

BUS2150 – Credit by Examination: Study Guide

This study guide is designed to help you prepare for the BUS2150 Credit by Examination. The exam evaluates your ability to apply key legal concepts to real-world business situations. It includes 20 True/False questions and 5 essay questions, covering topics such as contracts, torts, the UCC, business organizations, employment law, and more.

Exam Format Overview

- 20 True/False Questions (1 point each)
- 5 Essay Questions (10 points each)
- Total Points: 70

Key Topics to Study

- Contract law: offer, acceptance, consideration, rescission, mailbox rule, anticipatory repudiation, counteroffers
- UCC (Uniform Commercial Code): conforming/nonconforming goods, buyer and seller remedies, risk of loss (FOB terms), oral contracts, title transfer
- Tort law: negligence, gross negligence, strict liability in product liability contexts
- Fraud: misrepresentation vs. puffery, actual and constructive fraud, fraud in advertising, wire and mail fraud, fraud prevention strategies
- Employment and agency law: agents vs. employees vs. independent contractors, vicarious liability, workers' compensation
- Corporate roles: responsibilities of shareholders, directors, officers; ethical leadership and governance
- Property law: lease assignments and consequences, tenancy types (tenants in common vs. joint tenancy), foreclosure, deficiency judgments

IRAC Method for Essays

Familiarity with the IRAC method (Issue, Rule, Application, Conclusion) is highly recommended for organizing your essay responses. IRAC helps you clearly identify the legal

issue, explain the rule, apply it to a scenario, and draw a logical conclusion. This structure mirrors how business leaders analyze legal risks and make strategic decisions.

True/False Prep Tips

- Know when a contract can be voided or enforced (e.g., minors, fraud, mistake).
- Understand when oral agreements are valid or require writing under the Statute of Frauds.
- Be familiar with UCC concepts like risk of loss and buyer/seller remedies.
- Learn the distinctions between business roles and relationships (agent vs. contractor).
- Recognize key legal terms and what makes a statement false or misleading.

Essay Response Preparation

Practice writing short IRAC-based responses using the following prompts:

1. Explain actual vs. constructive fraud with a business example.
2. Identify which contracts require writing under the UCC and why.
3. Describe buyer remedies under the UCC for nonconforming goods.
4. Differentiate between agents, employees, and independent contractors.
5. Define and apply the elements of negligence and strict liability in business settings.

Note to Examinees

This is a business course, not a law course. You are not expected to know court procedures or legal technicalities. You are expected to apply legal concepts to realistic business decisions. Focus on demonstrating how legal knowledge can help businesses operate ethically, avoid liability, and comply with regulatory standards.