



# Financial Accounting Lesson 1

# Case Study

# CASE STUDY 1

- Jim inherited a lot of money from his rich uncle who was a millionaire.
- Jim wants to take part of that money and start a small business providing financial services and advice.
- However, he is concerned he may have some unhappy clients who may sue him.
- What is the best business entity for Jim to choose which will permit him to protect his personal assets and still start his business?

# CASE STUDY 1

## CASE STUDY 2

- John needs some big money to drill an oil well.
- He has about \$1Million of his own money, but he needs about \$10 Million.
- Fortunately, he knows some good old friends who he's done some oil deals with in the past, but he wants to make sure they're not always do not believe in him on business decisions.
- What is the best type of business entity for him to choose under these circumstances?

# CASE STUDY 1