

# [Solution of problems - math problem example](https://assignbuster.com/solution-of-problems-math-problem-example/)

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## Solution of Problems

Expectation damages: In this case A would have gained $200, 000 - $160, 000 = 40000 For the first 3 months, A would have earned on average:   
3/12 x 60000 = 15000   
Consequently;   
A would have gained $40000 had the contract not been repudiated. Yes, A would have gained $40000 under the contract, but A would have lost an income of $15000 that it no longer has to lose now. This means that it will take $25000 to bring A from where it now stands to where it would be if the contract hadn’t been repudiated.   
Reliance damages   
No reliance damage in this case since A did not rely materially on upon.   
Expectation damages:   
A would have gained $80000 ($200, 000 - $120, 000)   
In this case, A relied materially on the tune of $80, 000 (half of labor and materials), and his expected profit was actually $80000.   
Further, A would have lost an income of $15000 that it no longer has to lose now.   
Hence the court would award = $80, 000 + $80000 - $15000 = 145000   
Reliance damages:   
Amount spent on materially relying – mitigated losses   
$80000 - $15000 = $65000   
C.   
Expectation damages   
$40, 000 - $20, 000 = $20000   
D.   
Had the contract not been breached, A would have gained a monument worth $10, 000   
As it stands, now A has to spend an additional $6, 000 for another contractor to take on the work. Consequently, it would now take $4000 to bring A from where he stands to where he would have been had B not abandoned the work.   
E.   
Expectation damage   
Considering B had not breached the contract, A would have gained $1, 000, 000 worth the value of the land. As it stands, A has to pay nothing for drilling the well. But since nothing has happened and no money has been spent by A on making the dream of $1, 000, 000 alive, the court awards nothing to A.