Solutions

2.1

- $800 \times 6.50 = 5{,}200$ pounds.
- The reply varies terms, so it is a counter-offer, not acceptance.

2.2

- Cover difference $800 \times (7.20 - 6.50) = 560$.
- Within contemplation: $+\ 1{,}150 = 1{,}710$ pounds expectation damages.

2.3

- $14 \times 90 = 1{,}260$ - below the 1,710 loss.
- Not a penalty (it under-compensates); but a genuine liquidated-damages clause fixes the sum - claim the 1,260, or argue it is a minimum, not a ceiling. The election is the answer.

2.4

- Chappell: the wrappers were consideration - adequacy is not judged.
- The gift and the bare part payment: no consideration, no change; the peppercorn rent: consideration in existence, enforceable.

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