

# Free Questions for L5M3 by certsdeals Shared by Mitchell on 15-04-2024

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# **Question 1**

#### **Question Type:** MultipleChoice

Jenny has received a written offer from a supplier. She emails them to clarify if they can do next day delivery. The supplier does not reply. The next day Jenny makes the payment. Has a contract been formed?

#### **Options:**

- A- yes- the supplier made an offer and Jenny accepted it by making a payment
- B- yes- a counter offer has been made
- C- no- the clarification constitutes a conditional acceptance
- D- no- a contract has not been signed

#### **Answer:**

Α

### **Explanation:**

Yes- the supplier made an offer and Jenny accepted it by making a payment is the correct answer. The other three options are incorrect: 'yes- a counter offer has been made' = there is no counter-offer made in this example - a clarification is not a counter-offer / 'no- the

clarification constitutes a conditional acceptance' = clarifications are not conditional acceptance / 'no- a contract has not been signed' = there doesn't need to be a signed document- acceptance can be through performance. Issuing the payment would be considered acceptance via performance. See p 2-12 for more information on conditional acceptance, counter offers and acceptance of offers.

## **Question 2**

#### **Question Type:** MultipleChoice

John has signed a document with Larry that says that he will give Larry his car. Both John and Larry are over the age of 18 and are of sound mind. Larry accepts this offer and signs the document. Is this a contract?

#### **Options:**

A- yes- it has been signed

B- yes- both parties consent and have capacity to do so

C- no- there is no consideration

D- no- this document is an invitation to treat

#### **Answer:**

## **Explanation:**

No - There is no consideration. For a document to be considered a contract there must be consideration. This means something of value must be exchanged. In this example John gives Larry something but Larry doesn't give John anything. Therefore there is no consideration and this is not a contract. See p.12

# **Question 3**

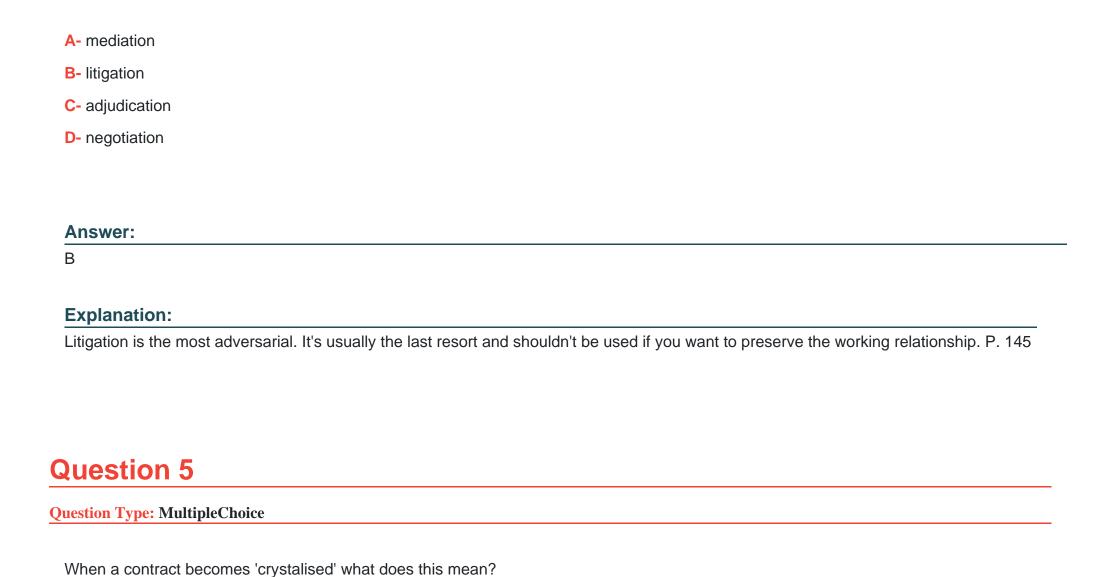
**Question Type:** MultipleChoice

Which of the following must a legally binding contract contain? Select THREE

#### **Options:**

- A- Intention
- **B-** Indemnity
- **C-** Consideration

D- Liability
E- Capacity
Answer:
A, C, E
Explanation:
Intention, Consideration and Capacity are the correct answers. A contract must contain 5 elements to be legally binding. As well as
these three, the other two factors are offer and acceptance. P.2 of the study guide.
Question 4
Question Type: MultipleChoice
Which of the following processes is the most adversarial?
Options:



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- A- a fundamental breach has occurred
- B- the contract has been terminated
- C- a dispute has arisen which qualifies for resolution by adjudication
- D- a minor dispute has occurred and has been resolved between the parties

#### **Answer:**

С

#### **Explanation:**

Crystalised means 'a dispute has occurred which qualifies for resolution by adjudication'. This is a direct quote from p. 144

# **Question 6**

**Question Type:** MultipleChoice

Kranky Kat Ltd has just been through an adjudication process with a supplier it worked with who committed a breach in the contract. Kranky Kat is not happy with the outcome of the adjudication, what can Kranky Kat do?

### **Options:**

- A- move on to litigation
- B- appeal the decision
- C- nothing the decision made by the adjudicator is binding
- D- nothing the decision made by the adjudicator is legally enforceable

#### **Answer:**

В

## **Explanation:**

If you're not happy with the decision of an adjudication you can appeal the decision. So option 2 is correct. If the appeal is turned down then unfortunately there's not much more you can do as adjudication is binding and legally enforceable. See p. 143 for more info on adjudication

# **Question 7**

**Question Type:** MultipleChoice

Options:			
A- negotiation			
B- mediation			
C- litigation			
D- adjudication			

## **Explanation:**

**Answer:** 

В

Which of the following is a consensual form of dispute resolution?

Mediation is consensual- consensual is when a third party is introduced to help reach an agreement. This is in contrast to adjudicative dispute resolution in which the third party acts as a judge and decision maker. Negotiation doesn't involve a third party so is neither. See p. 137.

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