will not be responsible for the contract
 - c. The agent will not be responsible for the contract
 - d. The principal will be responsible for the contract
- 19) In which of the following circumstances, an agency by necessity may be created?
- a. when an agent signed an estoppel agreement
 - b. when an agent breaches the agreement with the principal
 - c. when a person who is with authority act as an agent
 - d. when it is impossible for the agent to get the principal's instruction**

- 20) Nouman enters into a contract with Kassim to sell him 1000 kg of wheat. Kassim used his own name when signing the contract. Afterwards Nouman discovered that Kassim was actually acting as an agent for Zakir. If later Zakir breaches the contract, under the law of agency, Nouman _____
- cannot sue none of them.
 - may not sue Kassim but may sue Zakir for the price of wheat.
 - may sue Kassim and Zakir for the price of wheat
 - may not sue Zakir but may sue Kassim for the price of wheat.**
- 21) Which one of the following is not a duty of an agent?
- Duty to render proper account.
 - Duty to avoid a conflict of interest.
 - Duty to exercise care and skill.
 - Duty to take a commission.**
- 22) Which of the following is not a method of terminating an agency relationship by acts of the parties?
- lapse of parties
 - mutual agreement
 - achievement of agency purpose
 - bankruptcy of the principal**
- 23) In law, a minor cannot be appointed as an agent
- True
 - False**
- 24) Under presumption of law, a wife is considered to be an agent to her husband.
- True**
 - False
- 25) Goods are shipped directly to the buyer, with a request for payment.
- Open account**
 - Advance payment
 - Bills for collection
 - Letters of credit
- 26) Payment is expected by the exporter in full, before goods are shipped.
- Open account
 - Advance payment**
 - Bills for collection
 - Letters of credit
- 27) The documents and goods are released when the buyer agrees to pay on a certain date.
- Open account
 - Advance payment
 - Bills for collection**
 - Letters of credit
- 28) The buyer's bank guarantees to pay when the shipping documents are found to be correct.
- Open account
 - Advance payment
 - Bills for collection
 - Letters of credit**
- 29) In law, a minor cannot be appointed as an agent.
- True**
 - False

- 30) Under presumption of law, a wife is considered to be an agent to her husband.
- True**
 - False
- 31) Agency by Ratification may happen when an agent has exceeded the given authority.
- True**
 - False
- 32) According to the law, ratification may only be made orally or in writing.
- True
 - False**
- 33) Under agency by necessity, the agent may make his own decision in emergency case without first contacting the principal.
- True
 - False**
- 34) When principal had made the third party believe that a person acts as his agent, the principal is allowed to deny that the person has no authority to act on his behalf.
- True
 - False**
- 35) The agent's authority is established when the third party was induced by the Principal to believe that the person has authority to act on his behalf. The above statement refers to ____.
- Actual Authority
 - Apparent Authority**
- 36) Samad instructed his worker to order 100 cartons of mineral water for the his market. The above statement refers to the ____.
- Duty to render proper account
 - Duty to communicate with the principal
 - Duty to avoid conflict of interest
 - Duty to obey principal's instruction**
- 37) Arif must first contact his boss before he can sell the rotten tomato at a lower price. The above statement refers to the ____.
- Duty to obey principal's instruction
 - Duty to communicate with principal**
 - Duty to avoid conflict of interest
 - Duty not to make secret profit
- 38) Kiki sold his principal's house at much lower price when there was a higher offer. The above statement refers to the ____.
- Duty to act according to custom
 - Duty to obey principal's instruction
 - Duty to exercise care and diligence**
 - Duty to avoid conflict of interest
- 39) Kiah sold her principal's house to her husband at a lower price without telling her principal. In the above statement, Kiah may have breach the duty of agent ____.
- to act according to custom
 - not to disclose confidential information
 - to avoid conflict of interest**
 - not to delegate authority
- 40) Ali should wrap the order of his customer using bubble wrap before posting it if the item is fragile even though his principal did not say it. The above statement refers to the ____.
- Duty not to make secret profit

- b. **Duty to act according to custom**
 - c. Duty not to delegate authority
 - d. Duty to exercise care and diligence
- 41) Munah sold her principal's product at a higher price than recommended to include her commission. In the above statement, Munah may have breached the duty of agent ____.
- a. to avoid conflict of interest
 - b. **not to make secret profit**
 - c. to act according to custom
 - d. to exercise care and diligence
- 42) Abu must prepare a monthly sale record upon request by his principal. The above statement refers to the ____.
- a. Duty to act according to custom
 - b. **Duty to render proper account when required**
 - c. Duty to exercise care and diligence
 - d. Duty to obey principal's instruction
- 43) Alia had secretly shared the secret recipe of making durian crepe belonging to her principal. In the above statement, Alia may have breached the duty of agent ____.
- a. not to make secret profit
 - b. to communicate with the principal
 - c. **not to disclose confidential information**
 - d. to avoid conflict of interest
- 44) Halim must give compensation to his agent for expenses incurred in repairing company's vehicle. The above statement refers to the ____.
- a. **Duty of Principal to indemnify agent**
 - b. Duty of Principal to pay commission and remuneration
 - c. Duty of Principal to be responsible
 - d. Duty of Principal to pay for the agent
- 45) If an agent had disclosed the identity of the principal to third party, the agent will not be personally liable.
- a. **True**
 - b. False
- 46) The agency relationship will be automatically terminated when the agent or principal become unsound sound.
- a. **True**
 - b. False
- 47) If there is a change in law that makes principal's business illegal, agency relationship will be automatically terminated.
- a. **True**
 - b. False
- 48) arbitration clause
- a. binding international treaty provisions
 - b. recognizable pattern of previous conduct between the parties of a more recent transaction from which a dispute has arisen
 - c. **contract clause providing that any dispute arising under the contract will be submitted to arbitration, in the place and according to the laws and rules specified in the clause**
 - d. the principle under which countries recognize and enforce each other's legal decrees

49) comity

- a. a sovereign state which is a member of a confederation of other such states, such as the European Union or the United Nations
- b. similar to mediation, in which an impartial third party helps the parties to a dispute to resolve their problem, but which unlike arbitration does not lead to a decision to which the parties are bound
- c. form of dispute resolution (an alternative to litigation through the court system in which disputes are heard and decided by an impartial arbitrator or arbitrators, chosen by the parties to the dispute)
- d. the principle under which countries recognize and enforce each other's legal decrees**

50) Conciliation

- a. similar to mediation, in which an impartial third party helps the parties to a dispute to resolve their problem, but which unlike arbitration does not lead to a decision to which the parties are bound**
- b. a sovereign state which is a member of a confederation of other such states, such as the European Union or the United Nations
- c. a court of law or judicial tribunal where disputes are heard and decided
- d. co-operation between governments and organizations to make laws more uniform and coherent

51) Course of dealing

- a. beyond national boundaries, at a level above national governments
- b. body of legal principles that govern business transactions deriving from the established customs of merchants
- c. the many interpretative and nonbinding statements, for example by treaty monitoring bodies, that can contribute to an understanding and greater compliance of the law
- d. recognizable pattern of previous conduct between the parties of a more recent transaction from which a dispute has arisen**

52) forum

- a. a court of law or judicial tribunal where disputes are heard and decided**
- b. non-profit and/or voluntary organization that is not part of government
- c. the power, right or authority to interpret and apply the law
- d. norms drafted by authoritative bodies, e.g. UNCITRAL, to create a standard, which may be adopted by various jurisdictions, to govern a particular area of the law, e.g. transport of goods

53) hard norms

- a. the principle under which countries recognize and enforce each other's legal decrees
- b. contract clause providing that any dispute arising under the contract will be submitted to arbitration, in the place and according to the laws and rules specified in the clause
- c. binding international treaty provisions**
- d. recognizable pattern of previous conduct between the parties of a more recent transaction from which a dispute has arisen

54) harmonisation

- a. norms drafted by authoritative bodies, e.g. UNCITRAL, to create a standard, which may be adopted by various jurisdictions, to govern a particular area of the law, e.g. transport of goods
- b. body of legal principles that govern business transactions deriving from the established customs of merchants

- c. the many interpretative and nonbinding statements, for example by treaty monitoring bodies, that can contribute to an understanding and greater compliance of the law
- d. co-operation between governments and organizations to make laws more uniform and coherent**

55) Jurisdiction

- a. the power, right or authority to interpret and apply the law**
- b. non-profit and/or voluntary organization that is not part of government
- c. the many interpretative and nonbinding statements, for example by treaty monitoring bodies, that can contribute to an understanding and greater compliance of the law
- d. a court of law or judicial tribunal where disputes are heard and decided

56) lex mercatoria

- a. non-profit and/or voluntary organization that is not part of government
- b. the power, right or authority to interpret and apply the law
- c. body of legal principles that govern business transactions deriving from the established customs of merchants**
- d. co-operation between governments and organizations to make laws more uniform and coherent

57) member state

- a. form of dispute resolution (an alternative to litigation through the court system in which disputes are heard and decided by an impartial arbitrator or arbitrators, chosen by the parties to the dispute)
- b. a sovereign state which is a member of a confederation of other such states, such as the European Union or the United Nations**
- c. body of legal principles that govern business transactions deriving from the established customs of merchants
- d. the power, right or authority to interpret and apply the law

58) NGO (non-governmental organization)

- a. co-operation between governments and organizations to make laws more uniform and coherent
- b. norms drafted by authoritative bodies, e.g. UNCITRAL, to create a standard, which may be adopted by various jurisdictions, to govern a particular area of the law, e.g. transport of goods
- c. the power, right or authority to interpret and apply the law
- d. non-profit and/or voluntary organization that is not part of government**

59) arbitration

- a. the principle under which countries recognize and enforce each other's legal decrees
- b. form of dispute resolution (an alternative to litigation through the court system in which disputes are heard and decided by an impartial arbitrator or arbitrators, chosen by the parties to the dispute)**
- c. similar to mediation, in which an impartial third party helps the parties to a dispute to resolve their problem, but which unlike arbitration does not lead to a decision to which the parties are bound
- d. a sovereign state which is a member of a confederation of other such states, such as the European Union or the United Nations

60) soft-norms

- a. the many interpretative and nonbinding statements, for example by treaty monitoring bodies, that can contribute to an understanding and greater compliance of the law**
- b. non-profit and/or voluntary organization that is not part of government

- c. the power, right or authority to interpret and apply the law
- d. norms drafted by authoritative bodies, e.g. UNCITRAL, to create a standard, which may be adopted by various jurisdictions, to govern a particular area of the law, e.g. transport of goods

61) supranational

- a. **beyond national boundaries, at a level above national governments**
- b. body of legal principles that govern business transactions deriving from the established customs of merchants
- c. non-profit and/or voluntary organization that is not part of government
- d. norms drafted by authoritative bodies, e.g. UNCITRAL, to create a standard, which may be adopted by various jurisdictions, to govern a particular area of the law, e.g. transport of goods

62) uniform rules

- a. body of legal principles that govern business transactions deriving from the established customs of merchants
- b. the many interpretative and nonbinding statements, for example by treaty monitoring bodies, that can contribute to an understanding and greater compliance of the law
- c. **norms drafted by authoritative bodies, e.g. UNCITRAL, to create a standard, which may be adopted by various jurisdictions, to govern a particular area of the law, e.g. transport of goods**
- d. co-operation between governments and organizations to make laws more uniform and coherent

63) Firdaus wishes to sell his piano for RM15000 to Fadhil. He meets his old friend, Fatim seeking for her help to sell the piano on behalf of him to Fadhil. Under the law of agency, Fatim is called

- a. **an agent**
- b. a promisor
- c. a principal
- d. a third party

64) Fuad appoints Hew to be his agent to buy goods from Rose. Fuad is ...

- a. an agent
- b. a mentor
- c. **a principal**
- d. a guidance

65) Partnership Act 1961 Ratification by the principal to the act of his agent occurs when the principal

- a. examines the act of the agent
- b. **accepts the act of the agent**
- c. advises the agent on his act
- d. gives the instruction to the agent

66) Appointment of an agent can be made by the following except ...

- a. express appointment
- b. implied appointment
- c. ratification
- d. **self appointment**

67) Among the conditions to be fulfilled before a principal ratifies his agent's act are ...

I. The principal must ratify the whole contract

II. The act or contract must be unauthorized

III. Ratification must not injure the third party

- a. I, II
 - b. I, III
 - c. II, III
 - d. **I, II, III**
- 68) When the agent was duly appointed to do the work, but he has exceeded the authority given, he is the agent appointed by...
- a. necessity
 - b. express appointment
 - c. **ratification**
 - d. estoppel
- 69) Mel bought 10 bags of flour at a price higher than instructed by his principal. His principal approved his action. In the above situation, an agency relationship exists by...
- a. express appointment
 - b. implied appointment
 - c. **ratification**
 - d. estoppel
- 70) In which of the following circumstances, an agency by necessity may be created?
- a. when an agent signed the agreement with the principal
 - b. **when it is impossible for the agent to get the principal's instruction**
 - c. when an agent signed an estoppel agreement
 - d. when a person who is without authority act as an agent
- 71) Suppose Ali tells Tommy in the presence of Ponniah that Ali is Ponniah's agent and Ponniah does not contradict this statement. Ponniah cannot later deny that Ali is his agent if Tommy sells goods to Ali believing him to be Ponniah's agent and later claims for the price. What is the type of agency created in the above situation?
- a. **estoppel**
 - b. ratification
 - c. implied appointment
 - d. express appointment
- 72) Paula appoints Alice to sell her car and entrust her with possession of it. Alice by implication has the authority to allow potential buyers to drive the car for the purpose of testing it. In the above situation, the authority conferred upon the Alice is...
- a. **implied actual authority**
 - b. apparent authority
 - c. usual authority
 - d. special authority
- 73) Lim is a project manager in Guna Sdn. Bhd. Without authority from Guna Sdn. Bhd., he has hired a firm of accountants to do some work for the company. The Board of Directors was aware of it but did nothing to stop Lim. The directors also failed to inform the third parties about Lim's lack of authority. What is the liability of Guna Sdn. Bhd. ?
- a. **Guna Sdn. Bhd was liable to pay the firm and not Lim as he had apparent authority to act for Guna Sdn. Bhd.**
 - b. Guna Sdn. Bhd was not liable to pay the firm and not Lim as he had apparent authority to act for Guna Sdn. Bhd.
 - c. Guna Sdn. Bhd was liable to pay to the firm and not Lim as he had actual authority to act for Guna Sdn. Bhd.

- d. Guna Sdn. Bhd was not liable to pay the firm and not Lim as he had actual authority to act for Guna Sdn. Bhd.
- 74) Azmi, as a principal, has appointed Roslan as his agent to sell his motorcycle for not less than RM 3,000. What type of authority does Roslan has as the agent in the above situation?
- Apparent authority
 - Implied authority
 - Actual authority**
 - Exceed authority
- 75) He is one whose existence is disclosed to the third party by the agent but whose identity is unknown. The third party knows that the agent is contracting as an agent but does not know the name of the principal. From the situation above, it refers to...
- a named principal
 - a disclosed principal**
 - an undisclosed principal
 - an unidentified principal
- 76) A principal, whose existence as well as identity is not known to the third party at the time of the contract is made is known as...
- a named principal
 - a disclosed principal
 - an undisclosed principal**
 - a principal being estopped
- 77) In what circumstances, the agency may be terminated by the act of the parties?
- By death of agent or principal
 - By insanity of the agent or principal
 - By mutual consent or revocation by the principal**
 - By the expiration period agreed by the agent and the principal
- 78) An agency may be terminated by operation of law. This may occur in the following circumstances EXCEPT...
- by the performance of the contract of agency
 - by the expiration of the period fixed or implied in the contract of agency
 - by mutual consent of the parties**
 - by the happening of some event which render the agency unlawful
- 79) Section 154 of the contract Act 1950 states that ' an agency is terminated... by either the principal or agent dying...' This is how an agency relationship may be terminated
- By mutual agreement
 - By operation of law**
 - By ratification
 - By act of parties
- 80) The maxim ' delegatus non potest delegare ' means...
- a principal can delegate to an agent
 - an agent cannot delegate**
 - an agent must obey his principal
 - a principal must indemnify his agent
- 81) Which of the following is not the duties of principal to his agent?
- to pay the agent commission or other agreed remuneration
 - to not willfully prevent or hinder the agent from earning his commission
 - to indemnify and reimburse the agent for acts done in the exercise of his duties
 - to exercise care and diligence in carrying out his work and to use such skill as he possesses.**

- 82) Any idea or artistic creation that is recorded in some form, whether it's hard copy or digital.
- Creative Work**
 - Copyright
 - Creative Commons
 - License
- 83) When you rent a movie at a video store, you are entering into a relationship called a
- bailor
 - Mutuum
 - fair use doctrine
 - bailment**
- 84) Tangible personal property is something that
- has a trademark which distinguishes it from other property
 - has substance and can be touched.**
 - is copyrighted under the fair use doctrine.
 - has no substance and cannot be touched.
- 85) In bailment lawsuits, the burden of proof is usually on the
- bailor
 - bailee**
 - hotel keeper
 - business owner
- 86) A copyright is a(n)
- right granted to an author to exclusively publish and sell a literary work.**
 - document that must be filed with the U.S. Patent Office in order to be considered legal.
 - exclusive right by an inventor to make, use, or sell an invention.
 - distinctive mark, symbol, or slogan used by a business to identify its goods.
- 87) If property is found in a public or semipublic place, it is considered
- discarded
 - abandoned
 - misplaced**
 - lost
- 88) Downloading someone else's music from the Internet without paying a fee violates the
- trademark rule
 - fair use doctrine
 - lien law
 - copyright law**
- 89) Common carriers are held liable for all goods they ship
- only in cases of negligence even
 - when damages occur as a result of acts of God.
 - only when damages occur as a result of the public enemy, public authorities, and the shipper
 - regardless of whether or not they are negligent**
- 90) In a bailment, there is
- no intent to pass title to property.**
 - an intent to pass title to property.
 - no obligation for the bailor to receive benefit
 - no obligation for the bailee to receive benefit.
- 91) An innocent purchaser who acquires a stolen item in good faith is
- not obliged to return the item to the owner
 - is obliged to return the item to the owner.**

- c. can be prosecuted for purchasing stolen goods.
 - d. can legally transfer title to someone else.
- 92) In Turkey, a patent is general granted for
- a. 1 year
 - b. 10 years**
 - c. 20 years
 - d. 100 years
- 93) Anything that can be owned ,other than real estate, is called
- a. personal property**
 - b. standard of care
 - c. bailment
- 94) A(n) _____ is granted to an author, composer, or artist.
- a. trademark
 - b. Lien
 - c. contract
 - d. copyright**
- 95) All bailees have a duty to exercise a certain _____ of the property in their possession
- a. bailment
 - b. standard of care**
 - c. mutual benefit
- 96) A(n) _____ takes place when a person leaves his or her property in another's possession.
- a. Mutual benefit
 - b. standard of care
 - c. Bailment**
- 97) A distinctive mark, symbol, or slogan used by a business is a(n) _____.
- a. copyright
 - b. Logo
 - c. trademark
- 98) If someone owes you money, the right to receive the money is called _____ personal property.
- a. carriers
 - b. trademark**
 - c. mutual benefit
 - d. intangible
- 99) _____ are businesses that transport persons, goods, or both
- a. Trucking
 - b. Carriers**
 - c. Bus
 - d. Airplane
- 100) Which of the following is NOT considered personal property?
- a. a house**
 - b. Iphone
 - c. Trademark
 - d. Copyright
- 101) Community property is property that
- a. has been abandoned and is available for purchase through auction.

- b. is received as a gift by two or more recipients.
 - c. belongs to both spouses equally**
 - d. belongs to the local neighborhood and is used as a park or playground
- 102) In a bailment, there is no
- a. Intent to provide any standard of care by the bailee or bailor.
 - b. intent to pass title to the property**
 - c. obligation to return the property to the bailor
 - d. obligation for the bailee to care for the property.
- 103) When goods are sold on approval, they become the property of the buyer as soon as the seller approves.
- a. True
 - b. False**
- 104) Items attached to a house, such as kitchen cabinets and fixtures, are considered real property.
- a. True**
 - b. False
- 105) A registered trademark continues for 20 years, and it may be renewed for additional 20-year periods.
- a. True
 - b. False**
- 106) If two people own property as joint tenants, each owner's share passes to his or her heirs upon death, not to the surviving joint tenant
- a. True
 - b. False**
- 107) Most property is acquired by purchase, gift, or inheritance.
- a. True**
 - b. False
- 108) Misplaced property must be returned to the owner if the owner can be found.
- a. True
 - b. False**
- 109) it is important to distinguish between real property and personal property because the laws that apply to each could be different.
- a. True**
 - b. False
- 110) When you take your clothes to the consignment shop to be sold, you are trusting that the goods will be sold by the shop and you will receive the proceeds, minus a fee.
- a. True**
 - b. False
- 111) A bailee is always liable for any damages to goods in his or her possession.
- a. True
 - b. False**
- 112) Patents, copyrights, and trademarks refer to:
- a. tangible personal property
 - b. intangible personal property
 - c. bailments
 - d. intellectual property**
- 113) When the bailor lends goods without charge, he or she creates a:
- a. bailment by necessity

- b. **gratuitous bailment**
 - c. mutual-benefit
 - d. bailment pledge
- 114) If you have in your possession something that belongs to someone else, you are a:
- a. donee
 - b. **Bailee**
 - c. donor
 - d. bailor
- 115) The person making a gift is a:
- a. bailor
 - b. **Donor**
 - c. giftor
 - d. donee
- 116) Common carriers are liable for damages to the goods they ship as a result of:
- a. the inherent nature of the goods
 - b. **driver accident**
 - c. an act of God
 - d. the shipper
- 117) If you find abandoned property, you:
- a. have the legal duty to try and find the owner
 - b. must advertise in the local paper for the owner
 - c. **may keep it**
 - d. must leave it where you found it
- 118) Community property is property that:
- a. has been abandoned and is available for purchase through auction
 - b. is received as a gift by two or more recipients
 - c. **belongs to both spouses**
 - d. belongs to the local neighborhood and is used as a park or playground
- 119) In a bailment, there is no:
- a. intent to provide any standard of care by the bailee or bailor
 - b. **intent to pass title to the property**
 - c. obligation to return the property to the bailor
 - d. obligation for the bailee to care for the property
- 120) Which of the following is NOT considered personal property?
- a. **a house**
 - b. CD players
 - c. trademarks
 - d. ceiling fans
- 121) Property that cannot be touched such as debts or patents
- a. **intangible personal property**
 - b. tangible personal property
 - c. personal property
 - d. intellectual property
- 122) A The transfer of a possession and control of personal property to someone else, with the intent to return it at a later time
- a. **bailment**
 - b. special bailment
 - c. gratuitous bailment

- d. all of the above
- 123) A bailment for the sole benefit of the bailee
 - a. **special bailment**
 - b. gratuitous bailment
 - c. mutual-benefit bailment
 - d. bailment
- 124) Occurs when you leave your car at a garage to be repaired; when it is fixed, the mechanic receives payment for the service
 - a. **mutual-benefit bailment**
 - b. special bailment
 - c. gratuitous bailment
 - d. bailment
- 125) Anything that can be owned, other than real estate
 - a. **personal property**
 - b. intangible personal property
 - c. intellectual property
 - d. patent
- 126) A right granted to an author, composer, photographer, or artist to exclusively publish and sell an artistic or literary work
 - a. **copyright**
 - b. Trademark
 - c. patent
 - d. intellectual property
- 127) A grant giving an inventor the exclusive right to sell the invention for a period of time.
 - a. **patent**
 - b. Trademark
 - c. copyright
 - d. intellectual property
- 128) Bailment for the sole benefit of the bailor
 - a. **gratuitous bailment**
 - b. special bailment
 - c. mutual-benefit
 - d. bailment bailment
- 129) A distinctive symbol or slogan used by a business to identify and distinguish its goods from products sold by others
 - a. **trademark**
 - b. copyright
 - c. patent
 - d. intellectual property
- 130) Inventions, works of art, software, and logos
 - a. **intellectual property**
 - b. personal property
 - c. intangible personal property
 - d. tangible personal property
- 131) Which of the following statements is NOT true regarding bills of exchange?
 - a. They cannot be voided.
 - b. They cannot be cancelled.
 - c. **They guarantee payment.**

- d. They are usually only used for domestic transactions.
- 132) Which of the following options defines a bill of exchange?
- A legally-binding, written document ordering one party to pay a specific amount of money to a second party.**
 - None of these answers are correct.
 - A fee you pay when you exchange one product for another.
 - A document stating that a bill has been paid in full.
- 133) Which of the following is a bill of exchange most similar to?
- A check
 - A receipt**
 - A restaurant bill
 - A mortgage payment
- 134) The acceptor of bill of exchange is called:
- Drawee**
 - Endorsee
 - Payee
 - Drawer
- 135) The act of transferring the bill from one person to another is called:
- Discounting
 - Acceptance
 - Endorsement**
 - Retirement
- 136) The period of time after which a bill becomes payable, is called:
- Days of Grace
 - Usance**
 - None of these
 - Tenor
- 137) The bill of exchange used in d/a must be a
- sight bill
 - bank bill
 - usance bill**
 - bank accepted bill
- 138) The draft used in collection is
- a banker's draft, based on bank credit
 - a commercial draft, based on commercial credit**
 - a banker's draft, based on commercial credit
 - A commercial draft, based on bank credit
- 139) The bill of exchange used in d/p must be a
- sight bill**
 - bank bill
 - usance bill
 - bank accepted bill
- 140) A ____ is a document from a bank guaranteeing that a seller will receive payment in full as long as certain delivery conditions have been met:
- Agreement
 - Letter of Credit**
 - Bill Paper
 - None of The Above

- 141) Letter of Credit is used only for international trading payment operations:
- Yes
 - No**
 - None of The Above
- 142) Most Letter of Credit often used in International Trade. Letters of Credit are governed by rules promulgated by the:
- International Chamber of Commerce
 - Uniform Customs and Practice for Documentary Credits
 - Both of The Above**
 - None of The Above
- 143) Letter of Credit is beneficial for which party:
- Seller (Exporter)
 - Buyer (Importer)
 - Both of The Above**
 - None of The Above
- 144) Sellers must trust that the bank issuing the letter of credit is valid, and that the bank will pay as agreed. If sellers have any doubts, they can use a _____ letter of credit, which means that another (presumably more trustworthy) bank will guarantee payment:
- Confirmed**
 - Irrevocable
 - Revocable
 - None of The Above
- 145) Letter of Credit are usually issued by:
- Banks Financial
 - Institutions
 - Both of Above**
 - None of The Above
- 146) Which among the following definitions are wrong:
- Beneficiary - The company or individual who will receive the payment from buyer.
 - Issuing Bank - The bank which issues letter of credit to seller party
 - Advising Bank - (The bank where seller wants receipt of payment)
 - None of The Above**
- 147) The bank with which credit is available (to seller) called _____:
- Delegated Bank
 - Nominated Bank**
 - Any Bank
 - None of The Above
- 148) Which is correct about Irrevocable letter of credit:
- only allows change or cancellation of the letter of credit by issuing bank with approval by the beneficiary.
 - All letters of credit governed by the current UCP are irrevocable letter of Credit.
 - Both of The Above**
 - None of The Above
- 149) Letter of Credit can be transferred:
- Yes**
 - No
 - None of The Above

- 150) Business transactions between parties from more than one country are known as international business.
- True**
 - False
- 151) International business is more complex than domestic business.
- True**
 - False
- 152) It is important to study international business because you may work for a firm that is owned by a corporation that is headquartered in another country.
- True**
 - False
- 153) Small businesses are usually not involved in international business given the cost restrictions.
- True
 - False**
- 154) Individuals should most likely study international business to _____.
- comply with graduate school certification requirements
 - ensure that an employer has a global online presence
 - remain current on the latest business methods**
 - remain current on the latest communication method
- 155) Capital supplied by residents of one country to residents of another is known as _____.
- international investments**
 - host-country financing
 - international franchising
 - domestic inversion financing
- 156) _____ is the buying of products made in other countries for use or resale in one's own country.
- Exporting
 - Importing**
 - Merchandising
 - Transporting
- 157) The British term for the trading of tangible goods is _____.
- visible trade**
 - invisible trade
 - merchandising
 - service franchising
- 158) Boeing, an American firm, sells commercial aircraft to Lufthansa in Germany. This is an example of _____.
- exporting**
 - importing
 - licensing
 - franchising
- 159) If a company is headquartered in Taiwan, then Taiwan is the company's _____.
- host country
 - home country**
 - dominant country
 - competitive country
- 160) Ford Motor Company is based in Detroit, Michigan. It also has offices in Germany, England, and China. Which of the following is Ford's home country?

- a. Germany
 - b. England
 - c. China
 - d. United States**
- 161) _____ are purchases of foreign financial assets for a purpose other than control.
- a. Foreign direct investments
 - b. Global business investments
 - c. Foreign portfolio investments**
 - d. Indirect investments
- 162) _____ is a contractual arrangement in which a firm in one country allows the use of its intellectual property by a firm in a second country in return for a royalty payment.
- a. Leasing
 - b. Franchising
 - c. Licensing**
 - d. Merchandising
- 163) Walt Disney permits a German clothing manufacturer to market children's pajamas embroidered with Mickey Mouse in return for a percentage of company sales. This is an example of _____.
- a. franchising
 - b. Licensing**
 - c. leasing
 - d. piracy
- 164) Which of the following is a common activity of MNCs?
- a. training of international managers
 - b. buying resources in various countries**
 - c. inventing goods in a variety of countries
 - d. establishing foreign exchange rates
- 165) A bill of lading is often abbreviated as _____
- a. A/B
 - b. B/L**
 - c. BLO
 - d. LOB
- 166) the primary use of the bill of lading is that it is used as a receipt. this is roles of B/L to serve ??
- a. Cargo Receipt
 - b. Contract Carriage**
 - c. Title
- 167) The B/L is a contract carriage between the carrier and shipper. this is roles of B/L to serve ??
- a. Cargo Receipt
 - b. Contract Carriage**
 - c. Title
- 168) The B/L contains the name of the document and it is normally related to the case of the buyer. this is roles of B/L to serve ??
- a. Cargo Receipt
 - b. Contract Carriage
 - c. Title**
- 169) There are two types of B/L AS TITLE; the order B/L and straight B/L. What is straight B/L?
- a. B/L which is handled only by shipper himself
 - b. B/L which is issued without the name of the consignee

- c. B/L which is issued on the name of the consignee**
- 170) The document is not issued with the name of the consignee (buyer) and is negotiable. It means that it can be negotiated to the third party. this is the type of ____ B/L
- the order**
 - straight
- 171) What is the role of special trade terms?
- the terms define the rights and duties of the seller and the buyer as regards the point of delivery
 - the terms define the rights and duties of the seller and the buyer as regards the shipment
 - the terms define the rights and duties of the seller and the buyer as regards the procurement of transport documents
 - all of the above**
- 172) Who set out the standardise rules of interpreting this system?
- International Chamber of Commerce (ICC)**
 - International Court Contract (ICC)
 - International Contract Court (ICC)
 - International Commerce Court (ICC)
- 173) What does incoterms means?
- incoterms is the short form for "International Contract Term"
 - incoterms is the short form for "International Commercial Term"
 - incoterms is the short form for "International Commerce Term"**
 - incoterms is the short form for "International Chamber Term"
- 174) When is the first incoterms was set?
- 1936**
 - 1946
 - 1956
 - 1976
- 175) When is the current latest Incoterms?
- Incoterms 2013
 - Incoterms 2010
 - Incoterms 2020**
 - Incoterms 2011
- 176) How many groups of Incoterms are there?
- Group E,F,C,D**
 - Group B,C,D,E
 - Group A,C,D,B
 - Group F,G,D,C
- 177) The E term stands for:
- eXw; exortic work
 - ExW; Ex Work**
 - non of the answer available
 - EXW - Extension of work
- 178) The F Group includes:
- FCA, FAS, FOB**
 - FAR,FON,FIN
 - FAB, FUS,FOC
 - FUN,FOB,FOS
- 179) How many classification of Incoterms 2010 rules available?

- a. **Rules for any mode of transport**
 - b. Rules for sea and inland waterway transport
 - c. Rules for air force
 - d. Rules for jetski transport
- 180) What is a Bill of Lading?
- a. A verbal contract between the shipper and the carrier for the transport of freight.
 - b. **A legal written contract between the shipper and the carrier for the transport of freight.**
 - c. A bill you pay Mrs. Martin
- 181) The definition of consign is:
- a. To have two signatures on a document
 - b. **To deliver something to a person or company's custody, typically to be sold**
 - c. To give a person or company product for free
- 182) What is the Consignee?
- a. **The individual who is financially responsible for the receipt of the freight and is usually the receiver of the shipment.**
 - b. An individual (usually the seller) and is the sender of the freight.
 - c. The company transporting the product for a fee.
- 183) What is the Consignor?
- a. The company transporting the product for a fee.
 - b. The individual who is financially responsible for the freight and is usually the receiver of the shipment.
 - c. **An individual (usually the seller) and is the sender of the freight.**
- 184) The _____ is the company who is sending the product.
- a. Consignee or receiver
 - b. **Consignor or shipper**
 - c. Carrier
- 185) True or False: The carrier is the company transporting the product for a fee.
- a. **True**
 - b. False
- 186) True or False: The consignor is the legal owner of the goods until the consignee pays for them in full.
- a. **True**
 - b. False
- 187) If the consignor or sender pays the carrier fees before transporting the goods it is considered _____.
- a. COD or collect on delivery
 - b. **Prepaid**
 - c. Credit card
- 188) If the consignee or receiver is responsible for paying the carrier fees when they receive the goods it is considered _____
- a. **COD or collect on delivery**
 - b. Credit card charge
 - c. Prepaid
- 189) The Trump administration renegotiated NAFTA with Mexico and Canada. President Trump's renegotiated free trade agreement is called
- a. YMCA
 - b. **USMCA**
 - c. NAFTA 2.0

- d. NASCAR
- 190) The exchange of goods and services by sale or barter driven by the need for resources.
- a. Fair Trade
 - b. Globalization
 - c. Trade**
 - d. Standard of Living
- 191) A policy in which a nation does not try to limit imports or exports by enacting tariffs (taxes on imports) or subsidies (money to assist an industry so prices can remain low).
- a. Free Trade**
 - b. Trade War
 - c. Goods and Services
 - d. Supply and Demand
- 192) What are some negatives of globalization?
- a. Workers are exploited in sweatshops
 - b. Pollution and deforestation
 - c. Low wages for factory workers in Asia and Africa
 - d. All of the answers are correct**
- 193) A three-country trade agreement negotiated by the governments of Canada, Mexico, and the United States that took effect in 1989.
- a. The UN
 - b. NAFTA**
 - c. NATO
 - d. IMF
- 194) When the economy of two countries depend on each other, it's called:
- a. economic interdependence**
 - b. multinational cooperation
 - c. isolationism
 - d. outsourcing
- 195) Which of the following was instrumental in creating the global economy that exists today?
- a. The use of high taxes for imports and exports
 - b. Improvements in technology such as the Internet**
 - c. The creation of one form of currency (money) used to trade
 - d. The success of the Communist governments in guiding trade
- 196) When people trade how do both sides benefit?
- a. Countries can focus on producing specific goods from their natural resources instead of trying to create everything they need**
 - b. Countries can take advantage of each other making the international market more secure
 - c. Countries are able to learn the weaknesses of other countries and exploit those for natural resources
 - d. Countries are able to enter other countries with spies and foreign agents to undermine governments.
- 197) What is globalization?
- a. The increased flow of trade, people, technology, and culture among countries.**
 - b. The decreased flow of trade, people, technology, and culture among countries.
 - c. The creation of one global empire and government under a single super power.
 - d. The creation of a global cellular network to use phones internationally.

- 198) What would be one consequence of a prolonged decline in the value of the euro relative to the U.S. dollar?
- European exports to the United States would become less expensive.**
 - U.S. exports to Europe would become cheaper.
 - European imports from the United States would increase. U.S. imports from Europe would become more expensive.
 - U.S. imports from Europe would become more expensive.
- 199) When determining comparative advantage one must determine
- Opportunity cost**
 - Specialization
 - Absolute Advantage
 - Embargos
- 200) If I am better at all types of production, I have the _____ in all forms of production.
- Comparative advantage
 - Specialization
 - Absolute advantage**
 - developed nation
- 201) A large company such as McDonalds that has operations in more than one country.
- Domestic Corporation
 - Multinational Corporation**
 - Foreign Corporation
 - State Corporation
- 202) The development of a worldwide economy where resources flow fairly freely across borders.
- Globalization**
 - Economy
 - GDP
 - Economic Independence
- 203) This is a tax on imports that is used to increase price of foreign products and raise government revenue.
- tariff**
 - quota
 - subsidy
 - embargo
- 204) Underdeveloped nations tend to trade what type of goods?
- Low skill products**
 - High tech goods
 - finished products
 - High skill products
- 205) President Trump has enacted tariffs against China and China has retaliated with tariffs of its own against the United States. This type of situation is known as...
- national security
 - Gross Domestic Product (GDP)
 - a trade war**
 - free trade