

Western Governors University (WGU) ACCT3350 D216 Business Law for Accountants Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

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- 1. Which type of law considers offenses against society?**
 - A. Criminal Law**
 - B. Civil Law**
 - C. Contract Law**
 - D. Tort Law**
- 2. What is the annual entitlement given to consumers under the Fair and Accurate Credit Transactions Act?**
 - A. Unlimited free credit reports**
 - B. One free credit report per year**
 - C. A free credit score analysis**
 - D. Two free credit scores per year**
- 3. Which right allows a co-signer to be released from debt if there is a change in contract terms without their consent?**
 - A. Material Modification**
 - B. Expressed Warranty**
 - C. Judgement Lien**
 - D. Writ of Execution**
- 4. In contract law, what does the term "mitigate" mean?**
 - A. To prevent losses from a breach**
 - B. To enforce penalties for breaches**
 - C. To completely void a contract**
 - D. To negotiate better terms**
- 5. Which lien gives a creditor the authority to maintain possession of an item until paid?**
 - A. Payment Lien**
 - B. Artesian Lien**
 - C. Writ of Attachment**
 - D. Expressed Warranty**

6. True or False: A seller has the right to cancel a delivery of goods if they find the buyer is insolvent.

A. True
B. False
C. Only if the delivery is not yet completed
D. Only if the buyer agrees to the cancellation

7. What bankruptcy chapter is often regarded as the cheapest and easiest to perform?

A. Chapter 11
B. Chapter 7
C. Chapter 13
D. Chapter 9

8. Which of the following best describes the obligation of an agent to act in the best interest of the principal?

A. Obedience
B. Loyalty
C. Authority
D. Confidentiality

9. What is known as a legal right that grants the creator of original work exclusive rights to its use and distribution?

A. Copyright
B. Patent
C. Trademark
D. Trade secret

10. A distinctive mark, motto, or symbol used in commerce to identify the seller of goods is known as a what?

A. Patent
B. Copyright
C. Trademark
D. Trade secret

Answers

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

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Explanations

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1. Which type of law considers offenses against society?

- A. Criminal Law**
- B. Civil Law**
- C. Contract Law**
- D. Tort Law**

Criminal law is the correct answer because it specifically addresses offenses committed against society as a whole. In criminal law, the government prosecutes individuals or entities for actions that are classified as crimes, which are deemed harmful not just to individuals but to the public and social order. Examples of such offenses include theft, assault, and homicide, where the state seeks to maintain peace and protect the welfare of its citizens through punishment and rehabilitation. Civil law, on the other hand, focuses on disputes between individuals or entities, typically involving compensation for harm or damages, rather than seeking to punish the wrongdoer. Contract law deals specifically with agreements between parties and enforces the terms of contracts, while tort law addresses civil wrongs and damages caused by one party to another outside of contractual obligations. These areas of law do not concern societal offenses in the way criminal law does.

2. What is the annual entitlement given to consumers under the Fair and Accurate Credit Transactions Act?

- A. Unlimited free credit reports**
- B. One free credit report per year**
- C. A free credit score analysis**
- D. Two free credit scores per year**

Under the Fair and Accurate Credit Transactions Act (FACTA), consumers are entitled to receive one free credit report per year from each of the three major credit reporting agencies. This provision is designed to help consumers stay informed about their credit status and check for any inaccuracies or fraudulent activity without incurring a cost. By allowing one free report per year, the law empowers consumers to monitor their creditworthiness and take necessary steps if they notice any discrepancies or issues. The other choices do not accurately reflect what is granted by FACTA. There is no provision for unlimited free reports, free score analyses, or multiple free scores within the framework established by this act. This focus on providing a single report annually is intended to strike a balance between consumer access to credit information and the operational capabilities of credit reporting agencies.

3. Which right allows a co-signer to be released from debt if there is a change in contract terms without their consent?

- A. Material Modification**
- B. Expressed Warranty**
- C. Judgement Lien**
- D. Writ of Execution**

The right that allows a co-signer to be released from debt if there is a change in contract terms without their consent is known as material modification. In contractual agreements, if one party makes significant changes to the terms of the contract—such as altering payment schedules, increasing the amount owed, or changing the obligations of the parties—without the consent of all parties involved, the original contract can be deemed altered in a way that releases the co-signer from their obligations. This principle protects individuals who agree to be co-signers based on specific terms. Without their consent to any significant changes, they can argue that their agreement to be liable for the debt was fundamentally altered, thereby negating their responsibility. In contrast, the other options do not pertain to this issue. An expressed warranty involves specific assurances or guarantees made by a seller regarding a product or service, rather than modifications to a contract; a judgment lien is a legal claim on property following a court judgment against the property owner, and a writ of execution is a court order to enforce a judgment, such as seizing property for payment of a debt. Thus, they do not relate to the release from obligation due to changes in contract terms.

4. In contract law, what does the term "mitigate" mean?

- A. To prevent losses from a breach**
- B. To enforce penalties for breaches**
- C. To completely void a contract**
- D. To negotiate better terms**

In the context of contract law, the term "mitigate" refers to the obligation of a party who has suffered a loss due to a breach of contract to take reasonable steps to reduce or minimize that loss. This principle aims to ensure that the injured party does not simply allow damages to accumulate unnecessarily, but actively seeks to lessen the impact of the breach on their financial situation. By doing so, the wronged party demonstrates a proactive approach and helps to ensure that any damages claimed in a lawsuit are justified, reflecting only the losses that could not have been avoided. The concept of mitigation is crucial in contract disputes because courts often require the injured party to show that they made reasonable efforts to mitigate their damages. Failure to do so can result in a reduction of the damages awarded. Thus, the correct interpretation of the term "mitigate" indeed aligns with preventing further losses from a breach. This integral aspect of contract law emphasizes fairness and responsibility for both parties involved.

5. Which lien gives a creditor the authority to maintain possession of an item until paid?

- A. Payment Lien**
- B. Artesian Lien**
- C. Writ of Attachment**
- D. Expressed Warranty**

The lien that gives a creditor the authority to maintain possession of an item until payment is made is known as the artesian lien. This type of lien typically arises in contexts such as services performed on a property or personal property where the service provider has the right to retain possession of the item until payment for those services is received. The core principle behind an artesian lien is that it serves as a security interest for the creditor, ensuring they have a claim to the item in question until the debt is satisfied. This can be particularly useful in situations where creditors need assurance that they will be compensated for their work or the materials they provided. In contrast, the other options do not fit the definition of a lien that allows for possession maintenance. A payment lien is not a recognized legal term, a writ of attachment is a court order to seize property for the purpose of securing a legal judgment but does not grant a lien per se, and an expressed warranty pertains to a guarantee about the quality or functionality of a product rather than a security interest in possession. Thus, the artesian lien is the appropriate term related to maintaining possession until payment is fulfilled.

6. True or False: A seller has the right to cancel a delivery of goods if they find the buyer is insolvent.

- A. True**
- B. False**
- C. Only if the delivery is not yet completed**
- D. Only if the buyer agrees to the cancellation**

The assertion is true because the law provides sellers with certain rights when dealing with buyers who demonstrate signs of insolvency. If a seller discovers that a buyer is insolvent, they are within their legal rights to cancel a delivery of goods. This ability stems from the Uniform Commercial Code (UCC), which governs commercial transactions in the United States. Under the UCC, a seller can halt the delivery or even reclaim the goods if they have reasonable grounds to believe that the buyer will be unable to pay. This protection is in place to ensure that sellers can mitigate losses associated with non-payment. If a buyer is recognized as insolvent—typically meaning they are unable to pay their debts as they become due—the seller's right to cancel the delivery helps prevent further financial exposure. Therefore, the seller's proactive action in such circumstances is legally supported, ensuring that they can protect their interests effectively.

7. What bankruptcy chapter is often regarded as the cheapest and easiest to perform?

- A. Chapter 11**
- B. Chapter 7**
- C. Chapter 13**
- D. Chapter 9**

The designation of Chapter 7 bankruptcy as the cheapest and easiest process reflects its straightforward nature and quick resolution for individuals seeking debt relief. In Chapter 7, debtors are allowed to liquidate their non-exempt assets to pay off creditors, often resulting in the elimination of unsecured debts, such as credit card debt and medical bills, without the need for a repayment plan. This simplicity contributes significantly to its popularity among individuals. The process generally takes a few months from the filing to the discharge of debts, making it less burdensome in terms of time and legal complexity compared to other chapters. On the other hand, Chapter 13 involves a repayment plan over three to five years, which requires more extensive financial management and could incur additional costs related to plan administration and attorney fees. While Chapter 11 is typically used for business reorganizations and entails considerable complexity and expense, Chapter 9 is designated for municipal bankruptcies and is not generally applicable to individuals. Thus, among the options, Chapter 7 emerges as the most accessible and cost-effective option for those seeking to discharge their debts quickly.

8. Which of the following best describes the obligation of an agent to act in the best interest of the principal?

- A. Obedience**
- B. Loyalty**
- C. Authority**
- D. Confidentiality**

The obligation of an agent to act in the best interest of the principal is best described by loyalty. Loyalty requires the agent to prioritize the interests of the principal above their own and to avoid conflicts of interest. This foundational principle ensures that the agent acts in good faith and with the intention of benefiting the principal, maintaining a relationship built on trust and confidence. The other concepts, while important in the context of agency relationships, do not encapsulate the full essence of this obligation. Obedience refers to the requirement for the agent to follow the lawful instructions of the principal. Authority relates to the power granted to the agent to act on behalf of the principal. Confidentiality involves protecting sensitive information received from the principal. While all these elements are crucial in an agency relationship, loyalty explicitly emphasizes the commitment to putting the principal's interests first.

9. What is known as a legal right that grants the creator of original work exclusive rights to its use and distribution?

- A. Copyright**
- B. Patent**
- C. Trademark**
- D. Trade secret**

The legal right that grants the creator of original work exclusive rights to its use and distribution is known as **copyright**. Copyright is designed to protect the expression of ideas, such as literature, music, art, and other creative works, allowing the creator to control how their work is reproduced, performed, and distributed. This protection encourages creativity by ensuring that artists and authors can benefit from their creations without the fear of unauthorized use or distribution by others. In contrast, a patent protects inventions or discoveries for a certain period, giving the inventor exclusive rights to make, use, and sell their invention. A trademark, on the other hand, is a recognizable sign, design, or expression that distinguishes goods or services, while a trade secret involves confidential business information that provides a competitive edge. Each of these rights serves different purposes, but copyright specifically pertains to the rights of creators over their original works.

10. A distinctive mark, motto, or symbol used in commerce to identify the seller of goods is known as a what?

- A. Patent**
- B. Copyright**
- C. Trademark**
- D. Trade secret**

A distinctive mark, motto, or symbol used in commerce to identify the seller of goods is known as a **trademark**. Trademarks serve to distinguish the goods or services of one enterprise from those of others, functioning as a source identifier and helping consumers recognize and associate products with specific brands. This protection encourages fair competition and helps prevent consumer confusion in the marketplace. Patents, on the other hand, protect inventions and grant the inventor exclusive rights to their invention for a limited period, while copyrights protect original works of authorship such as music, literature, and other creative expressions. Trade secrets pertain to confidential business information that provides a competitive edge, such as proprietary formulas or processes. Each of these forms of intellectual property serves different purposes and offers distinct types of protection.

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:

<https://wgu-acct3350-d216.examzify.com>

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

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