



**NATIONAL OPEN UNIVERSITY OF
NGERIA**

SCHOOL OF LAW

COURSE CODE:LAW 100

COURSE TITLE:INTRODUCTION TO LAW

2.0 OBJECTIVES

On successful completion of this module, you should be able to:

- define an agency relationship
- differentiate between the principal/agent relationship and other relationships
- describe the methods by which agency can be created and terminated
- define the terms ‘actual’ and ‘apparent’ authority, and distinguish between them in case examples
- explain the methods by which an agent can contract and the liability of the agent to the principal and third parties
- list the duties an agent owes to the principal and a principal owes to an agent, and the consequences of a breach of those duties;
- explain the rights of action a third party has against an agent for breach of warranty of authority
- recognize major components of secret commissions legislation
- demonstrate skill in applying the case and statute law studied to the solution of factual problems.

3.0 MAIN CONTENT

3.1 Principal and Agent

3.1.1 The Agency Relationship

Countless transactions in the commercial world are carried out through agents. Any decision to buy real estate, shares, commodities, goods, plant. Etc will almost invariably involve the use of agents by either the vendor or purchaser or both. Even in our personal lives agents are important, such as when we arrange a holiday through a travel agent, the agent will act on our behalf to make such bookings for hotels, airlines and tour operators, as we desire.

Bowstead on Agency (1985, p 1) defines agency as follows:

Agency is the fiduciary relationship which exists between two persons, one of whom expressly or impliedly consents that the other should act on his behalf, and the other of whom similarly consents so to acts or so acts.

(Source: Bowstead on Agency 1985.p1)

The one on whose behalf the acts to be done is called the principal.

The one who is to act is called the agent.

Any person other than the principal and agent is referred to as a third party.

(For ease of reference we shall refer to the principal as P, agent as A and the third party as TP.)

With regard to the acts which P consents that A shall do on P's behalf, A is said to have authority to act and this authority constitutes a power of affect P's legal relations with TP (eg bring about a contract between P and TP). Once this accomplished, A generally fades out of the picture. However, if A has acted improperly (eg by exceeding his authority or otherwise breaching a duty owed to P), A may be involved in subsequent litigation.

The agency agreement between P and A need not be contractual (eg there may be no provision for commission). Thus, A can act gratuitously. However, as we are studying agencies in a business law context we shall be concerned mostly with contractual agency.

3.1.2 Terminology

Often a true agent. Legally speaking, might be described by another term such as 'broker', 'factor' or 'representative'.

Conversely, some persons described as 'agents' are not really agents in the legal sense of the word but are rather dealers, consultants or intermediaries. For example, a car dealer is often referred to as the 'agent' or 'sole agent' for the maker of a particular model of car. However, usually the dealer is not an agent in the legal sense because if he sells a car to a buyer, no legal relationship is thereby established between the buyer and car maker. Rather, the dealer buys the car from the maker and then sells it on to the buyer: the dealer does not sell the car on behalf of the maker. This is the substance of the relationship which is the determining factor as to whether or not one is an agent. Such a situation exists in:

B had purchased from S a hay baler manufactured by T. Earlier, B had discussed about the hay baler at the Sydney Easter Show with a representative of T who suggested B discuss the matter further with T's local 'agent'. After further enquiries for S, B signed an order form for S

to supply the hay baler. The order form made no reference to T. the baler proved unsatisfactory and B made repeated complaints to S but S went into liquidation before B could obtain redress. B then sued T alleging inter alia that S had acted as T's agent in selling the baler to B. Held – the High Court rejecting this – it was clear on the facts that S purchased T's equipment and resold it as principal to S's own customers. T's references to S as 'agent' were of no effect because, as the joint judgment observed for 'almost a century cases have appeared .. in the law reports illustrating the fact that the word 'agent' is often used in business as meaning one who has no principal but who, on his own account, offers for sale some particular article having a special name... no one supposes that the 'distribution agent' or 'exclusive agent' in a particular territory' for a commodity or specific kind of article or machine is there to put a 'consumer into contractual relations with the manufacturer'.

Thus, it is the substance of the relationship which is the determining factor as to whether or not one is an agent.

3.2 Creation of Agency

The relationship of P and A may be created by:

- Express Agreement:
 - By deed or 'under seal'
 - By writing
 - By word of mouth
- Implied Agreement
- Holding Out or Estoppel
- Ratification

3.2.1 Express Agreement

By deed or 'under seal'

This formal form of appointment is termed a 'power of attorney'. Appointment by deed is necessary if P wishes to empower A to execute a deed on P's behalf. If A is to deal with land on P's behalf then the power of attorney is required

- **In Writing**

While generally there is no legal requirement that agency agreement be in writing, it is clearly preferable that they are, so that disputes can be reduced. Also statute requires that some agency agreements be in

writing for example appointment of all auctioneers real estate agents and motor dealers must be appointed in writing before those agents may sue for their commission.

- **By Word of Mouth**

For whatever purpose A, may, in general, be appointed orally subject to statutory exceptions such as those referred to above.

3.2.2 Implied Agreement

Agency agreements, whether contractual or otherwise, may be inferred by the court from the circumstances. The test is whether a reasonable man, when assessing the conduct of the parties have agreed to act in relation to one another upon a basis that can be characterized as an agency.

While agency must ultimately derive from consent, the consent need not necessarily be to the relationship of principal and agent itself (indeed the existence of it may be denied) but it may be to a state of fact upon which the law imposes the consequences which result from agency.

(Source: Lord Wilberforce in *Branwhite v Worcester Work Finance Ltd* [1969] 1 AC 552 at 587.)

Morgans v Launchbury [1973] AC 127

A family car was registered in the wife's (W's) name although the husband (H) often drove it to work. H assured W that when he stayed out late drinking, he would not drive the car, but would arrange for a friend to drive. On such an occasion, the car was involved in an accident and both H and K, the friend who was driving, were killed. The three survivors sued W, alleging that K had acted as her agent in driving the car.

Held: by the House of Lords that on the facts, K was acting on behalf of H but not of W. But there was general agreement that a request from the owner of a car to do something on the owner's behalf (not being something the driver should do in any case, eg return a car borrowed without permission) would be sufficient to create an agency relationship. Lord Pearson observed at page 140 that for 'creation of the agency relationship it is not necessary that there should be a legally binding contract of agency, but it is necessary there should be an instruction or request from the owner and the undertaking of the duty or task by the agent.

In addition to the general principles mentioned above there are three specific uses where agency will be implied.

- **Cases of Emergency**

See Great Northern Railway Co. v Swaffield (1874) LR 9 Ex 132.

Sachs v Miklos [1984] 2 KB 23 where the plaintiff had been allowed by the defendant to store some furniture in a room belonging to the defendant. The plaintiff was not seen again for a long time. Wishing to let the premises, the defendant made repeated, but unsuccessful, attempts to contact the plaintiff by telephone and letter. The defendant then sold the furniture by auction. In answer to an action for conversion, the defendant attempted to claim a power to act as agent of necessity. This defence failed. Clearly there was no emergency threatening the safety of the furniture.

- **Married women**

This is an agency of necessity which applies to the position of a wife living apart from her husband as a result of his misconduct. She has implied authority to pledge his credit for necessities.

- **Cohabitation**

A wife, either legal or de facto, is presumed to have authority during cohabitation to pledge her husband's credit for household necessities suitable to her husband's style of living for such dependants in the household as the wife usually has under her control. Refer to the text for instances which may rebut this presumption.

3.2.3 By 'Holding Out' or 'Estoppel'

Where a person, by words or conduct represents or permits him/herself to be represented, that other person is his agent, he will not be permitted to deny the agency as against any third party dealing, on the faith of such representation, with the person held out as agent.

The representation must come from the alleged P. TP is not entitled to rely on a representation of authority from the alleged agent only. Thus, by operation of the doctrine of 'estoppel' or 'holding out', TP is entitled to assume from the conduct of the alleged P that the supposed A has authority even when this is not really so.

Most cases concern persons who already have some authority to act as A but who are allowed by P to appear to have even more authority than

they actually have. Another common instance is where P and TP have been dealing with each other in the past through A. P dismisses A but, in the **absence of notice** of the dismissal, TP may still deal with A and bind P to the deal even though A no longer has any real authority at all.

Cases do arise where a person not hitherto an agent for P may bind P under the doctrine of estoppel. They are comparatively rare in contract situations.

However in one American case, *Lucken v Buckeye Parking Corp* 68 NE 2d 217 (1945) a company was held responsible to a car owner who left her car with a person standing on a parking lot which the company had recently vacated, but over the entrance to which the company's sign was still displayed. Although the defendant had never authorized the person at the car park to act on their behalf, the fact that they had for some time operated the car park, coupled with their failure to remove the sign, constituted a representation to the plaintiff that they still operated there, and that anyone apparently working there was employed on their behalf.

3.2.4 Ratification

Where A has acted **without P's authority**, but has nevertheless **purported to act as P's agent**, it is open to P subsequently ratifying the transaction. Ratification operates **retrospectively**, thus ratification relates back to the moment A and TP entered into the contract so that P is entitled to enforce the contract against TP.

Note the requirements of ratification concerning both A and P and note the interrelationship between this principle and that of non-disclosed principals.

SELF ASSESSMENT EXERCISE 1

1. Distinguish an agent's actual, implied authority and apparent authority. Give an example of each.
2. For ratification to be effective, there are certain prerequisites, name them.

3.3 Nature and Scope of Agent's Authority

After deciding that agency has been created by one or more of the above modes of creation, it is now important to consider the nature of A's authority and the scope or extent of that authority.

Being appointed, A now has power to affect P's legal position in relation to TP. However, P will only be bound by those acts of A which

fall within the scope of A's authority. P will not be affected by what A does in excess of A's authority, unless P subsequently ratifies A's unauthorized act. Furthermore, if A acts outside his or her authority, A may be liable to P for breach of the agency contract, or to TP for breach of implied warranty of authority. Thus, it is of vital importance to be able to determine the nature and extent of A's authority.

3.3.1 Nature of Agent's Authority

The type or nature of A's authority may be:

- Actual Authority, ie either:
 - Express actual authority; or
 - Implied actual authority; or
 - Apparent or Ostensible Authority

Actual Authority

Actual authority arises from the agency agreement between P and A. It is termed **express actual authority** where P has given the authority to A expressly, that is, by word of mouth, deed or otherwise in writing. Thus, the same process by which P appoints A as agent, e.g. by power of attorney, will also delineate much or all of A's express actual authority.

However, in addition to the express actual authority contained in the agency agreement, A may also have **implied actual authority**. *Bowstead on Agency* (1985) states that the most obvious cases of implied authority arises as incidental authority (to do whatever is necessarily or normally incidental to the activity expressly authorized), usual authority (to do whatever that type of agent would usually have authority to do), customary authority (to act in accordance with such applicable business customs as are reasonable) and an implied authority arising from the course of dealings between the parties and the circumstances of the case. Thus, implied actual authority is often said to arise to give 'business efficacy' where a contract may be silent. For instance, P may give A (a real estate agent) express actual authority to find a purchaser for P's house at \$X. A will also have implied actual authority to describe the property and state any fact which may affect the value of the property so as to bind P.

In *Australia and New Zealand Bank Ltd v Ateliers de Constructions Electriques de Charleroi* (1966) 39 ALJR 414:

The plaintiff company carried on business at Acarleroi in Belgium as manufacturers of heavy electrical equipment. The company (the

'principal') appointed an Australian company (the 'agent') as in sole agent in Australia. There was a written agency agreement between them. The agent negotiated a contract with the Sowy Mountains Hydro Electric Authority for the supply, delivery and supervision of erection of seven transformers of 56 MVA and auxiliary equipment. Under this contract the price was payable in Australia, in Australian currency to the foreign principal. Progress payments were made at times by order cheques in favour of the principal its Australian agent. The agent endorsed them and paid them into its own bank account at the A & NZ Bank. In the course of time the agent failed to remit the amounts of some cheques so banked to its principal. Eventually the agent went into liquidation. The principal sued the bank on the basis that it has wrongly credited the amounts of these cheques (£55,540 18s 7d) to the agent's account, there being no authority, express or implied, for the agent to endorse and bank to its own credit, cheques drawn in favour of its principal.

The Privy Council held, after carefully considering all the facts (for example, the prescribed place and currency of payment and the fact that the principal had no bank account in Australia), that the agent could justifiably be taken by an outsider such as the bank to have had implied authority to bank the cheques. 'It would not have been supposed that they would be sent to Belgium to be endorsed, and the plaintiff company had no bank account of their own in Australia. Apart from exchange control difficulties, the only practical plan from a business point of view was for [the agent] to endorse the cheques and pay them into [the agent's] account. This became the only possible plan when the total amount of the cheques exceeded the sum which exchange control permitted to be exported, or when it becomes proper for [the agent] to retain part of the sum in any cheques to pay local expenses. Implied authority was necessary to give business efficacy to the transaction': at 420.

Apparent or Ostensible Authority

Apparent or Ostensible Authority (the two expressions are synonymous) is 'the authority of an agent as it appears to others': *Hely-Hutchinson v Brayhead Ltd* [1967] 3 ALL ER 98 at 102 per Lord Denning MR. It comes not from the internal aspect of the relationship between P and A as does actual authority, but is an external matter affecting P and TP. Thus A may affect the legal position of P because P's conduct has made A appear to have authority which in fact A lacks.

As TP is generally unaware of the terms of the agency agreement, TP will usually rely on A's apparent or ostensible authority in order to bind P.

For an illustration of the operation of ostensible authority see *Panorama Developments (Guildford) Ltd v Fidelis Furnishing Fabrics Ltd* [1971] 3 AllER 16. (See Turner).

A common instance of ostensible authority created by representation by conduct is where P permits a person to act in the management or conduct of P's business so that TP is led to believe that the person has authority to contract on behalf of P.

Freeman & Lockyer v Buckhurst Park Properties (Mangal) Ltd [1964] 2 QB is a leading case on this point. Here K and H formed the defendant company to acquire and develop certain land. The board of directors comprised K, H and a nominee of each. K engaged the plaintiff firm of architects who later sued the defendant company for payment of their fees for work they had carried out. **Held:** by the Court of Appeal that, although K had no actual authority to employ the architects, he did have apparent or ostensible authority such as would be within the usual authority of a managing director and the plaintiffs did not have to enquire whether he was properly appointed. The company was therefore stopped from denying K's agency.

3.3.2 Scope of Agent's Authority

With **actual authority**, the **scope** or extent of A's authority is ascertained by applying ordinary principles of construction of contracts, including any proper implications from the express words used, the usages of the trade, or the course of business between the parties.

With **ostensible authority**, A is taken to have as much authority as agents of that type **usually** have. Also see *Freeman & Lockyer v Buckhurst Park Properties (Mangal) Ltd* (1964) 2 QB 480 and *Panorama Developments (Guildford) v Fidelis Furnishin Fabrics* (1971) 2 QB 711.

Although actual authority and apparent authority are independent of each other, in certain circumstances they may co-exist. In such a case, A's ostensible authority is likely to be wider than A's actual authority which may be limited by the terms of the agency agreement. Nonetheless, P is bound by those acts of A which fall within the scope of A's apparent authority even if A has acted outside the terms of A's actual authority.

SELF ASSESSMENT EXERCISE 2

1. What is a break of Warranty of Authority?
2. Suggest three circumstances where a person would be wise to appoint a power of attorney and briefly explain the function of the attorney.
3. Douglas, aged 15, purchased a gun for N50,000 from Hunter stores, Port Harcourt, Douglas placed the purchase on his fathers account. Enumerate the issues and discuss them.

3.4 Rights and Duties between Principal and Agent

3.4.1 Agent's Duties to Principal

These duties may be expressly enumerated in the agency agreement (as in a standard form of power of attorney) or they may be implied into the agency agreement. They may vary according to the nature of the agency and the terms of the agreement. Breach of the terms of an agency contract will lead to A being liable to P for breach of contract.

A's major duties include:

- A duty to follow P's instructions.
Failure to comply with P's instructions, except where they are illegal, will render A liable for the loss suffered by P as a result of the breach. Gratuitous agents would not be liable under this head.
- A duty not to exceed his/her authority
If A has exceeded his/her actual authority having apparent authority only, A will be liable to P for any loss caused thereby.
- A duty to exercise reasonable care, skill and diligence.

An illustration of a duty of care owed (and breached) by a gratuitous agent is found in *Chaudhry v Prabhakar* [1988] 3 All ER 718:

The plaintiff had recently passed her driving test and knew nothing about the mechanical aspects of motorcars. She asked a friend to find a suitable second-hand motorcar for her to buy, stipulating that it should not have been in an accident. He found one and recommended that the plaintiff buy it which she did. A few months later it became clear that the car had been involved in a very bad accident, had been poorly repaired and was unroadworthy. The plaintiff sued the friend as first defendant in tort for damages for negligence, and the seller as second defendant for damages for breach of the implied term of the contract of sale that the car was of merchantable quality. The trial judge awarded her damages against both defendants.

On an appeal by the first defendant, the English Court of Appeal held that a gratuitous agent in the position of the first defendant was under a duty to exercise the degree of care and skill 'which may reasonably be expected of him in all the circumstances': at 721c. His duty was not, so the court held, merely a duty to be honest or to exercise that degree of skill which he in fact possesses. Where the gratuitous agent has represented that he has a certain degree of skill, that representation will, assuming that P believed it, be the measure of his duty. Absence of a remuneration is a factor tending to reduce the degree of care and skill reasonably to be expected.

If A breaches this duty, P may recover the loss by using A for breach of contract if there is an agency contract, or for negligence. If a duty is imposed by statute, P might also sue A for breach of statutory duty. For example CAMA, 1990 provides that directors and other executive officers of corporations shall at all times act honestly and exercise a reasonable degree of care and diligence in the exercise of powers and discharge of duties.

- **A Duty to Act in Good Faith**

The relationship between P and A is a **fiduciary** one. Because A has bound him/her self to act in the interests of P and because of the peculiar trust and confidence P reposes in A, equity has seen fit to supervise this relationship basically to prevent A from misusing A's position for A's own advantage. There is also authority that fiduciary duties are based on terms implied into all agency contracts. Thus is imposed on A a duty to act in good faith or honesty, loyally and single mindedly in P's interest.

Hence A must:

- (a) **Not Make a Secret Profit or Take a Bribe**

Any gain made by A whilst carrying out P's work which gain is kept from P, is a secret profit and recoverable by P. A will also lose his right to commission. However, if A has acted bone fide, A may retain his commission.

In *Hovenden & Sons v Millhaff* (1990) 83 LT 41 at 43, Romer LJ said, 'If a gift be made to a confidential agent with a view to inducing the agent to act in favour of the donor in relation to transactions between the donor and the agent's principal and that gift is secret as between the donor and the agent – that is to say, without the knowledge and consent of the principal – then the gift is a bribe in view of the law.'

A payment by TP to A still, a bribe although it does not succeed in inducing A to show any preference to TP. If P's agent has been bribed P may recover the bribe or sue A and TP for damages in the tort of deceit; dismiss A without notice; refuse to pay A commission or recover any paid; repudiate the contract with TP who has paid the bribe.

The taking and giving of a bribe by A and TP may also amount to a criminal offence under statutes Criminal Code or other State.

(b) Not Allow A's Own Interest to Conflict with P's

If there is a risk of conflict A must make full disclosure to P and obtain P's informed consent, otherwise A should decline to act as agent. A's duty is to disclose only material facts – those which a reasonable business person would consider material in the ordinary course of business.

Breach of this duty may again render A liable to disgorge the profit as an alternative to paying damages for breach of contract. Alternatively, P may rescind any contract with A. A also loses his/her right to commission on the transaction.

If A breaches this duty A may be liable in an action for damages or an action for an account of the profits and/or subject to injunction.

In *Robb v Green* [1895] 2QB 315 the court granted an injunction against a former manager of a business to prevent him using, for his own purposes, a list of customers of a business obtained whilst he was manager of the business. After leaving the business, he used the list to set up his own business.

• **A Duty to Act in Person and not to Delegate Authority**

Exceptions include accepted trade or business usage, ministerial duties not involving the exercise of A's discretion or skill. If A delegated authority without P's permission, A will not be entitled to commission for the delegated acts and may be liable for any loss suffered through breach of contract. P will not be obliged to accept the contract.

• **A Duty to Keep Accounts**

A must accurately and properly account to P for any money received or spent on behalf of P and must have any books of account available for inspection. With professional agents, legislation often reinforces this duty.

3.4.2 Principal's Duties to Agent

These include:

- **A Duty to Remunerate for his/her Services**

This duty only arises pursuant to the express or implied terms of the agency contract. Otherwise the agency is gratuitous.

Before A is entitled to receive remuneration, there must be at least substantial performance of all work A undertook to do. Failure to pay will give rise to an action for breach of contract by A against P. As stated, some agents are statute barred from suing for commission if their appointment is not in writing.

- **A Duty to Indemnify and Reimburse A**

While acting for P, A may incur certain liabilities or may certain payments on behalf of P. In these circumstances, P is obliged to indemnify A against such liabilities and reimburse A for any payments made. Unless otherwise agreed, P is not liable to indemnify or reimburse A where A has acted outside the scope of his/her actual authority, where A has suffered loss through his/her own negligence or default or where the transaction is obviously or to A's knowledge, unlawful. Breach of this duty will usually render P liable for breach of contract or, if there is no agency contract, then the law of quasi – contract where A's claim is for restitution.

- **A May Exercise a lien over such Property of P's as in A's Possession**

For recovery of remuneration due and reimbursement of expenses.

3.5 Liabilities of Agent (and of Principal)

A's purpose is to bring P into legal relations with TP. Once this is achieved, A retires from the transaction and, at that stage, the only parties with rights under the transaction are P and TP.

However, there are occasions when A may not simply retire from the transaction and the agency (after collecting his/her commission if any) but may find liability attach either towards TP or P.

3.5.1 Liability of Agent (and of Principal) to Third Party

Agent Acting with Authority

This will depend on A's method of contracting. Where A has authority and:

- A discloses the name of P.

Normally only P and not A may sue and be sued on the contract.

- A discloses the existence but not the name of P.

A's liability is the same as above provided A contracts as an agent.

- A does not disclose the existence of P,

i.e where A acts as if s/he were P. In this event, A becomes personally liable on the contract – **but** when TP discovers that TP has really contracted with A acting for an **undisclosed principal**, TP may elect to hold either A **or P** liable on the contract – although P is not liable if P has paid A. TP is bound by his/her election. Where TP sues and recovers judgment from A, that is taken conclusively as an election. Merely commencing an action is evidence of election but not conclusive.

Undisclosed P may sue TP unless the transaction is entirely inconsistent with agency.

The doctrine of undisclosed principal only operates where A has **actual** authority.

Breach of Warranty of Authority

This applies only where A acts in excess of, or otherwise without, actual or apparent authority. It follows that TP can not sue P on the contract but only A for breach of warranty of authority.

In *Collen v Wright* (1857) 8 E&B; 647 the court found that where a purported agent represents either expressly or impliedly, that he or she has authority to enter into a particular transaction and TP relies on that representation of authority, the 'agent' is taken to warranty that such representation is true.

Whether the representation is made innocently or knowingly. A will be liable to TP.

3.5.2 Liability of Agent – Principal inter se

See duties of agent and principal.

3.6 Termination of Agency

The appointment of A may be terminated:

- By act of the parties – by express revocation of authority by P or express remuneration by A;
- By death, unsoundness of mind, or bankruptcy of P or of A;
- By supervening illegality eg P becomes an enemy alien;
- Where appointment was for a specific period, by the effluxion of that period;
- By A becoming ‘functus officio’ i.e. having completed the assignment A was engaged to perform; or,
- By destruction of the subject matter of the agency rendering performance impossible.

4.0 CONCLUSION

In our discussion of The Law of Agency, we attempted a definition of agency relationship. Principal/Agent relationship was differentiated from masters aberrant or employer-employee relationship. You saw how agency can be created, or terminated and the remedies for breach. You should be able to distinguish actual form apparent authority, and the rights, duties, and liability owed by one to the other and Vice Versa. Try to domesticate what you have learnt by relating them to factual problems.

5.0 SUMMARY

Principal/Agent relationship is fiduciary wherein an agent acts on behalf of and instead of a principal in a contract or other multiple business transactions. In such a process, the agent may bind his/her Principal with a third party. It is important that the principal must have capacity, but the agent needn't. Agency may be created by agreement, ratification or by operation of the law. In the same way it may come to an end by the action of the parties (provided that notice is given by the party seeking to terminate it) and by operation of law. Principal may expressly or impliedly confer authority on her Agent (Actual Authority) or hold out his agent as possessing certain authority (ostensible authority). Duties, to rights and liabilities are in per agreement or implied. The principal is entitled for material information, loyalty (and any secret profit), reasonable skill and diligence and any special skill his agent possesses.

On the other hand, he must cooperate with the Agent and provide him with safe working condition. The agent may or may not disclose the existence or identity of his principal where there is breach, remedies lie in remedies for breach of contract, indemnification and ratification.

You have come to the end of the course “Introduction to Law”. Have you enjoyed it? We hope you did. Well done. Now attempt the following questions.

6.0 TUTOR-MARKED ASSIGNMENT

- 1(a). If you engaged a plumber to come and replace the taps in your sink and you gave him no more specific instructions than that, would he be acting as your agent when he purchases taps from the local plumber wholesale to complete the job?
- (b). would your answer be different if you handed the plumber N20,000 and instructed him that you wanted to install gold plated taps, advertised for sale in the latest Myer catalogue?
2. Antonio had picked his last crop of tomatoes for the season. He saw them safely onto Con’s truck which was to transport them to an interstate market. In keeping with his promise to his wife and family Antonio flew out the next afternoon for the family holiday in Italy.

Half way to his destination, Con’s truck broke down and was unable to be repaired for a week. Con tried to contact Antonio to get instructions regarding the tomatoes but Antonio had left no contact address. In desperation con wired another carrying company speedy delivers to get the tomatoes to market on time?

7.0 REFERENCES/FURTHER READINGS

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