

1. It's easy to determine whether a worker is an employee.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Bloom's: Remember  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**DATE CREATED:** 7/6/2018 7:33 PM  
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2. It's easy to determine whether a firm or person is an employer.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Bloom's: Remember  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**DATE CREATED:** 7/6/2018 7:39 PM  
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3. It can be difficult to determine whether an employment relationship exists.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Bloom's: Remember  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**DATE CREATED:** 7/6/2018 7:39 PM  
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4. The structure of employment has remained relatively stable since the early 1900s.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**DATE CREATED:** 7/6/2018 7:39 PM  
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5. Distinguishing between employees and independent contractors is important because:
- a. income tax must be withheld for independent contractors, but not employees
  - b. employers have fewer legal obligations to employees
  - c. employers can defend their noncompliance with employment laws by proving that persons performing work are independent contractors
  - d. it is not important to distinguish between employees and independent contractors

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom's: Understand  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
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6. Under the economic realities test:
- a. if the hired party depends on the job for a small portion of her income, that favors the conclusion that she is an employee
  - b. if the hired party performs tasks that are central to the hiring party's business, that favors the conclusion that she is an independent contractor
  - c. if the hired party performs low-skilled work, that favors the conclusion that she is an independent contractor
  - d. if the hired party provides her own tools and materials, that favors the conclusion that she is an independent contractor

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom's: Analyze  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
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7. "Contingent" work:
- a. is usually work that may be delegated if the employer is financially capable of paying for the work
  - b. is essentially, full-time, year-round employment with a single employer that is expected to continue indefinitely
  - c. means that there is an expectation of an ongoing, continuing relationship
  - d. usually contingent upon an immediate need for particular services

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom's: Understand  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 9:50 PM

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8. Which of the following is true of the common law test?

- a. it is especially useful for distinguishing partners from employees
- b. it focuses on the right of control
- c. it focuses on the hired party's ability to sell his services to a variety of hiring parties
- d. it is especially useful for determining whether individuals should be covered as family members under benefit plans

ANSWER: b

POINTS: 1

DIFFICULTY: Medium

REFERENCES: Bloom's: Understand

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

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9. If a worker is an employee, the employer must:

- a. make certain the employee makes estimated income tax payments
- b. pay the employer's share of Social Security and Medicare taxes
- c. pay the employee's share of Social Security and Medicare taxes
- d. provide a paid vacation after one year of employment

ANSWER: b

POINTS: 1

DIFFICULTY: Hard

REFERENCES: Bloom's: Apply

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

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10. Which of the following is an accurate statement regarding independent contractor agreements?

- a. they will usually be treated as indicators of independent contractor status, provided that they are signed and notarized
- b. they are useless as indicators of independent contractor status
- c. they can be renewed automatically and as often as necessary
- d. they can support a claim to independent contractor status, but the actual relationship is the most important factor

ANSWER: d

POINTS: 1

DIFFICULTY: Hard

REFERENCES: Bloom's: Analyze

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

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11. The primary lesson to be learned from the lawsuit brought by Microsoft's temporary workers in the 1990s is that:
- it is safest legally to hire temp workers through a temporary staffing agency
  - employers must provide benefits to all of their employees
  - companies that use temp workers will often be deemed joint employers of those workers
  - employers cannot arbitrarily exclude some employees from benefit plans by labeling them as temporary workers

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Analyze  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 9:54 PM  
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12. If a worker is an employee, the employer must:
- provide "free" days off for the employee
  - provide unemployment insurance for the employee
  - provide paid vacation time for the employee
  - provide fair treatment for the employee

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom's: Apply  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 9:54 PM  
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13. Persons performing volunteer work are more likely to be deemed employees if:
- their services are provided to non-profit agencies
  - they receive significant remuneration for their services
  - they retain control over their volunteer work schedule
  - a volunteer is never an employee, given the meaning of the term "volunteer"

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Analyze  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 9:55 PM  
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14. A company has one office with nine employees and a second office with 12 employees. If an employee who works in the first office is harassed and attempts to sue under Title VII, which of the following questions becomes a relevant issue:

- a. whether this is a single, integrated enterprise
- b. whether these are joint employers
- c. whether the multi-employer doctrine applies
- d. whether the joint payroll method applies

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 9:56 PM  
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15. Which of the following statements regarding managers is most correct?
- a. under most employment laws, managers are not deemed to be protected employees
  - b. managers are usually not individually liable when they violate employees' rights
  - c. employers are liable for the actions of managers taken within the scope of their employment
  - d. "under most employment laws, managers are not deemed to be protected employees" and "employers are liable for the actions of managers taken within the scope of their employment"

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
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16. Employers may be liable for the actions of their employees within the scope of employment. With regard to the actions of employees outside the scope of employment, which of the following statements is true?
- a. An employer can never be liable for the actions of its employee outside the scope of employment.
  - b. An employer is always liable for the actions of its employee outside the scope of employment.
  - c. An employer might be liable for the actions of its employee outside the scope of employment if the employer was negligent or reckless in allowing it to occur, or for other reasons.
  - d. An employer can never be liable for the actions of its employees outside the scope of employment

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 9:59 PM  
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17. You started your own business 2 years ago, and needed several part-time workers, but did not want and could not afford to pay them a minimum wage, or payroll taxes, so you classified them as independent contractors. At the time, a

decent argument could be made that they were independent contractors, as there had been no rulings on your particular arrangement. Recently, for a business very similar to yours, the Department of Labor ruled that the workers of the business were employees, and not independent contractors. What should you do?

- a. nothing, unless the Department of Labor challenges your arrangement
- b. nothing, unless one of the workers complains
- c. have all of the workers sign independent contractor agreements immediately
- d. begin to treat them as employees, including paying a minimum wage, and withholding income taxes

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:00 PM  
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18. The main reason employers would rather hire independent contractors than employees is:

- a. its cheaper, and the worker has fewer rights
- b. the employer has more control over independent contractors
- c. the independent contractor has fewer rights under law than an employee
- d. all of these

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Bloom's: Understand  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:00 PM  
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19. A worker who is not an employee is most likely:

- a. a partner
- b. a volunteer
- c. an independent contractor
- d. a student

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:01 PM  
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20. A worker who chooses her own hours, supplies her own tools and equipment, and works at the employer's site is most likely:

- a. an employee
- b. an independent contractor
- c. a partner
- d. a student

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:02 PM  
**DATE MODIFIED:** 7/9/2018 12:51 PM

21. Your sister works at a large, well-known firm which has had trouble sustaining the kind of profit margins their shareholders want to see. In order to keep their numbers up over the years, they have tried every cost-cutting measure they could think of, including some that were of questionable legality. You know about this only because you and your sister talk regularly. You know that she is concerned about losing her job, as there have been many rounds of downsizing, and you have promised her that you would not disclose these matters to anyone. Yesterday, she told you that the firm has been using temp workers for about the last two years, and they are a continuing problem. They come from a temp agency, and there are new workers every month or so, whom she must train. They do little to no work all day, and they are seemingly accountable to no one, since the supervisors don't make them work, yet they still get paid. Your sister knows you are taking this Employment Law course, and she wants you to tell her whether what the company is doing with the temp workers is illegal. Is it?

- a. Yes
- b. No

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom's: Evaluate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:02 PM  
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22. Regarding independent contractor (IC) agreements, which of the following statements is NOT true?

- a. There is no point in using an independent contractor agreement.
- b. A good, well-drafted independent contractor agreement can help avoid liability for the firm hiring the worker.
- c. Independent contractor agreements can help the parties clarify their employment relationship.
- d. A well-drafted IC agreement will address many issues that are used by agencies in determining the status of workers.

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom's: Apply  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:03 PM

DATE MODIFIED: 4/15/2016 6:24 AM

23. Which of the following items should NOT be included in a well-drafted independent contractor agreement?
- a. a requirement that the worker hire his own assistants
  - b. a requirement that the firm provide health insurance for the worker
  - c. a flat fee payment arrangement for the work
  - d. a requirement that workers pay their own expenses

ANSWER: b

POINTS: 1

DIFFICULTY: Hard

REFERENCES: Bloom's: Analyze

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

DATE CREATED: 4/13/2016 10:03 PM

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24. Regarding employees, actions within the scope of employment do NOT include those which:
- a. relate to work the worker was hired to perform
  - b. occur on company time at the usual place of work
  - c. occur during work hours
  - d. serve only the interests of the employer

ANSWER: d

POINTS: 1

DIFFICULTY: Medium

REFERENCES: Bloom's: Apply

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

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25. Why is each of the following good legal advice?

ANSWER: a. When using independent contractors, firms must be prepared to relinquish most of their control over how work is done.

Answer: Independent contractor status, right of control – The element of right of control is an important factor under both the economic realities and common law tests for determining independent contractor status.

b. Firms should closely review the status of long-term independent contractors and not assign new projects to them without renewing agreements.

Answer: Independent contractor status, duration of work – Independent contractors are typically utilized for short periods of time and to accomplish particular projects. An on-going, open-ended relationship raises serious questions about IC status.

c. Independent contractor agreements should be used, but only when they document actual independent contractor relationships.

Answer: Independent contractor status does not depend on pieces of paper or labels used by firms. However, a contractor agreement that incorporates substantial right of control and other

features consistent with IC status can help document the relationship. It might also help avert disputes over the relationship.

d. Be particularly cautious about changing the status of workers from employees to contingent workers or having workers with different statuses perform the same work for long periods of time.

Answer: It is not illegal to do these things, but since different rights and privileges attach to contingent workers and “regular” employees, these circumstances will generally lead to invidious comparisons and dissatisfied persons who would be more likely to sue. Additionally, it is problematic to structure the same type of work as both employment and contracting.

e. Client companies should refrain from closely supervising agency temporary workers or selecting individual temp workers for hiring or firing.

Answer: Joint employers – Under these circumstances, the client company may find that it shares in the liability for violations of temporary workers’ rights.

**POINTS:** 1  
**DIFFICULTY:** Hard  
**REFERENCES:** Bloom’s: Evaluate  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
**DATE CREATED:** 4/13/2016 10:05 PM  
**DATE MODIFIED:** 4/15/2016 6:25 AM

26. Regarding undocumented workers (non-citizens in the US illegally), the policy of federal agencies has been to enforce employment laws for such workers without inquiring as to their legal status. However, the remedies available to such a worker may be limited because of his status. State and explain the policy reasons behind each of these decisions.

**ANSWER:** The policy of the federal government has been to enforce employment laws for all employees, regardless of legal status, in order to encourage compliance with employment laws. If the rule were otherwise, if undocumented workers could not bring action for violations of such laws unless they were in this country legally, that policy would act as an incentive to firms to hire more illegal workers, and ignore employment laws in the case of illegal workers, since there would be no adverse consequence to doing so. Further, the situation would be rife with opportunity to threaten such workers with disclosure of their illegal status to authorities, unless they did exactly what the employer wanted them to do.

The policy of limiting the remedies available to undocumented workers may be designed as a deterrent and punishment to them for their illegal status, as it does not permit them to have the benefit of employment laws as other workers do. It may, however, also act as an incentive to firms to hire undocumented workers, since the punishment, if any, that the firm encounters for a violation of employment law is likely to be far less than it would be for a documented worker.

**POINTS:** 1  
**DIFFICULTY:** Medium  
**REFERENCES:** Bloom’s: Apply  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
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27. With regard to the preceding question, do you agree or disagree with each stated policy? Why or why not? State and explain what kind of policies as to enforcement of employment laws and remedies for violations of such laws you believe would most encourage compliance with employment laws, and describe what the incentives would be in your preferred

policies to encourage the desired conduct.

**ANSWER:** *This is an opinion question, which gives the student the opportunity to think through policy issues and apply his or her own policy beliefs. Answers may range from no enforcement of employment laws for undocumented workers, to enforcement of the laws and the same rights and remedies to undocumented workers. However, the student should be able to identify the issues, and recognize the incentives and disincentives.*

**POINTS:** 1

**DIFFICULTY:** Hard

**REFERENCES:** Bloom's: Evaluate

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

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