

# Answer the questions

Law



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Case Study, Law Question One To prove that there is an enforceable contract the essential elements to consider include whether Sam has disclosed all details of the pizza operation to Bill. Despite the disclosure by the accountant hired on overstatement of the net profit by Sam, Bill is still convinced with Sam's approximations of net profit and goes ahead to buy the restaurant. Failure to report all transactions to IRS by Sam is a key element that Bill can use to prove this case (Hall, 2012).

#### Question Two

Failure to report all cash transactions to IRS by Sam can be a basis for successful lawsuit by Bill. Failure to pay taxes by Bill is also essential to this lawsuit. Overstatement of net annual profits by Sam is also fraudulent. Failure to disclose true and fair view information of the restaurant's net profits creates a fine for Sam. Despite, the accountant disclosing the information on overstatement Bill still goes ahead to complete the sale indicating intention of hiding the improprieties by Sam (Hall, 2012).

#### Question Three

Sam can claim to have disclosed all information on the annual net profit of the restaurant through the brochure. Sam goes ahead to disclose the unreported cash transactions to Bill. Therefore, Bill is well aware of the nature of business and unpaid taxes. Bill goes ahead to accept and completes the sale. Making a net profit each year of a little less than \$25,000 cannot be a basis to justify a breach of contract (Hall, 2012)

#### Question 4

Sam is liable for a fine for failure to report all transactions to IRS, which is fraudulent. Sam's claim on breach of contract is invalid as he is well aware of the state of the restaurant dealings and attempts to cover the fraud (Hall, <https://assignbuster.com/answer-the-questions-essay-samples-4/>)

2012).

#### Question 5

Integrity and honesty in the sale is a sham. Failure to pay taxes can results from illegal transactions, or corrupt managers and/or high tax rates (Hall, 2012).

#### Work cited:

Hall, Geoff R. Canadian contractual interpretation law. 2nd ed. Markham, Ont.: LexisNexis Canada, 2012. Print.