Bespoke Activity Exercises

Types of Misrepresentation (CIPS L4M3 — Commercial Contracting)

This practice activity is produced independently for study purposes only. It is not an official CIPS publication and is not endorsed, reviewed, or approved by CIPS. All organisations, individuals, and events depicted are entirely fictional; any resemblance to real entities or persons is coincidental.

Activity Instructions

A public sector entity in Ras Al Khaimah ('the Entity') is negotiating with several suppliers. A misrepresentation is a false statement of fact that induces a party to enter a contract. The law recognises different types, each with different remedies. Classify each scenario involving the Entity below, then match the legal terms to their meanings.

Part 1 — Classify Each Scenario

Write the matching category in the blank beneath each scenario.

Categories: Fraudulent misrepresentation | Negligent misrepresentation | Innocent misrepresentation | Not misrepresentation

1. A supplier's sales representative tells the Entity's category manager that a piece of equipment 'processes 20 units an hour', knowing this figure is false, simply to win the Entity's contract.

Your classification: _____

2. A supplier genuinely, but carelessly, quotes the Entity a delivery lead time based on out-of-date production data it failed to check properly, and the figure turns out to be wrong.

Your classification: _____

3. A supplier honestly and reasonably believed a statement it gave the Entity about a product's certification to be true at the time, having taken reasonable care to verify it, but it later turns out to be incorrect due to a genuine, unforeseeable error further up its own supply chain.

Your classification: _____

4. During negotiations with the Entity, a sales representative says 'this is honestly the best machine on the market'.

Your classification: _____

5. A supplier's brochure given to the Entity states a product 'meets ISO 9001', and this later turns out to be false — but the Entity's evaluation team never actually read or relied on the brochure when deciding to contract.

Your classification: _____

Part 2 — Match the Legal Term to Its Meaning

Write the letter of the matching definition in the blank next to each term.

1. _____ Rescission
2. _____ Tort of deceit
3. _____ Burden of proof (negligent misrepresentation)
4. _____ Misrepresentation Act 1967
5. _____ Reliance

Definition bank

A. The civil wrong that a fraudulent misrepresentation may also amount to
B. Unwinding a contract so the parties are put back in their original position
C. The requirement that a false statement must actually have been relied upon by the other party in deciding to contract
D. Falls on the representor (defendant), who must prove they had reasonable grounds for the statement
E. The English statute that reallocated the burden of proof for negligent misrepresentation

Answer Key

Correct answers, all together, for quick marking.

Part 1 — Classify Each Scenario

1. Fraudulent misrepresentation
2. Negligent misrepresentation
3. Innocent misrepresentation
4. Not misrepresentation
5. Not misrepresentation

Part 2 — Match the Legal Term to Its Meaning

1. B — Unwinding a contract so the parties are put back in their original position
2. A — The civil wrong that a fraudulent misrepresentation may also amount to
3. D — Falls on the representor (defendant), who must prove they had reasonable grounds for the statement
4. E — The English statute that reallocated the burden of proof for negligent misrepresentation
5. C — The requirement that a false statement must actually have been relied upon by the other party in deciding to contract