

# American Business Legal Systems

CLEP Course - Collierville High School

**Estimated Cost:** None

**Pre-requisites:** Must be at least a junior or senior take this course.

**Course Description:** The American Business Legal Systems course provides students with an understanding of the legal framework in which American business functions. The students will evaluate the influence of the free enterprise system in a democratic society on daily decisions. Students will analyze the alliance between capitalism and democracy and be better prepared to influence future decisions in the public and private sectors of the United States of America.

**CLEP Information:** The Introductory Business Law examination covers material that is usually taught in an introductory one- semester college course in the subject. The examination places not only major emphasis on understanding the functions of contracts in American business law, but it also includes questions on the history and sources of American law, legal systems and procedures, agency and employment, sales, and other topics. The examination contains approximately 100 questions to be answered in 90 minutes. Some of these are pretest questions that will not be scored. Any time candidates spend on tutorials or providing personal information is in addition to the actual testing time.

## **Knowledge and Skills Required**

Questions on the test require candidates to demonstrate one or more of the following abilities in the approximate proportions indicated.

- Knowledge of the basic facts and terms (about 30%–35% of the examination)
- Understanding of concepts and principles (about 30%–35% of the examination)
- Ability to apply knowledge to specific case problems (about 30% of the examination)

The subject matter of the Introductory Business Law examination is drawn from the following topics. The percentages next to the main topics indicate the approximate percentages of exam questions on those topics.

## **History and Sources of American Law/Constitutional Law (5%–10%)**

### **American Legal Systems and Procedures (5%–10%)**

#### **Contracts (30%-40%)**

- |                                    |  |
|------------------------------------|--|
| • Meanings of terms                | Formation of contracts                     |
| • Capacity                         | Consideration                              |
| • Joint obligations                | Contracts for the benefit of third parties |
| • Assignment/ delegation           | Statute of frauds                          |
| • Scopes and meanings of contracts | Breach of contracts and remedies           |
| • Bar to remedies for of contracts | Discharge of contracts                     |
| • Illegal contracts                | Other                                      |

#### **Legal Environments (20%-25%)**

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|--|---------------------------------------|
| • Ethics   | Social responsibility of corporations |
| • Government regulations/administrative agencies | Antitrust law                         |
| • Employment law                                 | Product liability                     |
| • Consumer protection                            | International business law            |

#### **Torts (10%-15%)**

#### **Miscellaneous (5%-10%)**

- |  |       |
|--|-------|
| • Agency, partnerships, and corporations | Sales |
|--|-------|

- Students MUST pass the Principles of Marketing CLEP examination, in order to test out of the Principles of Marketing class in college. If passed, this would be one less class that the student will have to take, while in college. Students will not receive college credit for this class.