



OCW: Business Law for managers and entrepreneurs

1.- If a professional is acting in the market as a sole trader (or entrepreneur) running a business on an individual basis:

- a) his/her personal or family assets are always protected from business debts
- b). all his/her assets, both personal assets (and some family assets) and business or professional ones, are exposed to business risks and can be devoted to pay business debts
- c). business debts can only be paid off by assets acquired during the development of the business
- d). only his/her personal assets are protected from business debts, by family, professional and business assets are always exposed to business risks

2.- In case that a company (LLC-Limited Liability Company – or a Corporation) does not fulfil its obligations, creditors can:

- a). sue any of its partners or shareholders and attack their personal assets
- b). sue jointly the company and/or its partners/shareholders be paid by the respective personal or professional assets correspondingly
- c). sue exclusively, as a general rule, the company and be paid only with the company's assets
- d). sue alternately either the company, or its directors, or any of its partners/shareholders and be paid by either their personal or professional assets accordingly

3.- Limited Liability Company (LLL – S.L. *Sociedad Limitada* under Spanish Corporate Law):

- a). cannot be listed in a regulated market (stock exchange)
- b). have their equity capital divided into shares
- c). need a minimum start-up capital of 60.000 Euros
- d). have shareholders instead of partners or members

4.- If a LLC increases the capital by issuing new stakes and a new partner joins the business project by buying new stakes:

- a). the capital contribution of the new partner has to amount to at least the nominal value of the new stakes that he/she receives in return
- b). the capital contribution of the new partner has to amount to the maximum the nominal value of the new stakes that he/she receives in return
- c). the capital contribution of the new partner has no special relation with the value of the stakes that he/she receives in exchange
- d). no capital contribution is required to become a new partner

5.- If a company nominates two directors to act on a joint basis:

- a). either director is fully entitled to bind the company, and accordingly, can sign individually in the name of the company and represent it against third parties
- b). both directors have to sign any transactions to be valid, they cannot act individually and separately
- c). both directors have to sign any transactions to be valid, but either director can sign individually in the name of the company and represent it against third parties
- d). either director is entitled to sign in the name of the company provided that the other



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co-director is duly notified in advance

6.- All shareholders have the right to receive dividends from the company:

- a) always and in any event
- b) only if the company has sufficient benefits every year
- c) only if the company has benefits and to the extent that the Shareholders' Meeting decides to distribute those earnings as dividends
- d) only if all reserves are completed

7.- Decisions in a company can be adopted by its members:

- a) informally and at any time with no requirements
- b) in an ordinary or extraordinary meeting that complies with all validity requirements as well as in a "universal meeting" if members holding the entire capital are attending and they agree to adopt decisions according to the agenda they decide, with no prior call, even if it has not been formally convened
- c) only in extraordinary meetings where 100% of issued capital is attending
- d) only in ordinary meetings where 100% of issued capital is attending

8.- Designs can be protected:

- a) only by registration
- b) as registered designs for 25 years and as unregistered designs for 3 years
- c) only as registered designs for 20 years
- d) as registered designs for 3 years and as unregistered designs for 25 years

9.- For the purposes of Spanish Patent Law, any new and innovative solution to a technical problem is a patentable invention apart from:

- a). robots
- b). biotechnological inventions and transgenic organisms
- c). software
- d). pharmaceutical products

10.- A trade secret can be protected for:

- a). an unlimited period of time provided that it remains secret
- b). 20 years as a patent
- c). renewable periods of 5 years
- d) an unlimited period of time provided that fees are duly paid to the Registry

11.- A fashion design can be protected as an industrial design if:

- a). it is new and has a singular/individual character
- b). it is original
- c). it is new, non-obvious and useful
- d). it cannot be protected

12.- To protect an artistic work by copyright:

- a). it has to be registered



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- b). it has to be new
- c). it has to be original and no registration is required
- d). it has to be new and non-obvious

13.- Parties are free to deal, to refuse to deal and to agree on contract terms:

- a) with no limits at law
- b). within the limits of the law, the public order and good morals
- c). provided that a fair price has been fixed
- d). within the limits of the non-binding law, the fairness and the good faith

14.- An offer can be accepted:

- a). only expressly and in writing
- b). expressly or tacitly
- c). expressly, tacitly or, under certain circumstances, by silence as well
- d). only tacitly (or impliedly)

15.- A proposal to deal constitutes an offer if:

- a). it is sufficiently definite and indicates the intention of the offeror to be bound in case of acceptance
- b). it is express, sufficiently definite and indicates the price, the quantity and the place of delivery
- c) it does purport to be an offer and indicates the intention of the offeror to be bound after the expiration date
- d). it fixes the price, a period to accept, the quantity and the legal binding character of the contract

16.- A counter offer:

- a). entails the acceptance of the original offer and the conclusion of the contract
- b). totally reject the original offers
- c). intends to be an acceptance but contains additions, limitations or other modifications
- d). constitutes an acceptance to the offer but subject to certain conditions that parties negotiate after the conclusion of the contract

17.- CISG (UN Convention on International Sales of Goods) applies:

- a). only when parties have their places of business in different countries and both countries are Contracting States of the Convention
- b). when parties are located in different countries and both countries are Contracting States of the Convention or when the rules of private international law lead to the application of the law of a non-Contracting State
- c). only when parties have their places of business in different countries and both countries are Member States of European Union
- d). when parties are located in different countries and both countries are Contracting States of the Convention or when the rules of private international law lead to the application of the law of a Contracting State (unless the State has made a reservation under Article 95).



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18.- In case of total non-fulfilment for non-delivery of the goods in a sales contract, the buyer is entitled to:

- a). require the repair of the defective goods
- b). only claim damages
- c). require specific performance (due delivery) according to the contract terms or avoid (terminate) the contract if the performance is not feasible yet
- d). reduce the price and accept the partial fulfilment

19.- In the negotiation process in civil law jurisdictions, parties:

- a). are bound by prospective contract terms
- b). have to comply with no duty each other
- c). have to act in good faith
- d). can leave negotiations anytime they wish and no liability arises

20.- A distributor receives as remuneration:

- a) an agreed commission
- b). nothing
- c). the margin between the paid price and the resale price
- d). a percentage of the price