

Chapter 3

Business Law and Ethics

Answer Key

Part 1: Content Review

Matching

1. E
2. H
3. C
4. B
5. F
6. G
7. D
8. J
9. A
10. I

Multiple Choice

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

Completion

1. party
2. acceptance
3. bankruptcy
4. employer identification number (EIN)
5. employers.
6. Consumer Bill of Rights
7. code of ethics
8. integrity
9. proprietary information
10. corporate social responsibility

Part 2: Concept Review

Open Response

1. Contracts help ensure that customers understand their role and rights in a sales transaction, that businesses have the materials and resources needed to operate, and that all parties understand the terms of the agreement and the consequences for not performing.
2. (Any three of the following.) Sales and services contracts list goods or services provided by a business and the price the customer pays in exchange. A lease is a business contract to rent something, such as real estate or equipment. A partnership agreement is a contract used when two or more individuals create a business. An employment contract describes the terms of employment between a business and an employee.
3. A code of ethics in business is a document that dictates how business should be conducted. It provides an outline of the appropriate channels of communication for a company. It also describes how business or official activities should take place.
4. The US Equal Employment Opportunity Commission (EEOC) enforces federal laws that regulate unfair employment practices. It is illegal to discriminate against a job applicant or employee because of the person's race, ethnicity, religion, gender, national origin, age, disability, or genetic information. Employers cannot deny someone a job or a promotion based on any of these characteristics alone.
5. Student answers will vary. Evaluate responses individually.

Part 3: Math Skills

Whole Numbers, Decimals, and Fractions

Businesses buy and sell goods and services, for which there are prices. Prices in the United States are expressed in dollars and cents and can be whole numbers or decimals. A whole number is any positive number or zero that has no fractional part, such as \$10, \$25, or \$100. A decimal is a kind of fraction with three parts: a whole number, followed by a decimal point, and one or more whole numbers. The numbers to the right of the decimal point indicate the amount of the fraction. The first place to the right of the decimal point is the tenths place; the second place to the right is the hundredths place. For example, a price of \$12.59 would mean 12 dollars and 59 cents. Each cent is worth one hundredth of a dollar. Prices are sometimes reflected as decimals even when there are no cents. For example, \$10 can also be written as \$10.00. Answer the following questions about prices.

1. **Order #1:** $\$11.99 + \$12.49 + \$3.49 = \27.97
Order #2: $\$139 + \$240 + \$40 = \419
Order #3: $\$14 + \$11.50 + \$11.25 = \36.75
2. $\$180 + \$170 + \$300 + \$75 - \$25 - \$35 = \$665$
3. **Shoe Mania:** $\$129.99 + 0 = \129.99
Walking Tall: $\$119.99 + \$9.99 = \$129.98$
 Shoe Mania is less expensive.
4. **Elite Motor Supply:** $\$110 + \$0 - \$5 = \105
Electric.com: $\$97.99 + \$9.99 - 0 = \$107.98$
X-Way Devices: $\$99.99 + \$11.99 - \$10 = \101.98
 X-Way Devices is the least expensive.
5. $\$6.50 + \$6.50 + \$4 + \$4 + \$4 + \$3.75 + \$8.75 + \$8.75 = \$46.25$

Part 4: Communication Skills

Reading Questions

1. The author is Standard Axle Company. The intended audience is its employees and those possibly seeking employment.
2. The passage discusses how the company intends to deal with employees who have disabilities, as required under the American with Disabilities Act (ADA).
3. An individual has a disability when he or she has a permanent physical or mental impairment that substantially limits one or more of the individual's major life activities, has a record of such impairment, or is regarded as having such impairment.
4. A "major life activity" is defined as an action that deals with the quality and necessity of life. Major life activities include, actions related to the senses, such as, seeing, hearing, and speaking as well as, those dealing with day-to-day lifestyle activities such as, walking, eating, breathing, human reproduction, and working.
5. The company will provide reasonable accommodation to any individual deemed disabled under the ADA regulations.