

# CONTRACT OF AGENCY

## Kinds of Agent

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# Kinds of Agent

- **General Agent** – A general agent is one who is authorized to do all acts connected with a particular trade, business or employment,
- *For example*, the manager of a firm whose authority extends to the doing of everything necessary for carrying on the business of the firm.



# ***Special Agent***

- A special agent is one who has been authorized to do a single act, as for instance, a broker employed to sell a particular house.



# Auctioneer

- An auctioneer is an agent whose business is to sell goods or other property by public auction, *i.e.*, by open sale.
- He is a mercantile agent, acting in double capacity. Primarily, he is an agent for the seller and as soon as the goods are knocked down, the auctioneer becomes the agent of the purchaser also.



# Factor

- A factor is a mercantile agent who is entrusted with the possession of the goods for the purpose of sale.
- He is an agent remunerated by a commission, and is entrusted with the possession of goods to sell in his own name as an apparent owner.



- A factor has a right to retain the goods for a general balance of accounts. He can sell the goods at such times and at such prices as he thinks best.
- He has thus complete discretionary authority to sell. He can even sell on credit, and receive the price as an actual owner and give a discharge to the buyer.



# Broker

- A broker is an agent who has an authority to negotiate the sale or purchase of goods on behalf of his principal, with third person on commission basis.
- It is through his instrumentality that a contract is made between the principal and a third party.



- The main duty of a broker is to establish privity between two parties for a transaction and he gets commission for his labour.
- He merely brings the two parties together and if the transaction materializes he becomes entitled to the commission. The commission paid to him is called brokerage.





# Commission Agent

- A commission agent is a person who purchases and sells goods in the market on behalf of his employer on the best possible terms and who gets commission for his labour.



- He is employed not to establish privity of contract between his employer and other parties, but to buy or sell goods for the employer on the best possible terms, receiving the commission as a reward for his exertions.



- The relation between him and his employer is that of principal and agent, and not of seller and buyer. He can charge his employer only for the price paid by him for the goods purchased for the employer, although it may be less than the limit stated in his letter of instructions, except where any custom to the contrary is shown to exist.



# Del credere Agent

- A *del credere* agent is one who for extra remuneration, undertakes the liability to guarantee the due performance of the contract by the other party.



- Because he charges an extra commission, he is responsible for the solvency and performance of their contracts by the other parties and thus indemnifies his employer against loss.



- A *del credere* agent is liable to pay the seller only if owing to insolvency of the buyer or other similar cause the seller is unable to recover the price from the buyer, but not if the buyer though solvent has refused to pay on the ground that the seller has not duly performed the contract.



# Co-agent

- When two or more persons are employed as agents jointly or severally, or jointly and severally, they are known as co-agents.
- Where nothing is said, the ordinary presumption is that the authority is joint, *i.e.*, all must concur in execution of the authority,



- unless a quorum is fixed, or the circumstances show an intention to the contrary. But where the authority is several, one agent can act without the concurrence of the other.







THANK  
YOU

