

Business problem

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Business Problem When Alpha Communications and Beta Publications pool resources in a one-time business deal, they form a limited liability company (LLC). A limited liability company is a business organization that exhibits characteristics of both corporations and partnerships (Mancuso 40). Before Alpha Communications and Beta Publications enter into the business deal, they ran their individual activities as partnerships. By coming together for the purpose of working on a common goal, a limited liability company is born. The law recognizes the company as a separate entity from its owners, meaning that the owners of the LLC enjoy limited liability.

Both Alpha and Beta contract with other business enterprises for the purpose of continued business operation. In contracting with Gamma Printing Supplies, Inc., both Alpha and Beta are involved. On the same note, the business deal between them is binding. Based on this, Alpha is liable to both Beta and Gamma Printing Supplies, Inc. This is because Alpha is a business partner with Beta, and it commits fraud against Gamma Printing Supplies, Inc.

In Beta's case, contracting with Delta Literary Agency only involves Beta Publications. The magazine for which this contracting was done had nothing to do with Alpha. On the same note, this contracting did not involve any business partnership between Alpha and Beta. In this regard, Beta Publications becomes liable to Delta Literary Agency only. The fraud committed was against Delta Literary Agency by Beta.

Works Cited

Mancuso, Anthony. *Form Your Own Limited Liability Company* (7th ed.). New York: Nolo, 2011. Print.