Name _____ Date _____

CHAPTER 8

The Legal Environment

A. Match each definition in the left column with the correct term from the right column. Write the letter of the term in the space provided.

_____ 1. status of a patent during the time that the PTO is researching the patent application

_____ 2. a contract to use a facility or equipment for a specified period of time

_____ 3. charged with protecting the rights of employees

_____ 4. a grant to an inventor that gives him or her the exclusive right to produce and sell an invention

_____ 5. person who is leasing a building or equipment

_____ 6. advertising that uses a bargain-priced item to lure potential customers into a store

_____ 7. status of a patent when the PTO declares that your claims are accepted

_____ 8. act designed to provide help to workers who are temporarily unemployed

a. EEOC
b. patent
c. lessee
d. patent pending
e. FUTA
f. patent-applied-for
g. bait-and-switch
h. lease

B. In the space on the left, write the letter of the choice that best completes the statement or answers the question.

_____ 9. A percentage of the price of an item that goes to a state or local government is a
a. discount. **c.** patent.
b. sales tax. **d.** contract.

_____ 10. Which of the following terms means that you are legally able to enter into a binding agreement?
a. legality **c.** agreement
b. consideration **d.** capacity

_____ 11. A binding legal agreement or promise to do something is a
a. law. **c.** contract.
b. permit. **d.** license.

_____ 12. The federal agency that monitors product safety for items such as cosmetics, food items, and suntan lotions is the
a. Federal Trade Commission. **c.** American Bar Association.
b. Food and Drug Administration. **d.** Consumer Product Safety Commission.

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_____ **13.** The law that established a minimum wage and maximum working hours is the

a. Clayton Act. **c.** Fair Labor Standards Act.
b. Fair Packaging and Labeling Act. **d.** Occupational Safety and Health Act.

_____ **14.** A warranty that assures the buyer that the product purchased is of at least average quality and fit for the purpose for which it was intended is a(n)

a. extended warranty. **c.** warranty of merchantability.
b. creditor warranty. **d.** buyer's warranty.

_____ **15.** The act that says that all employers must pay men and women the same wage for the same work is the

a. Robinson-Patman Act. **c.** Fair Labor Standards Act.
b. Equal Pay Act. **d.** Consumer Credit Protection Act.

_____ **16.** The act that requires those who give credit to reveal all the terms and conditions of their credit agreements is the

a. Consumer Credit Protection Act. **c.** Fair Packaging and Labeling Act.
b. Robinson-Patman Act. **d.** Clayton Act.

C. In the space provided, write the word (or words) from the list that will best complete each statement.

wrongful termination	trademark	FICA	public domain
Robinson-Patman Act	OSHA	business permit	Fair Packaging and Labeling Act

17. Before an entrepreneur can open the doors of a business, he or she must get a _____ from the local government.

18. The _____ was passed to ensure that employees have safe and healthy working conditions.

19. The _____requires that manufactures label truthfully all raw materials used in the production of products.

20. The _____ prohibits businesses from selling the same product to different people at different prices.

21. A _____ is a word, symbol, design, or combination of these that a business uses to identify itself or something it sells.

22. One of the payroll taxes employers must deduct from employee earning is the _____ .

23. A work in the _____ can be used by anyone free of charge.

24. Employees can file a _____ lawsuit against their employers.

D. On a separate sheet of paper, write a 100-word paragraph that answers this question.

25. Discuss the laws that relate to starting your business.

Score (number correct x 4 points)= _____

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