

# [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.