

# Ch: 2 - ICA-1872

## Agency Unit: 9 - Agency

- \*\*\* Who may become an agent? — Sec-184
- \*\*\* Explain mode of creating agency.  
Sec-
  - Express Authority
  - Implied Authority
- 187 [ Agency by Estoppel (Holding out)  
Agency by Necessity.  
- Agency by operation of Law.
- 106 Agency by ratification
- \*\*\* Essentials of a valid Ratification
- Sec 107 Ratification may be Express or Implied.
- 108 Proper knowledge.
- 109 The whole transaction must be ratified.
- 200 Ratification cannot injure third Person
  - Ratification within reasonable time
  - Communication of Ratification
- \*\*\* Explain extent of agent's authority.
- Sec 188 Agent's authority in normal circumstances
- 189 Agent's authority in an emergency
- \*\*\* rules regarding sub-agents.
- Sec 101 - sub-agent definition
- 102 Representation of Principal by sub-agent properly appointed (with authority)
- 103 Agent's responsibility for sub-agent appointed without authority.
- \*\*\* substituted Agent
- 104 Relation between Principal and substituted agent
- 105. Agent's duty in naming such person.
- \*\*\* Duties and obligation of an agent.
- Sec 211 Duty to Follow directions or customs.
- 212 Duty of reasonable care & skill
- 213 Duty to render proper accounts.
- 214 Duty to communicate with Principal.
- 215 - 216 Duty not to deal on his own Acc/Claim from the agent's any benefit

- Duty not to make secret profit.
- 100 Duty not to delegate.
- 218 Duty to Pay sum received for Principal.
- Duty not to use any confidential information
- \* \* \* rights of an agent
- See 217 Right of retain out of sums received.
- 210 Right to remuneration
- 220 misconduct in business, not entitled to any remuneration
- 221 Agent's lien on Principal's property
- 222 Right of indemnification for lawful acts.
- 223 Right of indemnification against acts done in good faith.
- 223 Non-liability of employer or agent to do a criminal act
- 225 Right to compensation for injury caused by Principal's neglect
- \* \* \* Principal's liability to third parties
- 226 Principal's liability for the acts of the Agent (within scope of Authority)
- 227 when agent exceeds authority
- 228 Principal not bound when excess of agent's authority is not <sup>separable</sup>
- Exception
- 237 Liability of Principal inducing belief that agent's unauthorized acts were authorized
- 229 23 Consequences of notice given to agent
- 238 For the agent's fraud, misrepresentation or tort.
- \* \* \* Personal Liability of Agent to third parties.
- 230 Agent can neither personally enforce nor be bound by contracts on behalf of Principal.
- Exceptions
- Foreign Principal
- Unnamed Principal
- Incompetent Principal
- Pretended agent
- agent exceeds authority.

## \*\*\* Right of Third Parties.

231 Right of Parties to a Contract made by undisclosed agent.

232 Performance of Contract with agent supposed to be principal.

Option to third person - sue the Agent or the Principal:

233 A - Right of person dealing with agent personally liable.

234 B - Consequence of inducing agent or principal to act on belief that principal or agent will be held exclusively liable.

## \*\*\* Termination of Agency — [Sec-202]

204 Revocation.

203 Revoking the authority of the agent.

204 Cannot revoke

205 Compensation for revocation by principal.

206 Notice of revocation.

206 Renunciation by agent.

- Completion of business

- Death or insanity

- Principal's insolvency

- expiration of time.