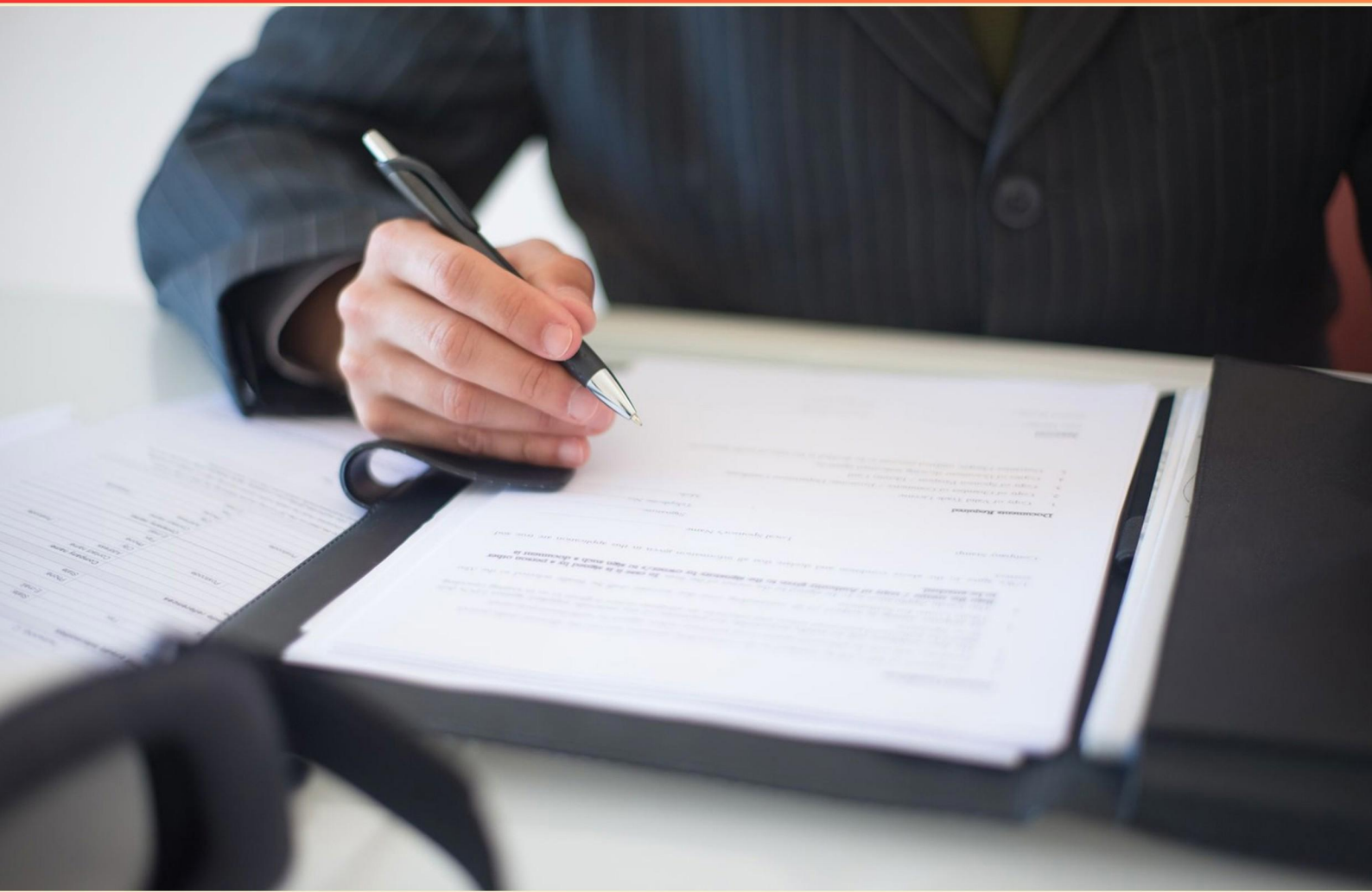


LEGAL ASPECTS OF MUSIC BUSINESS (MB) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is sampling in music copyright terms?**
 - A. Taking a piece of an actual sound recording and using it in a new work.
 - B. Re-recording a melody with new lyrics.
 - C. Creating a derivative work from a public domain recording.
 - D. Performing a live cover without permission.

- 2. Which statement correctly compares the duration of recording copyright in the US and the UK?**
 - A. In the US, 70 years; in the UK 95 years.
 - B. In the US, 95 years from release; in the UK, 70 years from release.
 - C. In both, 70 years from creation.
 - D. In both, life of songwriter plus 70.

- 3. In music, what do patents primarily protect?**
 - A. Music compositions
 - B. Music technology like algorithms and codecs
 - C. Live performances
 - D. Performance rights

- 4. Which statement best contrasts master ownership and recoupment between a traditional record deal and a label services deal?**
 - A. In a traditional deal, the label typically owns the masters and recoups from royalties; in a label services deal, ownership is not transferred and recoupment terms differ.
 - B. In a traditional deal, the artist owns the masters and recoups from royalties; in a label services deal, the label owns the masters and recoups.
 - C. In both types, the artist always owns the masters and recoups from upfront fees.
 - D. In a traditional deal, only the publishing rights matter; the master is ignored.

- 5. Per \$1 streaming revenue, how much does the song owner receive?**
 - A. About 55 cents.
 - B. About 15 cents.
 - C. About 30 cents.
 - D. About 75 cents.

- 6. What is the primary purpose of a split sheet?**
- A. To file a legal request for a licensing grant.
 - B. To formally record ownership percentages among co-writers.
 - C. To set the price for performance rights.
 - D. To register a work for copyright.
- 7. What percentage of SoundExchange distributions goes to an AFM fund for session players?**
- A. 5% to an AFM fund for session players.
 - B. 10% to an AFM fund for session players.
 - C. 0% to funds.
 - D. 20% to AFM fund.
- 8. Can a rights holder refuse a faithful cover?**
- A. No; they cannot refuse a faithful cover.
 - B. Yes; they can always refuse any cover.
 - C. Only if the cover changes the melody.
 - D. Only in certain territories.
- 9. In international copyright arrangements, what role does WIPO play?**
- A. Sets minimum protection standards.
 - B. Enforces national laws.
 - C. Negotiates tax rates.
 - D. Administers treaties and coordinates global copyright systems.
- 10. How does PPL split neighbouring rights income?**
- A. 60% to record companies, 40% to performers.
 - B. 70% to recording companies, 30% to performers.
 - C. 50% to record companies, 50% to performers.
 - D. 25% to recording companies, 75% to performers.

Answers

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

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Explanations

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1. What is sampling in music copyright terms?

- A. Taking a piece of an actual sound recording and using it in a new work.**
- B. Re-recording a melody with new lyrics.
- C. Creating a derivative work from a public domain recording.
- D. Performing a live cover without permission.

Sampling means taking a piece of an actual sound recording and using it in a new work. In practical terms, you're borrowing a segment of a master recording—like a drum hit, synth hook, or vocal snippet—from someone else's performance and stitching it into your track. Legally this usually requires getting two licenses: one for the master recording from the owner of the recording, and one for the underlying musical composition from the songwriters/publisher. Without both clearances, using that piece in a new work can infringe copyright. This is different from re-recording a melody with new lyrics, which is creating a new performance of the song rather than using a piece of the existing recording. It's also different from creating a derivative work from a public domain recording, where there are no rights to clear. And it's not simply performing a live cover without permission, which involves permission for performing the composition or getting a performance license, not borrowing a piece of a recording.

2. Which statement correctly compares the duration of recording copyright in the US and the UK?

- A. In the US, 70 years; in the UK 95 years.
- B. In the US, 95 years from release; in the UK, 70 years from release.**
- C. In both, 70 years from creation.
- D. In both, life of songwriter plus 70.

The key idea is that recording copyrights (sound recordings) have different fixed terms in different countries. In the United States, the modern rule for sound recordings is a fixed term of 95 years from the date of first publication (release). That means a recording released in 1960 would enter the public domain 95 years later, at the end of that year. In the United Kingdom, the term is 70 years from the end of the calendar year in which the recording was first published or released, so the clock ends on December 31 of the 70th year after release. So the best choice states that US protection lasts 95 years from release, while UK protection lasts 70 years from release. The other patterns don't match how recording rights are actually timed: mixing 70 years for the US, or 95 years from release for the UK, or tying it to the creator's life plus 70, would apply to different kinds of rights (like the underlying composition or different historical terms), not to sound recordings.

3. In music, what do patents primarily protect?

- A. Music compositions
- B. Music technology like algorithms and codecs**
- C. Live performances
- D. Performance rights

Patents protect inventions—new, useful, and non-obvious devices, methods, or processes. In music, that means technology that helps create, process, encode/decode, or transmit sound. Algorithms and codecs are classic examples because they are concrete systems and methods that implement a novel way to handle audio, which makes them patent-eligible. Music compositions and sound recordings are protected by copyright, not patents, while live performances are governed by performance rights. So the focus of patent protection in the music context is on the technological tools and methods used in music, rather than the musical work itself or the act of performing it.

4. Which statement best contrasts master ownership and recoupment between a traditional record deal and a label services deal?

- A. In a traditional deal, the label typically owns the masters and recoups from royalties; in a label services deal, ownership is not transferred and recoupment terms differ.**
- B. In a traditional deal, the artist owns the masters and recoups from royalties; in a label services deal, the label owns the masters and recoups.
- C. In both types, the artist always owns the masters and recoups from upfront fees.
- D. In a traditional deal, only the publishing rights matter; the master is ignored.

Master ownership and how costs get paid back illustrate a key difference between traditional record deals and label services deals. In a traditional record deal, the label usually owns the master recordings. The artist may receive an upfront advance and earns royalties, but the label recoups that money (and other recording and marketing costs) out of the artist's royalties before the artist receives further earnings. This means the label controls how the masters are exploited and recoups its investment from the artist's future royalties. In a label services deal, the artist typically keeps ownership of the masters. The label provides services (distribution, marketing, promotion) for payment—often a fee or a share of revenue—rather than advancing money to be recouped from royalties. As a result, the traditional recoupment mechanism from artist royalties into an advance is not the same, and terms are structured around service fees or revenue splits rather than royalty recoupment. So the statement that best contrasts the two is that a traditional deal usually transfers ownership of the masters to the label and uses royalties-based recoupment, while a label services deal does not transfer ownership and uses different (service-based) recoupment terms.

5. Per \$1 streaming revenue, how much does the song owner receive?

- A. About 55 cents.
- B. About 15 cents.**
- C. About 30 cents.
- D. About 75 cents.

Streaming revenue isn't paid out to a song all at once or in a single pot to the songwriter. It's split between the master rights holder (the recording owner, usually the label or artist) and the composition rights holder (the songwriter/publisher). The portion that goes to the song's owner—the composition side—is typically around 10–15% of the revenue, which for a dollar of streaming revenue is about 15 cents. This reflects the fact that the licensing for the underlying song (the composition) is just one part of what a streaming service pays, with the rest going to the master rights holder and various distributors, licenses, and costs. So the best fit is roughly 15 cents per dollar. The other options overstate the songwriter's share based on common streaming economics.

6. What is the primary purpose of a split sheet?

- A. To file a legal request for a licensing grant.
- B. To formally record ownership percentages among co-writers.**
- C. To set the price for performance rights.
- D. To register a work for copyright.

Split sheets exist to capture how ownership of a song is divided among its writers, which determines each creator's portion of royalties across licenses and formats. The primary purpose is to formally record ownership percentages among co-writers so that, when money comes in from publishing, mechanical, or performance royalties, each contributor receives their agreed share. This document is usually signed by all writers and reflects their contributions, and it can be updated if splits change to help avoid disputes and provide a clear reference for publishers, PROs, and licensees when distributing funds. It's not about filing a licensing request, setting prices for performance rights, or registering the work for copyright—those are separate processes.

7. What percentage of SoundExchange distributions goes to an AFM fund for session players?

- A. 5% to an AFM fund for session players.**
- B. 10% to an AFM fund for session players.
- C. 0% to funds.
- D. 20% to AFM fund.

Five percent of SoundExchange distributions are allocated to the AFM fund for session players. This designated share funds the AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund, created to provide pension and health benefits for session musicians who perform on recordings. The five percent figure is a fixed allocation set by the SoundExchange framework (in connection with the Music Modernization Act), so the amount going to the fund is not zero and is smaller than any 10% or 20% option. The rest of the distributions go to the performers or rights holders as applicable.

8. Can a rights holder refuse a faithful cover?

- A. No; they cannot refuse a faithful cover.**
- B. Yes; they can always refuse any cover.
- C. Only if the cover changes the melody.
- D. Only in certain territories.

The key idea is that faithful covers fall under a compulsory license for non-dramatic musical works. Once a song is published, another artist can record a version that faithfully reproduces the melody and lyrics by obtaining a mechanical license and paying the standard royalty. The rights holder can set the rate and terms, but cannot refuse a faithful cover simply because they dislike it. Their control isn't about blocking the cover; it's about negotiating the price and ensuring proper rights payments. If the cover changes the melody or lyrics in a way that makes it not faithful, then it becomes a derivative or different use, which could require additional rights or negotiations. So, a rights holder cannot refuse a faithful cover.

9. In international copyright arrangements, what role does WIPO play?

- A. Sets minimum protection standards.
- B. Enforces national laws.
- C. Negotiates tax rates.
- D. Administers treaties and coordinates global copyright systems.**

In international copyright arrangements, the role of WIPO is to administer treaties and coordinate global copyright systems. WIPO—World Intellectual Property Organization—acts as the UN agency that drafts and oversees international IP agreements, helping harmonize standards and facilitate cross-border protection. It provides technical assistance, training, and information resources to member states to implement and align their laws with international norms. Enforcement of laws remains with each country's own authorities, and tax rates are not set by WIPO. By administering multilateral treaties and supporting consistent interpretation and application, WIPO keeps the international copyright framework functioning smoothly.

10. How does PPL split neighbouring rights income?

- A. 60% to record companies, 40% to performers.
- B. 70% to recording companies, 30% to performers.
- C. 50% to record companies, 50% to performers.**
- D. 25% to recording companies, 75% to performers.

Neighbouring rights income is the royalties paid for the use of a sound recording, and PPL distributes these royalties to two groups: the performers who performed on the recording and the record companies (labels) that own or finance it. The standard arrangement is a 50/50 split, so half goes to the performers and half to the record companies. This equal division reflects the idea that the value created by the recording's use benefits both sides. In practice, each side then divides its share among its members or licenses (e.g., multiple performers or different label interests), but the base split remains equal. The other options propose uneven splits that don't reflect the typical PPL approach.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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