Program: BSBA Accounting Information Systems

Department: CBA

Table 1:
Number of students enrolled in the program in Fall, 2011 (approximate numbers)

<table>
<thead>
<tr>
<th>BSBA Concentration (Program)</th>
<th># students (primary concentration only)</th>
<th># students (includes multiple concentrations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Information Systems</td>
<td>20</td>
<td>69</td>
</tr>
<tr>
<td>Pre-majors</td>
<td>1784</td>
<td></td>
</tr>
<tr>
<td>Total # students in CBA</td>
<td>4520</td>
<td></td>
</tr>
</tbody>
</table>

Faculty member completing template  Sharyn Gardner  (Date 2/3/2012)

Period of reference in the template: 2006-07 to present

1. Please describe your program’s learning-outcomes trajectory since 2006-07: Has there been a transformation of organizational culture regarding the establishment of learning outcomes and the capacity to assess progress toward their achievement? If so, during which academic year would you say the transformation became noticeable? What lies ahead; what is the next likely step in developing a learning-outcomes organizational culture within the program?

The CBA has been on a successful learning-outcomes trajectory since 2006-07. Our Committee on Student Learning (CSL) helps all of the CBA areas stay focused on their student learning activities as the year and assessment cycle progresses. The CSL helps our areas build their knowledge about the assessment of learning outcomes process and the importance in ensuring that our students achieve the learning goals and objectives we’ve established. We continue to build a culture focused on a continuous improvement framework through our improvement activities and the overall assessment cycle (see below in item 4). In the future, we expect to improve our data collection efforts and refine our assessment of student learning outcomes activities.

The CBA faculty, through its governance process, developed and approved a CBA Assessment policy on 10/05/07. The passage of this policy was strategically important because it codified assessment as part of the teaching duties for teaching staff. In an environment formally governed by the MOU, this faculty-driven policy exemplifies their commitment to assurance of learning. The policy also assists instructors to hold students accountable for their learning process. The CBA Assessment policy was revised to accommodate minor operational needs by the CBA Faculty Council on 5/9/11.

2. Please list in prioritized order (or indicate no prioritization regarding) up to four desired learning outcomes (“takeaways” concerning such elements of curriculum as perspectives, specific content knowledge, skill sets, confidence levels) for students completing the program. For each stated outcome, please provide the reason that it was designated as desired by the faculty associated with the program.
Three desired BSBA learning goals from our six established learning goals (please see appendix 1 for complete set of BSBA learning goals and objectives) and the reason that it was designated as desired by the faculty associated with the BSBA program include (there is no prioritization regarding the learning goals below):

a) 1. **Communication Skills**: Our BSBA graduates will communicate effectively in a professional environment.
   1.1 **Oral Communication**: Present information in a persuasive, logical, and organized manner using supportive visual aids and professional oral communication.
   1.2 **Written Communication**: Write informational, analytical, and technical documents, which are organized, precise, and relevant.
      - Reason designated as desired: Communication skills, both oral and written, are critical for effective business employees. Research indicates that this is not only what employers desire in their new and current employees, but it is also an excellent and necessary skill in any field.

b) 4. **Business Context**: Our BSBA graduates will understand ethical, social, and economic factors leading to effective problem solving and decision making.
   4.1 **Ethical Decision**: Make ethical decisions to achieve personal and organizational responsibilities in business context.
   4.2 **Diversity**: Analyze the implications of ethnic and cultural diversity for effective problem solving and decision making.
   4.3 **Legal and Professional Regulation**: Analyze the implications of legal and professional regulation for effective problem solving and decision making.
   4.4 **Global and Domestic Economy**: Analyze the implications of global and domestic economic systems for effective problem solving and decision making.
      - Reason designated as desired: Business context skills are important for effective operations in an organizational setting. It is critical that employees as well as managers and leaders make decisions that are ethical, and that consider diversity, legal and professional regulations, and global and domestic economic systems. By considering factors external and internal to the organization, future employees (graduating students) will be effective problem solvers and decision makers.

c) 6. **Thinking Skills**: Our BSBA graduates will think in reflective and innovative ways leading to effective problem solving and decision making.
   6.1 **Reflective Thinking Skills**: Review information, circumstances, and outcomes systematically for evaluation purposes.
   6.2 **Innovative Thinking Skills**: Synthesize information to generate unique and original alternatives for effective problem solving and decision making.
      - Reason designated as desired: Reflective and innovative thinking skills are important skills in the business context. With ever increasing change, globalization, and technological improvements, future employees (graduating students) need to be able to not only reflect on information and circumstances they encounter, but also generate unique and original alternatives that help a business be more effective.

3. *For undergraduate programs only*, in what ways are the set of desired learning outcomes described above aligned with the University’s Baccalaureate Learning Goals? Please be as specific as possible.
The set of desired learning outcomes described above (along with the other two CBA BSBA goals not listed) are in excellent alignment with the University’s Baccalaureate Learning Goals (UBLGs) as defined on http://www.csus.edu/acaf/ge/. Specifically, some of the ways that they are aligned include:

a) The **communication skills** goal focuses on students communicating effectively in a professional environment, both through oral and written skills. Based on the UBLGs descriptions, this CBA learning goal supports the “intellectual and practical skills” UBLG which includes “written and oral communication.”

b) The **business context** goal focuses on ethical, social, and economic factors leading to effective problem solving and decision making and supports the “competence in the disciplines,” “intellectual and practical skills,” and “personal and social responsibility” UBLGs. Based on the UBLGs descriptions, this CBA learning goal supports the UBLGs desire for students to “demonstrate competencies and values...in at least one major field of study,” utilize “inquiry and analysis, critical...thinking,...and problem solving,” and utilize “local and global, intercultural knowledge and competence, [and] ethical reasoning and action.”

c) The **thinking skills** goal focuses on thinking in reflective and innovative ways leading to effective problem solving and decision making, and supports the “intellectual and practical skills” and “integrative learning” UBLGs. Based on the UBLGs descriptions, this CBA learning goal supports the UBLGs desire for students to utilize “inquiry and analysis, critical...thinking,...and problem solving” and synthesize information across “general and specialized studies.”

4. **For each** desired outcome indicated in item 2 above, please:

a) **Describe the method(s) by which its ongoing pursuit is monitored and measured.**

We collect data for each learning objective using instruments and rubrics created by the faculty administered in BSBA core courses. The outcomes are monitored and measured on a three-year cycle (see table 2 below).

### Table 2: CBA Phases of Assessment Cycle

<table>
<thead>
<tr>
<th>Phase</th>
<th>Assessment Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Define/design/review/revise program mission, learning goals, learning objectives, curriculum alignment matrices, objective alignment with courses, rubrics, direct measures, and indirect measures.</td>
</tr>
<tr>
<td>2</td>
<td>Implement direct and indirect measures to collect data.</td>
</tr>
</tbody>
</table>
| 3     | Audit measure results.  
|       | Analyze and interpret data collected from direct and indirect measures.  
|       | Determine whether long-term assessment standards have been met.  
|       | Develop improvement practices including class level and/or curriculum level improvement based on direct and indirect measure results. |
| 4     | Implement improvement practices. |
Table 3 indicates example methods of each of the three BSBA learning goals described above.

Table 3: Methods and Schedules for Assessing BSBA Learning Goals

<table>
<thead>
<tr>
<th>Assessment Method</th>
<th>Goal and objective</th>
<th>When administered</th>
<th>Who administers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Writing assignment</td>
<td>1.2 Written Communication</td>
<td>Every cycle</td>
<td>Faculty teaching MGMT102</td>
</tr>
<tr>
<td>Case analysis</td>
<td>4.2 Diversity</td>
<td>Every cycle</td>
<td>Faculty teaching GM105</td>
</tr>
<tr>
<td>Scenario Questions</td>
<td>6.2 Innovative Thinking Skills</td>
<td>Every cycle</td>
<td>Faculty teaching MIS101</td>
</tr>
</tbody>
</table>

b) Include a description of the sample of students (e.g., random sample of transfer students declaring the major; graduating seniors) from whom data were/will be collected and the frequency and schedule with which the data in question were/will be collected.

As noted above, the CBA implements assessment of student learning outcomes activities on a three-year cycle. We last assessed all BSBA learning outcomes / objectives, including the three outcomes indicated in item 2, in AY 2008-2009. This AY we are

1) implementing improvement plans for all goals and objectives in which we did not achieve satisfactory results based on our last data collection,
2) examining and revising as necessary the BSBA program learning goals and objectives, and
3) preparing for our next data collection in the fall (we shifted data collection one AY back in order to align all CBA program data collection).

The CBA aims to collect data from all CBA students and thus administers the instruments in core courses during a data collection phase. Each learning objective is assigned to a course in our curriculum alignment matrix (see Table 4 below). During the data collection phase, data is collected from all sections of each course.

Table 4: Students Assessed for each BSBA Learning Objectives (Core Courses)

<table>
<thead>
<tr>
<th>COURSE</th>
<th>BSBA Learning Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.1</td>
</tr>
<tr>
<td>DS 101</td>
<td>x</td>
</tr>
<tr>
<td>FIN 101</td>
<td>x</td>
</tr>
<tr>
<td>GM 105</td>
<td></td>
</tr>
<tr>
<td>HROB 101</td>
<td>x</td>
</tr>
<tr>
<td>MGMT 101</td>
<td></td>
</tr>
<tr>
<td>MGMT 102</td>
<td>x</td>
</tr>
<tr>
<td>MIS 101</td>
<td></td>
</tr>
<tr>
<td>MKTG 101</td>
<td></td>
</tr>
<tr>
<td>OPM 101</td>
<td></td>
</tr>
</tbody>
</table>
c) Describe and append a sample (or samples) of the “instrument” (e.g., survey or test), “artifact” (e.g., writing sample and evaluative protocol, performance review sheet), or other device used to assess the status of the learning outcomes desired by the program.

For BSBA 1.2 written communication skills (one dimension of the communication skills learning goal), we use a writing assignment as the instrument to assess the status of the learning outcome. Please see appendix 2 for the instrument.

For BSBA 4.4 global and domestic economy (one dimension of the business context learning goal), we use multiple choice questions as the instrument to assess the status of the learning outcome. Please see appendix 3 for the instrument.

For BSBA 6.1 reflective thinking skills (one dimension of the thinking skills learning goal), we use a case and multiple choice questions as the instrument to assess the status of the learning outcome. Please see appendix 4 for the instrument.

d) Explain how the program faculty analyzed and evaluated (will analyze and evaluate) the data to reach conclusions about each desired student learning outcome.

The CBA faculty is charged with collecting the data in their respective courses and delivering it to their area assessment coordinator. The area assessment coordinator then compiles all the data and delivers it to the CBA Assessment Director. The CBA Assessment Director takes all data and does basic analysis to determine averages, medians, percentiles, and the like. This data is then examined for levels of performance based on desired scores. The CBA currently has a long-term assessment standard for all programs to have at least 70% of our students achieve greater than 2.5 on a scale of 1 – 4 for all learning outcomes. When data indicates that students have not reached this goal, area assessment coordinators along with faculty from their area, or other areas as needed, work on improvement plans based on research and examination of the breakdown of data (please see table 2 above for cycle phases). In general, the area assessment coordinators worked with faculty that taught the course in which the learning objective is assessed to create improvement plans based on the data. They were encouraged to discuss questions such as:

- Does the data indicate there is a specific dimension that needs improvement?
- Could improvement include additional lectures, exercises, cases, etc. in the classroom?
- Could improvement plans include revision of the measurement tool or rubric?

5. Regarding each outcome and method discussed in items 2 and 4 above, please provide examples of how findings from the learning outcomes process have been utilized to address decisions to revise or maintain elements of the curriculum (including decisions to alter the program’s desired outcomes). If such decision-making has not yet occurred, please describe the plan by which it will occur.

As noted above, the CBA collects data every three years on all learning goals and objectives. We last collected data in 2008-2009 and did complete analysis to examine the results. Through our analysis, we determined that students in our BSBA program are doing well and achieving the majority of
expectations in the many program goals / objectives. Of the goals discussed in items 2 and 4 above, the objectives below are those that we determined are areas for improvement. Specifically, the areas for improvement were in learning goals where we did not meet the criteria of 70% or more of students achieving greater than 2.5 out of 4 on measurement instruments.

1.2 **Written Communication:** Write informational, analytical, and technical documents, which are organized, precise, and relevant.
   - Faculty formulated an improvement plan that included delivering clear writing tools throughout the semester. In addition, the administration of the measurement tool was changed from early in the semester to late in the semester to assure that we were getting accurate results.
   - Area faculty discussed and confirmed that it is important to maintain effective writing skills as a required goal for BSBA students. revise the measurement tools to remove lack of understandability and variation

4.1 **Ethical Decision:** Make ethical decisions to achieve personal and organizational responsibilities in business context.
   - Area faculty discussed the data and determined that part of the measurement tool was unclear and thus are in the process of revising the measurement tool to remove lack of understandability and variation.

4.3 **Legal and Professional Regulation:** Analyze the implications of legal and professional regulation for effective problem solving and decision making.
   - Area faculty discussed the data results and determined it was important that they incorporate the assessment of this learning objective as part of the final course grade; discussion revealed that lack of incentive may have led to poor performance. The faculty also discussed the need to revise the measurement tool to adequately link to learning objective being assessed.

6. Has the program systematically sought data from alumni to measure the longer-term effects of accomplishment of the program’s learning outcomes? If so, please describe the approach to this information-gathering and the ways in which the information will be applied to the program’s curriculum. If such activity has not yet occurred, please describe the plan by which it will occur.

Currently, the BSBA program systematically seeks data in a senior exit survey, including such items as perceptions of preparation for employment and satisfaction with the program. We do utilize our CBA Advisory Council, made up of business leaders in the Sacramento region, to provide feedback on learning outcomes and employer needs to ensure our program is in line with employer expectations. As part of our assessment cycle, all stakeholders including alumni will be asked for feedback during the learning goals and objectives revision process.

7. Does the program pursue learning outcomes identified by an accrediting or other professional discipline-related organization as important? Does the set of outcomes pursued by your program exceed those identified as important by your accrediting or other professional discipline-related organization?
The CBA does pursue learning outcomes that are aligned with the expectations of our accrediting organization, The Association to Advance Collegiate Schools of Business (AACSB). AACSB does not set our learning outcomes for us, but presents a set of standards to guide our pursuit of assurance of learning. Specifically, AACSB Standard 16 states: “Bachelor’s or undergraduate level degree: Knowledge and skills. Adapting expectations to the school’s mission and cultural circumstances, the school specifies learning goals and demonstrates achievement of learning goals for key general, management-specific, and/or appropriate discipline-specific knowledge and skills that its students achieve in each undergraduate degree program.” In the last visit by the AACSB, the CBA was commended on its excellent assurance of learning activities.

8. Finally, what additional information would you like to share with the Senate Committee on Instructional Program Priorities regarding the program’s desired learning outcomes and assessment of their accomplishment?

The BSBA program in the CBA has on record 12 concentrations. Currently, the CBA is strategically eliminating the number and type of undergraduate concentrations offered. As a result of a collaborative effort between the administration and faculty members, the affected faculty members have initiated a plan to delete the Real Estate and Land Use and the Risk and Insurance concentrations. The curriculum related to these concentrations has been reviewed and subsumed under the Finance concentration as “track” options for the students. Separately, the Accounting Information Systems concentration has been deleted. We expect to continue to evaluate the remaining concentrations to ensure effective and efficient delivery for students and the University.
Appendix 1
BSBA Learning Goals and Objectives

1. **Communication Skills**: Our BSBA graduates will communicate effectively in a professional environment.
   1.1 **Oral Communication**: Present information in a persuasive, logical, and organized manner using supportive visual aids and professional oral communication.
   1.2 **Written Communication**: Write informational, analytical, and technical documents, which are organized, precise, and relevant.

2. **Teamwork Skills**: Our BSBA graduates will be productive team members.
   2.1 **Team Membership Skills**: Meet task demands and role assignments, and collaborate with other team members to successfully accomplish collective goals.

3. **Business Analyses and Applications**: Our BSBA graduates will have relevant knowledge and skills from multiple business functional areas to perform analyses and applications leading to effective problem solving and decision making.
   3.1 **Quantitative Analyses**: Understand when, why, and how to use quantitative analyses including statistical models and mathematical techniques for areas such as accounting, finance, human resource, operations, and/or marketing.
   3.2 **Analytical Process**: Solve a managerial problem by identifying the factors contributing to the problem, formulating alternative solutions, evaluating the pros and cons, conducting cost and benefit analyses of alternative solutions, and selecting a solution.
   3.3 **Technology Applications**: Recognize and apply appropriate information and management technologies to achieve organizational goals.

4. **Business Context**: Our BSBA graduates will understand ethical, social, and economic factors leading to effective problem solving and decision making.
   4.1 **Ethical Decision**: Make ethical decisions to achieve personal and organizational responsibilities in business context.
   4.2 **Diversity**: Analyze the implications of ethnic and cultural diversity for effective problem solving and decision making.
   4.3 **Legal and Professional Regulation**: Analyze the implications of legal and professional regulation for effective problem solving and decision making.
   4.4 **Global and Domestic Economy**: Analyze the implications of global and domestic economic systems for effective problem solving and decision making.

5. **Information Acquisition**: Our BSBA graduates will acquire appropriate information via a variety of channels and formats for effective business research, problem solving, and decision making.
   5.1 **Electronic Information**: Know how to effectively search for electronic information for business research, problem solving, and decision making.
   5.2 **Oral Information**: Know how to effectively acquire information from face-to-face communication for problem solving and decision making.
   5.3 **Printed Information**: Know how to effectively search for printed information for business research, problem solving, and decision making.

6. **Thinking Skills**: Our BSBA graduates will think in reflective and innovative ways leading to effective problem solving and decision making.
6.1 **Reflective Thinking Skills**: Review information, circumstances, and outcomes systematically for evaluation purposes.

6.2 **Innovative Thinking Skills**: Synthesize information to generate unique and original alternatives for effective problem solving and decision making.
Appendix 2
BSBA 1.2 Written Communication Assessment Instrument

BSBA 1.2 Written Communication:
Write informational, analytical, and technical documents, which are organized, precise, and relevant.

The Measure for BSBA 1.2 (MGMT 102):

Written communication will be measured based on a research memo assignment submitted by each student. A full description of this assignment can be found in "Guidelines for Research Memo Assignment". Each student will write a write a 2-page memo addressing the issue stated in the case. The memos will be assessed using the BSBA 1.2 rubric. Instructors may use an alternative writing assignment as the measure.

GUIDELINES FOR RESEARCH MEMO ASSIGNMENT - EVALUATING 360-DEGREE FEEDBACK SYSTEM

You are an assistant manager in the Human Resources Management Department of the Creative Minds Inc., an advertising agency. The company employs 400 people and is well-known for its collegial climate where employees treat each other as friends.
The Creative Minds Inc. puts a strong emphasis on creativity and motivates its employees to take on an innovative role at their job. This is not surprising because most employees usually work in teams to brainstorm for advertising ideas for client companies.
Promotion is very closely linked with performance at the Creative Minds Inc.
In the current system, the performance of each employee is bi-annually evaluated by his/her supervisor.
A recent issue at the company is to find ways to improve the performance appraisal system. You have just had a meeting with your manager this morning regarding this issue. Your manager, Diana, told you that the company is contemplating the possibility of implementing the 360-Degree Feedback system to evaluate performance and asked you to provide your opinion about it after doing some research.

Writing Project

Review the recent business journals to gather sufficient information to form an opinion about the 360-Degree Feedback system. Write a 2-page memo to Diana stating whether you agree or disagree with the idea of implementing this new performance appraisal system at the Creative Minds Inc. and explain why you believe so. Please cite 5-6 of the most relevant sources you have found to back-up your argument and provide a reference list for these sources at the end of your memo.
Appendix 3
BSBA 4.4 Global and Domestic Economy Assessment Instrument

A. UTILITY AND EXCHANGE IN ECONOMIC SYSTEMS

1. Which of the following statements about economic utility is NOT true?
   A) Possession utility gives a customer the right to use a product.
   B) Place utility means making the product wherever it can be done most efficiently.
   C) Time utility means having the product available when the customer wants it.
   D) Form utility is provided by making something out of something else.

2. Exchanges between buyers and sellers are simplified by:
   A) use of money as a medium of exchange.
   B) use of middlemen.
   C) use of a central market as a trading location.
   D) all of the above.

3. Marketing could NOT take place without:
   A) central markets.
   B) middlemen.
   C) two or more parties who each have something they want to exchange for something else.
   D) a money system.

4. The underlying foundation for modern life and efficient marketing which an area must possess in order not to be considered underdeveloped is known by the term
   A) extrastructure.
   B) overstructure.
   C) infrastructure.
   D) ultrastructure.

B. GLOBAL ECONOMIC SYSTEMS AND MARKETS

5. An economic system in which government planners determine production levels is known as
   A) a subsistence economic system.
   B) a central market economic system.
   C) a macro-marketing economic system.
   D) a planned economic system.

6. In a market-directed economic system:
   A) profit, survival, and growth are all guaranteed for producers.
   B) consumers have little freedom of choice.
   C) consumers decide what is to be produced and by whom through their dollar votes.
   D) prices usually do not change according to supply and demand.

7. The role of price in a market-directed economy is to:
   A) allocate resources and distribute income according to consumer preferences.
   B) serve as a rough measure of the social importance of consumer goods and services.
   C) coordinate the economic activity of many people and institutions.
D) All of the above are true.

8. Which of the following is LEAST LIKELY to be a government role in a market-directed economic system?
   A) To set rules to protect individual rights and freedom.
   B) To supervise the economic system.
   C) To provide things such as mass transportation and highways, national defense, police and fire protection, and public health services.
   D) To determine prices—and thereby allocate resources and distribute income.

C. GLOBAL ECONOMIES

9. If the family units in a country made all the products they consume, it would be an example of:
   A) a pure subsistence economy.
   B) a pure market-oriented economy.
   C) a micro-marketing system.
   D) a planned economy.

10. In advanced economies:
    A) mass production is a necessary—but not the only condition—for satisfying consumer needs.
    B) creating time, place, and possession utilities is less complex.
    C) exchange is facilitated by discrepancies of quantity and assortment.
    D) both supply and demand tend to be homogeneous.

11. The countries of Western Europe may be classified as having developed economically to the stage of
    A) subsistence.
    B) industrial nations.
    C) newly-industrialized states.
    D) barter economies.

12. The U.S. is an attractive market for foreign marketers for all of the following reasons except
    A) large population.
    B) rapid population and economic growth.
    C) relative political stability.
    D) a high level of discretionary income.

D. MARKETS AND MARKET EXCHANGE

13. A "market" is:
    A) a group of buyers who are willing to exchange something of value with sellers offering various goods and services.
    B) a group of producers and consumers located close to each other.
    C) a set of middlemen in one location.
    D) a convenient physical location.

14. When a group of nations agree to the free trade of goods among themselves by abolishing tariffs and other trade restrictions, the nations have created a
15. Some countries create barriers to international trade by instituting exchange controls which
   A) requires firms exchanging currencies do so through the central bank at its discretion.
   B) supports domestic industry through grants of money or research support.
   C) completely bans the importation of a product.
   D) makes selling products in a foreign market cheaper than they are sold domestically.

16. An effective MACRO-marketing system is:
   A) not really related to economic development.
   B) necessary for economic development.
   C) the only cause of economic development.
   D) the result of greater economic development.

E. MARKETING’S ROLE AND STRATEGIES IN GLOBAL ECONOMIES

17. The contractual agreement by which a domestic firm grants foreign marketers the right to distribute a firm's merchandise or use its trademark, patent, or process in a specified geographic area is called
   A) subcontracting through a foreign provider.
   B) franchising as the franchiser participant.
   C) reciprocal partnership.
   D) foreign licensing.

18. Use of a multi-domestic marketing strategy means that a firm
   A) customizes its marketing decisions to effectively reach individual marketplaces.
   B) disregards the principles of market segmentation.
   C) considers all foreign countries to have equally competitive situations with respect to its industry.
   D) uses universal promotional messages such as Pringles employs.

19. A standard marketing strategy that is modified only minimally for use in each of the firm's foreign markets is a(n)
   A) single space strategy.
   B) monolithic marketing strategy.
   C) global marketing strategy.
   D) Multi-domestic strategy.

20. Which of the following advantages does NOT ordinarily arise out of customizing marketing strategies for different international markets?
   A) lower production costs per unit of product through economies of scale
   B) attention to local preferences
   C) products tailored to target market needs
   D) promotions that appeal to local tastes
Suburban Real Estate Development (SRED), a developer of large residential housing subdivisions, opens a new development near the Sacramento River called The Boardwalk. Houses are under construction but none are yet completed. Newlyweds Joe and Jennifer want to purchase a new home in The Boardwalk. They are most interested in a model called, Park Place, a home having two bedrooms and a study.

On October 1, Sam Seller, a SRED representative, tells Joe and Jennifer that SRED is conducting a special, introductory pre-construction sale. Sam hands Joe and Jennifer a document stating that they can have a Park Place home for $322,000. Sam also tells Joe and Jennifer that, "You must decide quickly! This special sale will only last for five days!"

On October 2, Sam learns from his Supervisor, Ann Atlantic, that SRED is not ready to sell the Park Place model because it may make modifications to the floor plan. Sam sends an e-mail message to Joe and Jennifer stating, "Park Place not yet for sale." Joe and Jennifer are busy and do not check their e-mail messages until 3:00 p.m. on October 3.

On October 3 at 9:00 a.m., Joe and Jennifer send Sam a facsimile which states, "Will you take $312,000 for Park Place?"

On October 3 at 9:30 a.m., Sam learns from Atlantic that SRED raised the price of the Park Place model to $332,000.

On October 3 at 10:00 a.m., Sam retrieves Joe and Jennifer's fax from the office facsimile tray. Sam quickly faxes back to Joe and Jennifer the following note: "See my e-mail message of yesterday. Beware: Park Place now $332,000."

On October 3 at 3:00 p.m., Joe and Jennifer read Sam's facsimile note. They immediately check their e-mail and read Sam's e-mail message from October 2.

25. On October 1, Sam
   a. Made an offer to Joe and Jennifer since it contained price, subject matter and quantity.
   b. Did not make an offer to Joe and Jennifer because all offers must be verbal.
   c. Made an offer to Joe and Jennifer because they understood that they had five days to buy the Park Place model.
   d. Did not make an offer to Joe and Jennifer since Sam was just inviting Joe and Jennifer to make an offer to SRED.

26. Sam's October 2 e-mail message can best be described as
   a. A rejection.
   b. A counteroffer.
   c. A revocation.
   d. An acceptance.

27. Sam's e-mail message of October 2 is
   a. Effective when Sam sent it.
b. Effective when Joe and Jennifer received it.
c. Ineffective since Sam had promised Joe and Jennifer that they had five days to purchase Park Place.
d. Ineffective because Sam should have left his message on Joe and Jennifer's voicemail.

28. The fax that Joe and Jennifer sent to Sam on October 3 at 9:00 a.m. can best be described as
a. A rejection.
b. A counteroffer.
c. A revocation.
d. An acceptance.

29. What advice would you give to Sam regarding his participation in the negotiations with Joe and Jennifer?
a. Using e-mail was a bad idea because an e-mail cannot be used to create a contract.
b. Sam should use a document clearly stating whether it is an offer or an advertisement and the document should further state that an acceptance need be communicated to the offeror before it is effective.
c. Sam should tell his employer the price cannot be changed as to Joe and Jennifer while he has an offer outstanding.
d. Sam should not have let Joe and Jennifer leave without either selling the property selling them an option to buy the property at the stated price for a term not less than six months.

Leavitt was interested in buying a new motor home. Among Leavitt's concerns when buying the new motor home was his intended use which was extensive travel in mountainous areas. A somewhat informed consumer he had rented Motor Home that lacked sufficient engine and braking power to traverse the areas he intended to travel. If the engine and brakes are insufficient, the motor home cannot maintain ordinary highway speeds going up steep hills and brakes are prone to overheating while going down the mountains.

He visited several dealerships but bought one at the Monaco Coach Corporation. Almost immediately upon receiving the vehicle, Leavitt complained that his coach could not maintain ordinary highway speeds going up steep hills and that the brakes were prone to overheating while going down. Leavitt presented evidence that while shopping for his coach, he informed Monaco of his plans to use the coach extensively for travel in mountainous areas and of his wish to avoid problems he had experienced with rented vehicles that lacked sufficient engine and braking power. Monaco performed many warranty repairs and other service, but Leavitt ultimately concluded that the engine and brakes, as a matter of design, simply were not suitable for his needs, and he sued.

30. In order to establish an implied warranty of merchantability Leavitt must prove.
   a. He told the Monaco Coach Corporation about his intended use.
   b. Monaco Coach Corporation is a merchant.
   c. The Motor Coach he purchased cannot maintain 50 miles an hour at elevations of 10,000 feet above sea level.
   d. He purchased a new Motor Coach rather than a used Motor Coach.

31. In order to establish an implied warranty of fitness for particular purpose Leavitt must prove
   a. He told the Monaco Coach Corporation about his intended use.
b. Monaco Coach Corporation is a merchant.
c. The Motor Coach he purchased cannot maintain 50 miles an hour at elevations of 10,000 feet above sea level.
d. He purchased a new Motor Coach rather than a used Motor Coach.

32. Based on the facts above and assuming it can be proven, the best theory for the plaintiff and thus the most damaging for the defendant in this lawsuit would probably be:
   a. negligence
   b. implied warranty of merchantability
   c. strict product's liability
   d. implied warranty of fitness for particular purpose

33. Within the facts above legal issues are presented in which of the following areas?
   a. Contract, sales, agency law.
   b. Torts, contract, anti-trust law
   c. Property, contracts, constitutional law
   d. Agency, intellectual property, parol evidence law.

34. Of the choices below the best preventive law strategy for the dealer in selling new Motor Homes would be;
   a. An express warranty in small print that clearly states it is limited to guarantees provided within the four corners of the warranty,
   b. Trained personnel who would accommodate the needs of the customer with the proper products at the dealership.
   c. A contract with a service company that delegates responsibility for warranty work to another.
   d. Selling only used Motor Coaches.

35. Knowing only that his brakes had failed in town instead of over heating in the mountains; it would change Leavitt's claim from
   a. strict liability in tort to negligence.
   b. a claim on implied warranty of merchantability to implied warranty of fitness for particular purpose.
   c. negligence to strict liability in tort.
   d. a claim on implied warranty of fitness for particular purpose to one of implied warranty of merchantability.

36. In the trial regarding this claim the defendant Monaco Motor Homes claimed the plaintiff Leavitt did not make known his intended use of the motor home. The difference would be considered a
   a. matter of law for the jury to decide.
   b. matter equity of the judge to decide.
   c. matter of fact for the jury to decide.
   d. matter of law for the judge to decide.