

Section-3

Q.1
Ans

In agency contracts there exist a legal relationship between two people whereby one person acts on behalf of the other. Agent is defined as a person employed to do any ~~work~~ act for another or to represent, another in dealing with a third person. The person for whom such act is done, or who is so represented is called the principal. and agent inter se as well. No consideration is necessary to create any agency. The agent may not be competent to contract.

* The methods of termination of agency are:

Q) By agreement - On the basis that agency relationship is created by agreement between principal and the agent, such a relationship can also be brought to an end by

by mutual agreement between the parties either in writing or orally.

ii) By the Act of Parties:- An agency may be terminated by the acts of the either principal or the agent.

iii) Revocation by principal - The authority of agent may be revoked at any time by the principal. However unilateral revocation otherwise than in accordance with the provisions of the agency agreement may render the principal liable to the agent for the breach of agency agreement.

iv) By Notice - If the agency agreement provides that the agency may be terminated upon either party serving on the other written notice of a specified duration.

v) By operation of Law - An agency may be terminated by the operation of law upon the occurrence of particular events like death, insanity, winding up, bankruptcy.