

MCS Exam Review

Exam Info

Midterm 2: Chapters 13, 14, 15, 20, 21, 22, 23, 24, 25, 26, 27

Final Exam: Textbook: 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 28 these chapters include weeks 3, 4, 5, 6, 8, 9, 11, and 12

Definitions

Chapter 13

Actual authority: The power of an agent that derives from either express or implied agreement.

Agency: A relationship that exists when one party represents another party in the formation of legal relations

Agency by estoppel: An agency relationship created when the principal acts on such that third parties reasonably conclude that an agency relationship exists.

Agency by ratification: An agency relationship created when one party adopts a contract entered into on his behalf by another who at the time acted without authority

Agent: A person who is authorized to act on behalf of another

Apparent authority: The power that an agent appears to have to an outsider because of conduct or statements of the principal.

Fiduciary: A person who has a special relationship of trust with another

Fiduciary duty: A person who has a duty of good faith toward another because of their relationship.

Insurance broker: An independent business that deals with several insurance companies and advises clients on the appropriate insurance coverage.

Law of agency: The law governing the relationship where one party, the agent, acts on behalf of another, the principal.

Outsider: The party with whom the agent does business on behalf of the principal.

Power of attorney: An agency agreement in the writing and under seal.

Principal: A person who has permitted another to act on his/her behalf

Undisclosed principal: A principal whose identity is unknown to a third party who has no knowledge that the agent is acting in an agency capacity

Warranty of authority: A representation of authority by a person who purports to be an agent

Chapter 14

Director: A person elected by shareholders to manage a corporation

Distributorship: A contractual relationship where one business agrees to sell another's products

Dividend: A division of profits payable to shareholders

Franchise: An agreement whereby an owner of a trademark or trade name permits another to sell a product or service under that trademark or name.

Joint and several liability: Individual and collective liability for a debt. Each liable party is individually responsible for the entire debt as well as being collectively liable for the entire debt.

Joint liability: Liability shared by two or more parties where each is personally liable for the full amount of the obligation

Joint venture: A grouping of two or more businesses to undertake a particular project.

Limited liability: Responsibility for obligations restricted to the amount of investment.

Limited liability partnership: A partnership in which the partners have unlimited liability for their own malpractice but limited liability for the other partners' malpractice.

Limited partnership: A partnership in which the liability some partners is limited to their capital contribution

Partnership: A business carried on by two or more persons with the intention of making a profit.

Product licensing: An arrangement whereby the owner of a trademark or other proprietary right grants to another the right to manufacture or distribute products associated with the trademark or other property right.

Sales agency: An agreement in which a manufacturer or distributor allows another to sell products on its behalf.

Shareholder: A person who has an ownership interest in a corporation.

Sole proprietorship: An unincorporated business organization that has only one owner.

Strategic alliance: An arrangement whereby two or more businesses agree to cooperate for some purpose.

Unlimited liability: Unrestricted legal responsibility for obligations

Chapter 15

Articles of incorporation: The document that defines the basic characteristics of corporations incorporated in Newfoundland, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta and the federal jurisdiction.

Bond: A document evidencing a debt owed by the corporation, often used to refer to a secured debt.

Bylaws: Rules specifying the day to day operating procedures of a corporation

Closely held corporation: A corporation that does not sell its shares to the public

Conversion right: The right to convert one type of security into another type

Debenture: A document evidencing a debt owed by the corporation, often used to refer to an unsecured debt

Incorporator: The person who sets the incorporation process in motion

Insider: A person whose relationship with the issuer of securities is such that he is likely to have access to relevant material information concerning the issuer that is not known to the public

Insider trading: Transactions in securities of a corporation by or on behalf of an insider on the basis of relevant material information concerning the corporation that is not known to the general public

NUANS Report: A document that shows the results of a search for business names.

Prospectus: The document a corporation must publish when offering securities to the public.

Securities: Shares and bonds issued by a corporation

Securities legislation: Laws designed to regulate transactions involving shares and bonds of a corporation.

Share structure: The shares that a corporation is permitted to issue by its constitution.

Shelf company: A company that does not engage in active business

Stakeholder: One who has an interest in a corporation

Tippee: A person who acquires material information about an issuer of securities from an insider

Widely held corporation: A corporation whose shares are normally traded on a stock exchange

Chapter 20

Adverse effects discrimination: Discrimination that occurs as a result of a rule that appears neutral but in its effects is discriminatory.

Bona fide occupational requirement (BFOR): A defence that excuses discrimination on a prohibited ground when it is done in good faith and for a legitimate business reason.

Certification: The process by which a union is recognized as a bargaining agent for a group of employees

Collective agreement: The employment agreement reached between the union and employer setting out the bargaining unit employees' terms and conditions of employment.

Collective bargaining: A mechanism by which parties enter a collective agreement or contract

Dependent contractor: A person who is an independent contractor but has a relationship of economic dependency with the employer as a result of working exclusively or nearly exclusively for the employer for a long period.

Discrimination: The act of treating someone differently on the basis of a prohibited ground.

Duty to accommodate: The duty of an employer to modify work rules, practices, and requirements to meet the needs of individuals would otherwise be subjected to unlawful discrimination.

Employment equity legislation: Laws that specify minimum standards the workplace

Employment relationship: A contractual relationship whereby an employer provides remuneration (money paid for work or service) to an employee in exchange for work or services

Employment standards legislation: Laws designed to improve the status of certain designated groups

Fixed - or definite - term contract: A contract for a specified period of time, which automatically ends on the expiry date

Human rights commission: An administrative body that oversees the implementation and enforcement of human rights legislation

Indefinite - term contract: A contract for no fixed period, which can end on giving reasonable notice.

Independent contractor: A person who is in a working relationship that does not meet the criteria of employment.

Labour relations board: A body that administers labour relations legislation.

Pay equity: Provisions designed to ensure that female and male employees receive the same compensation for performing similar or substantially similar work.

Systemic discrimination: Discrimination that results from the combined effects of many rules, practices and policies

Chapter 21

Condonation: Employer behaviour that indicates to the employee that misconduct is being overlooked

Conduct incompatible: Personal behaviour that is irreconcilable with employment duties or prejudicial to the employer's business

Constructive dismissal: Unilateral employer conduct that amounts to a fundamental or substantial change to an employee's contract.

Fundamental term: A term that is considered to be essential to the contract.

Grievance process: A procedure for resolving disputes contained in union contracts

Habitual neglect of duty: Persistent failure to perform employment duties

Incompetence: Lack of ability, knowledge or qualification to perform employment obligations.

Just cause: Employee conduct that amounts to a fundamental breach of the employment contract.

Progressive discipline policy: A system that follows a sequence of employee discipline from less to more severe punishment.

Reasonable notice: A period of time for an employee to find alternative employment prior to dismissal

Release: A written or oral statement discharging another from an existing duty.

Serious misconduct: Intentional, harmful conduct of the employee that permits the employer to dismiss without notice.

Severance pay: An amount owed to a terminated employee under employment standards legislation.

Willful disobedience: Deliberate failure to carry out lawful and reasonable orders

Chapter 22

Duty of confidentiality: The obligation of a professional not to disclose any information provided by the client without the client's consent

Lawyer-client privilege: The right of a client not to have communications between lawyer and client divulged to third parties

Professional: Someone engaged in an occupation, usually governed by a professional body, requiring the exercise of specialized knowledge, education and skill.

Professional corporation: A corporation authorized by statute to carry on a specific profession

Retainer: An advance payment requested by a professional from a client to fund services to be provided to the client.

Chapter 23

Action for the price: The seller's claim when the buyer has breached the contract and title to the goods has passed to the buyer.

Bill of lading: A shipping document that serves as a contract between the seller and the carrier.

cavet emptor: Let the buyer beware

C.I.F.: (Cost, insurance and freight) A contractual term making the seller responsible for insurance and shipping.

C.O.D.: (cash on delivery) A contractual term requiring the purchaser to pay the carrier in cash upon delivery of the goods.

Damages for non-acceptance: Damages to which a seller is entitled if a buyer refuses to accept goods prior to the passing of title.

F.O.B.: (free on board) A contractual term whereby the buyer specifies the type of transportation and the seller arranges that transportation and delivery of goods to the carrier at the buyer's expense.

Future goods: Goods that are not yet in existence at the time a contract of sale is formed.

Specific goods: Goods in existence and identifiable at the time a contract of sale is formed

Stoppage in transit: The right of a seller to demand that the goods be returned by a shipper to the seller, provided the buyer is insolvent.

Unascertained goods: Goods that are not yet set aside and identifiable as the subject matter of the contract at the time a contract of sale is formed.

Chapter 24

Saturday, March 3, 2018

Abuse of dominant position: A dominant Company or group of companies engaging in anticompetitive behavior unduly prevents or lessens competition

Bait and switch: Advertising a product at a very low price to attract customers, and encouraging them to buy another product that is more expensive.

Bid rigging: Conspiring to fix the bidding process to suit the collective needs of those submitting bids

Consumer: an individual who purchases goods or services primarily for personal, domestic or household purposes

Door-to-door selling: the act of selling them person directly, at a customer's residence

Double ticketing: The offence of failing to sell the lower of the two or more prices marked on or otherwise appearing with regard to a product

Due diligence: A defence based on adopting reasonable steps to avoid the violation of legal duty

Exclusive dealing: When a seller agrees to sell to the purchaser only if the purchaser buys from it exclusively.

False or misleading representation: A promotional statement made to the consumer that is false, deceptive, or misleading

Multi-level marketing: A scheme for distributed products or services that involves participants recruiting others to become involved in distribution.

Price fixing: Conspiring with competitors to fix the prices charged for goods and services.

Price maintenance: The attempted to drive the final retail price of goods upward and the imposition of recriminations upon uncouple ant retailers.

Pyramid selling: A form of multi-level selling that is illegal under the competition act.

Refusal to deal: When a seller refuses to sell to the purchaser on the same terms as those that are offered to purchaser's competitors.

Telemarketing: The use of unsolicited telephone calls to market goods and services to prospective customers.

Tied selling: When a seller will sell to the purchaser only if the purchaser buys other, less desirable goods as well.

Unfair practices: Illegal business practices that exploit the unequal bargaining position of consumers

Chapter 25

Account agreement: a contract that specifies the rights and obligations bank and its customer.

Bank draft: A cheque written by a bank on the request (and payment) of its customer.

Bill of exchange: A written order by one person (drawer) to a third person (drawee) to pay money to another person (payee).

Certified cheque: a cheque on which the drawee bank has guaranteed payment

Cheque: A bill of exchange which is drawn on a bank and it's payable on demand

Consumer note: A negotiable instrument signed by consumer to buy goods or services or credit.

Credit card: A card issued by a financial institution that allows the user to borrow funds on a short-term basis, usually to purchase goods or services.

Electronic banking: Financial transactions carried out through the use of computers, telephones or other electronic means.

Electronic funds transfer: The transfer money from one bank account to another through computer-based systems and without the direct assistance of bank staff.

Endorse: to sign a negotiable instrument (such as a cheque) in order to enable negotiation.

Endorsement in blank: Signing a cheque without any special instructions

Holder: A person has possession of a negotiable estimate.

Holder in due course: a holder in good faith without notice of defects, who acquires greater right than the parties who've dealt directly with each other as the drawer and payee

Identity theft: The fraudulent use of others' personal information to create a false identity.

Saturday, March 3, 2018

Money laundering: The false reporting of income from criminal activity as income from legitimate business.

Negotiable instrument: A signed unconditional promise or order to pay a specific demand or on a specified date to a specific person.

Over draft: An overdraft occurs when money is withdrawn from an account with the result that the balance will go below 0.

Promissory note: A written promise to pay another person a specific amount on demand or on a specified date.

Restrictive endorsement: Signing a cheque for deposit only to a particular bank account.

Special endorsement: Signing a cheque and making it payable to a specific person

Stop payment: When the drawer of a cheque orders its bank not to pay the the holder who presents the cheque for payment.

Chapter 26

Acceleration clause: A term of a loan agreement that makes the entire loan due if one payment is missed.

After-acquired property: Collateral that includes personal property acquired by the debtor during the term of the loan.

Collateral: Property in which a creditor takes an interest as security for a borrower's promise to repay a lone.

Collection agency: An agency that assists lenders in obtaining payment on outstanding loans.

Consumer debt: A loan to an individual for a non-commercial purpose.

Credit bureau: An agency that compiles credit information on borrowers.

Events of default: Failure by the debtor to make required payments on a loan or to fulfill its other obligations under the credit agreement.

Financing statement: The document registered as evidence of a security interest.

General security agreement: A security agreement that includes all of the debtor's personal property assets as collateral.

Guarantee: A conditional promise to a creditor to pay a debt if the debtor defaults.

Guarantor: A person who guarantees a debt.

Indemnity: A primary obligation to pay a debt owed by another person

Letter of commitment: A document that is provided by a lender to a borrower and sets out the terms of a loan.

Letter of credit: A written promise by a buyer's bank to a seller's bank to pay the seller when specified conditions are met.

Payday loans: Short-term loans for a relatively small amount of money, provided by a non-traditional lender to an individual.

Purchase-one security interest (PMSI): A security interest that enables the debtor to acquire assets and gives the secured party priority over existing perfected security interest.

Receiver: A person appointed by the secured party or by the court to seize and usually sell, collateral.

Registration: The registration of a financing statement to record a security interest.

Secured credit: A debt where the creditor has an interest in the debtor's property to secure payment

Security interest: An interest in personal property that is intended to secure payment or performance of an obligation (usually a debt)

Subrogation: The right of a guarantor to recover from the debtor any payments made to the creditor.

Unsecured credit: A debt where the creditor has only a contractual right to be repaid.

Chapter 27

Act of bankruptcy: One of a list of specified acts that the debtor must commit before the court will grant a bankruptcy order.

Arm's length: People who are independent of each other and not related.

Assignment in bankruptcy: The debtor's voluntary assignment to the trustee in bankruptcy of legal title to the debtor's property for the benefit of creditors.

Saturday, March 3, 2018

Bankrupt: The legal status of a debtor who has made an assignment or against whom a bankruptcy order has been issued (also used to describe a debtor who is bankrupt)

Bankruptcy offences: Criminal acts defined by the BIA in relation to the bankruptcy process.

Bankruptcy order: An order of the court resulting in a person being declared bankrupt.

Debtor in possession (DIP) financing: Secured credit provided to companies during the reorganization process with priority over existing secured creditors.

Discharge of bankruptcy: An order releasing the debtor from bankrupt status and from most remaining debts

Estate: The collective term for the assets of a bankrupt individual or corporation.

Insolvent: Unable to meet financial obligations as they become due or having insufficient assets, if liquidated, to meet financial obligations.

Inspector: A person appointed by creditors to act on their behalf and supervised the actions of the trustee in bankruptcy

Preferred creditors: Certain unsecured creditors who are given priority over other unsecured creditors in the bankruptcy distribution.

Proof of claim: A formal notice provided by the creditor to a trustee of the amount owed and the nature of the debt

Transfers at undervalue: Transfers of property or provision of services for less than fair market value.

Trustee in bankruptcy: The person who has legal responsibility under the BIA for administering bankruptcies and proposals.