Solutions

Marking: **K** knowledge, **App** use of the case or data, **An** analysis (a chain of reasons: cause, then effect), **Ev** evaluation (a judgement with a reason). In calculations, **M1** is for the method and **A1** for the answer; **B1** is an independent mark.

Each answer shows the steps, then the **result**.

2.1

(a) invitation to treat; (b) offer

(c) acceptance; (d) counter-offer

(d) changes the terms, so it rejects the offer and makes a new one, which the mill must accept

2.2

yes: something of value moves each way

the court asks whether there is consideration, not whether the price is fair

2.3

$1{,}500 \times (2.30 - 2.00)$

= £**450**

2.4

(a) presumed: the deal is binding unless clearly stated otherwise

(b) presumed not binding, unless the facts show otherwise

3.1

(a) $3{,}000 \times 0.25$ = £**750**

(b) the catering profit: yes, the mill knew about the order, so the loss was in both sides' minds; the social media deal: no, the mill could not have foreseen it

(c) $750 + 1{,}500$ = £**2,250**

(d) to put Nimbus where it would have been if the contract had been kept; not to punish the mill

3.2

(a) 200×15 = £**3,000**

(b) whether the clause protects a legitimate interest of Nimbus in a way that is in proportion, rather than simply punishing the mill

(c) the clause is struck out completely, not cut down; Nimbus recovers only its proven loss, £2,250

3.3

7–8: a spoken deal can still be a contract if the four elements are there (K); but without writing, the terms (price, date, quality) are hard to prove when something goes wrong (An); key protections, such as a named delivery date that makes festival losses foreseeable, or a late-delivery clause, need to be agreed clearly (App); writing every order does take time across 50 orders a month (An); trust works until there is a dispute or a staff change (Ev); recommendation with a condition, e.g. a one-page standard order form or e-mail confirmation with price, date, quantity and the event it is for, so the record costs seconds, not hours (Ev). **4–6**: sound analysis with limited use of the case or a weak judgement. **1–3**: relevant points, mostly descriptive.

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