

# Future Business Leaders of America (FBLA) Business Law Practice Exam (Sample)

## Study Guide



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**SAMPLE**

## **Questions**

- 1. In a legal context, who is referred to as the party that accuses someone of a crime?**
  - A. Defendant**
  - B. Appellant**
  - C. Plaintiff**
  - D. Jury**
- 2. What is the role of a tortfeasor in legal terms?**
  - A. A person who commits a tort**
  - B. A witness in a trial**
  - C. A legal mediator**
  - D. A member of a jury**
- 3. What is an express contract?**
  - A. A contract that must be written**
  - B. A contract stated either orally or in writing**
  - C. A contract implied by actions**
  - D. A contract that is enforceable by law only**
- 4. What is defined as an original work that is fixed in a tangible medium of expression?**
  - A. Copyright**
  - B. Trademark**
  - C. Intellectual Property**
  - D. Patent**
- 5. What action does forbearance typically involve?**
  - A. Enforcing contractual obligations**
  - B. Withholding action you are entitled to take**
  - C. Seeking compensation**
  - D. Negotiating terms**
- 6. What is a sublease?**
  - A. The leasing of property to a third party**
  - B. A shortened rental agreement**
  - C. A permanent transfer of property**
  - D. Absence of a leasing contract**

- 7. What government program provides continuing income to workers and their dependents when earnings stop due to retirement, disability, or death?**
- A. Medicare**
  - B. Unemployment Insurance**
  - C. Social Security**
  - D. Pension Fund**
- 8. What is the term for the joining of two or more companies to form a new corporation?**
- A. Acquisition**
  - B. Consolidation**
  - C. Franchise**
  - D. Joint Venture**
- 9. What is the process in which union and management representatives negotiate wages and working conditions?**
- A. Arbitration**
  - B. Mediation**
  - C. Collective bargaining**
  - D. Negotiation**
- 10. What is known as the unauthorized invasion of someone's privacy using technology?**
- A. Cybercrime**
  - B. Cyberinvasion of privacy**
  - C. Cyberstalking**
  - D. Cyberblackmail**

## **Answers**

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1. C
2. A
3. B
4. C
5. B
6. A
7. C
8. B
9. C
10. B

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## **Explanations**

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**1. In a legal context, who is referred to as the party that accuses someone of a crime?**

- A. Defendant**
- B. Appellant**
- C. Plaintiff**
- D. Jury**

In a legal context, the party that accuses someone of a crime is referred to as the plaintiff. The term "plaintiff" is commonly used in civil cases, where an individual or entity initiates a lawsuit by filing a complaint against another party, seeking legal remedy for damages or injuries inflicted. In criminal cases, however, the prosecution (often represented by the state or government) brings charges against the accused individual, known as the defendant. While the terminology might differ between civil and criminal law, when referencing cases that involve accusations that lead to legal disputes, the plaintiff represents the party bringing forward the charges in civil contexts. The other terms can be confusing within the context of this question: the defendant is the individual being accused of wrongdoing, the appellant refers to a party in an appellate case who seeks to change a decision made by a lower court, and the jury is a group of individuals tasked with assessing evidence and making determinations of fact in a trial.

**2. What is the role of a tortfeasor in legal terms?**

- A. A person who commits a tort**
- B. A witness in a trial**
- C. A legal mediator**
- D. A member of a jury**

The role of a tortfeasor in legal terms refers to an individual who commits a tort, which is a civil wrongdoing that causes harm or loss to another person. A tortfeasor may be liable for damages resulting from their actions, and their conduct can lead to legal action from the injured party seeking compensation. This definition emphasizes the tortfeasor's active involvement in causing harm, whether intentionally or through negligence. Understanding this term is crucial in the context of tort law, as it lays the groundwork for pursuing claims and establishing liability. By identifying the tortfeasor, the injured party can more effectively seek remedies for their injuries. The other roles mentioned, such as a witness, a mediator, or a jury member, do not involve the direct commission of a tort, making those options unrelated to the definition of a tortfeasor.

### 3. What is an express contract?

- A. A contract that must be written
- B. A contract stated either orally or in writing**
- C. A contract implied by actions
- D. A contract that is enforceable by law only

An express contract is defined as a legal agreement where the terms are explicitly stated, either in oral form or in writing. This means that the parties involved have clearly communicated their intentions and obligations, leaving no room for ambiguity about their agreement. This clarity is essential because it ensures that both parties understand what is expected of them and can be held accountable for fulfilling their end of the deal. In contrast to other forms of contracts, such as implied contracts, which are formed through actions rather than explicit words, an express contract relies on direct statements made by the parties. This characteristic is crucial in establishing enforceability in court, as the specific terms and conditions are documented, making it easier to resolve disputes if they arise. Furthermore, an express contract does not need to be in writing to be valid; a spoken agreement can also constitute an express contract, provided that all parties involved clearly agree upon the terms. Therefore, the key feature of an express contract lies in the clarity and explicitness of the communicated terms rather than the formality (written vs. oral) of the contract itself.

### 4. What is defined as an original work that is fixed in a tangible medium of expression?

- A. Copyright
- B. Trademark
- C. Intellectual Property**
- D. Patent

The concept described in the question refers to an original work that is fixed in a tangible medium of expression, which aligns precisely with the definition of copyright. Copyright is a legal mechanism that grants the creator exclusive rights to use, distribute, and reproduce their original work, as long as it is fixed in a medium, such as a book, painting, or digital file. Intellectual property is a broader term that encompasses various forms of creative and intellectual assets, including copyright, trademarks, and patents. While it includes copyright, it does not specifically identify the nature of the work as being fixed in a tangible medium. Therefore, although copyright falls under the umbrella of intellectual property, it is copyright that directly addresses the question at hand. By understanding that copyright protects original works fixed in a tangible form, one can differentiate it from other types of intellectual property, such as trademarks, which protect brand names and logos, and patents, which protect inventions and processes.

## 5. What action does forbearance typically involve?

- A. Enforcing contractual obligations
- B. Withholding action you are entitled to take**
- C. Seeking compensation
- D. Negotiating terms

Forbearance involves the act of withholding or refraining from taking a legal right or action that one is entitled to pursue. In a contractual context, this can occur when one party agrees not to enforce their right to demand performance or seek legal remedies for a breach of contract. This type of voluntary relinquishment can be an essential component of negotiations or settlements, as it allows for the possibility of a different resolution without resorting to immediate legal action. The other options focus on actions that are not aligned with the definition of forbearance. Enforcing contractual obligations involves taking action rather than withholding it, which contradicts the essence of forbearance. Seeking compensation implies pursuing a financial remedy, while negotiating terms typically involves bargaining or making changes to agreements, which do not reflect the passive nature of forbearance.

## 6. What is a sublease?

- A. The leasing of property to a third party**
- B. A shortened rental agreement
- C. A permanent transfer of property
- D. Absence of a leasing contract

A sublease refers to the leasing of property to a third party, in which the original tenant (the sublessor) rents out the leased property to another individual (the sublessee) while retaining some interest in the lease. This arrangement allows the sublessor to transfer their rights to use the property to someone else for a specified period, but it does not terminate their own obligations to the original landlord. This definition captures the essence of a sublease, highlighting that it involves a temporary letting where the original tenant remains responsible under the primary lease agreement. In many cases, the primary lease will include provisions that dictate whether subleasing is permitted and under what conditions. The other options do not accurately describe a sublease. A shortened rental agreement pertains to the duration of the lease rather than its delegation to another party. A permanent transfer of property suggests a complete transfer of ownership, not just leasing rights, which is not the nature of a sublease. Lastly, the absence of a leasing contract implies there is no formal agreement in place, which contrasts with the concept of a sublease that inherently involves a leasing arrangement.

**7. What government program provides continuing income to workers and their dependents when earnings stop due to retirement, disability, or death?**

- A. Medicare**
- B. Unemployment Insurance**
- C. Social Security**
- D. Pension Fund**

The government program that provides continuing income to workers and their dependents when earnings stop due to retirement, disability, or death is Social Security. This program is a federal initiative designed to ensure that individuals who have worked and contributed to the Social Security system receive financial support in various situations that may impact their ability to earn income. Social Security benefits play a crucial role in providing financial stability for retirees who have reached a certain age and have ceased working, as well as for individuals who become disabled and can no longer work, and for the survivors of deceased workers who were eligible for benefits. It operates by collecting payroll taxes from current workers, which are then used to pay benefits to those who qualify, fostering a type of social safety net for the population. Other options like Medicare specifically address healthcare coverage for individuals over a certain age or with disabilities, while unemployment insurance is a program that assists individuals who are temporarily out of work, and pension funds are typically employer-sponsored retirement plans that provide benefits to employees after they retire. Each of these programs serves a different purpose and does not encompass the full range of protections provided by Social Security.

**8. What is the term for the joining of two or more companies to form a new corporation?**

- A. Acquisition**
- B. Consolidation**
- C. Franchise**
- D. Joint Venture**

The term for the joining of two or more companies to form a new corporation is known as consolidation. In this process, the individual entities cease to exist independently and instead combine their assets, liabilities, and operations into a single new entity. This new corporation typically takes on a name and identity that is different from those of the original companies. Consolidation is often pursued for various reasons, including the desire for increased market share, combined resources, enhanced efficiencies, and improved competitiveness. It distinguishes itself from other business arrangements like acquisitions, where one company takes over another, and joint ventures, which involve two or more companies collaborating on a specific project without losing their separate identities. Understanding consolidation is essential in business law as it has significant implications for corporate governance, stakeholder rights, and regulatory compliance.

**9. What is the process in which union and management representatives negotiate wages and working conditions?**

**A. Arbitration**

**B. Mediation**

**C. Collective bargaining**

**D. Negotiation**

The process in which union and management representatives negotiate wages and working conditions is known as collective bargaining. This term specifically refers to the formal discussion and agreement process that occurs between the representatives of the employees (typically a union) and the employers. The aim of collective bargaining is to reach a mutual agreement on various employment terms, including wages, hours, benefits, and working conditions. During this process, both parties come to the table to advocate for their interests and try to find common ground. It involves significant negotiation skills and can take time, as both sides present their demands and may need to make concessions to arrive at a final agreement. Successful collective bargaining results in a collective bargaining agreement (CBA), which legally binds both the employer and the employees to the negotiated terms for a specified period. Arbitration and mediation are alternative dispute resolution methods but do not specifically address the negotiating process between unions and management. Arbitration typically involves a neutral third party making a binding decision on a dispute, while mediation focuses on facilitating communication between the parties to help them reach a voluntary agreement. Negotiation is a broader term that encompasses many types of discussions aimed at reaching an agreement but does not specifically refer to the structured negotiations typically associated with collective bargaining in labor relations.

**10. What is known as the unauthorized invasion of someone's privacy using technology?**

**A. Cybercrime**

**B. Cyberinvasion of privacy**

**C. Cyberstalking**

**D. Cyberblackmail**

The unauthorized invasion of someone's privacy using technology is accurately termed as "cyberinvasion of privacy." This term specifically refers to actions taken to infringe upon an individual's private life through digital means, such as hacking into personal accounts, spying through unauthorized access to devices, or any other technological methods that compromise someone's reasonable expectation of privacy. This concept is essential in understanding the broader implications of technology in the realm of personal privacy and data protection. In a world where digital footprints are increasingly prevalent, knowing what constitutes an invasion of privacy helps individuals recognize their rights and the legal protections available to them. Other terms like cybercrime, cyberstalking, and cyberblackmail relate to different forms of illegal or unethical behaviors in the digital landscape. Cybercrime encompasses a wide range of criminal activities conducted online, not limited to privacy infringement. Cyberstalking involves the repeated, harmful harassment of an individual through digital means, often creating a threatening situation rather than simply invading privacy. Cyberblackmail refers specifically to extortion carried out over the internet, where someone threatens to reveal compromising information unless demands are met. Each of these terms has distinct definitions and implications, reinforcing the importance of understanding the specific nature of privacy violations through technology.