



VIT<sup>®</sup>

Vellore Institute of Technology  
(Deemed to be University under section 3 of UGC Act, 1956)

# Legal Aspects of Business

Dr. J Bhavani, Faculty,  
Business School  
Vellore Institute of Technology

# Recapitulate

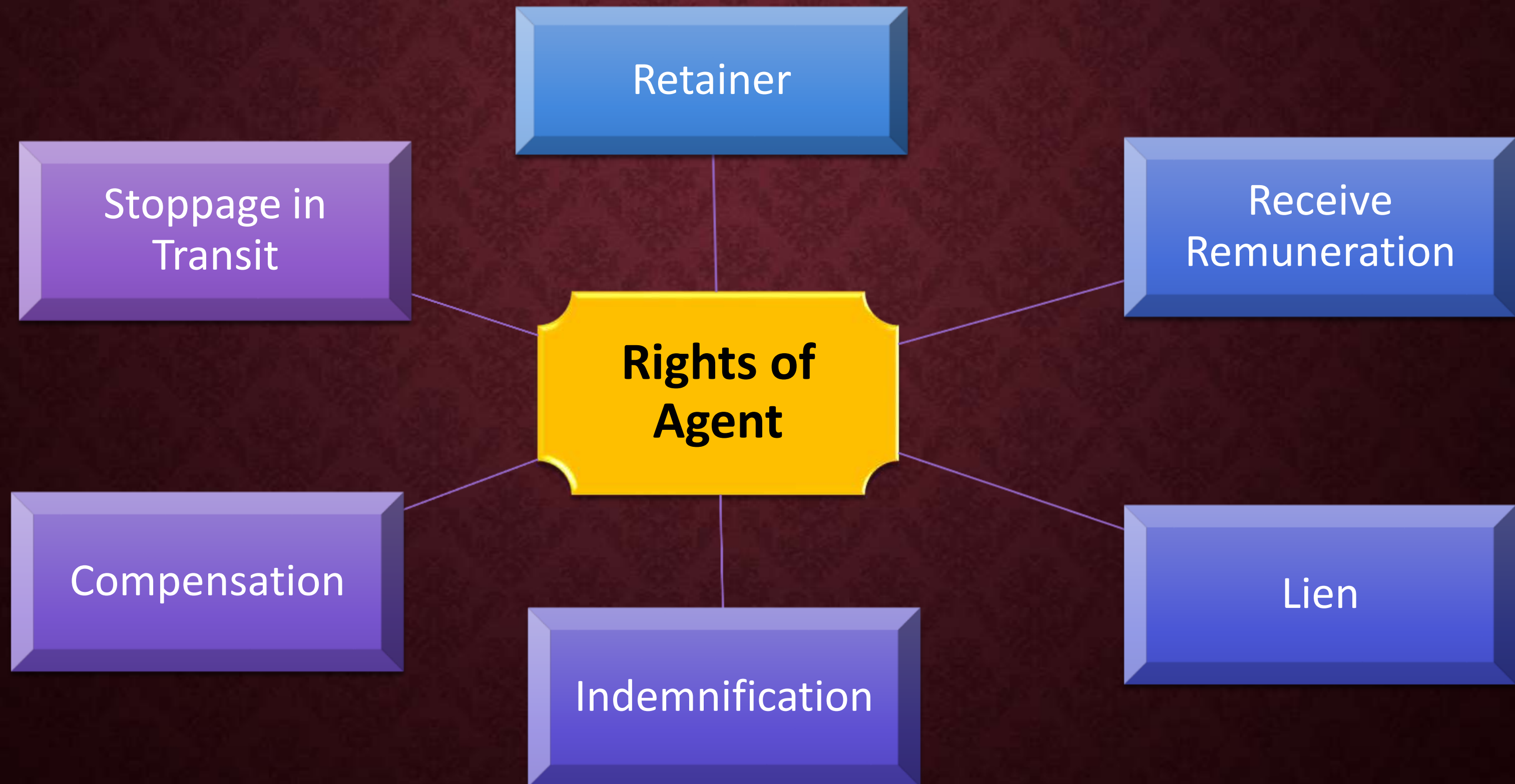
## Classification of Agents

- Based on Extent of Authority
  - General Agent
  - Special Agent
  - Universal Agent
- Based on Nature of Work Performed by them
  - Commercial Agent
  - Non-Commercial Agent
  - Banker



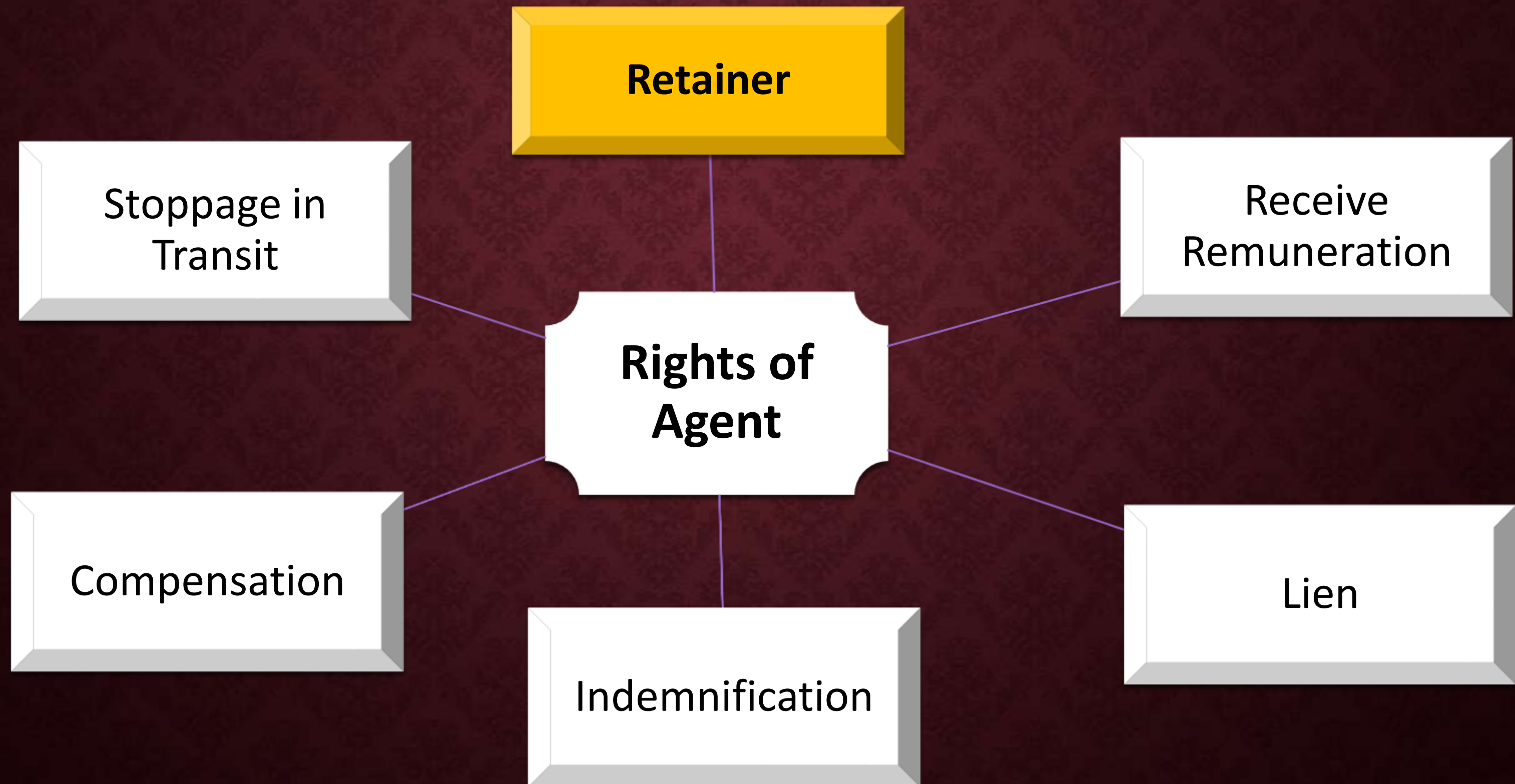
# Law of Agency

## Rights of Agent



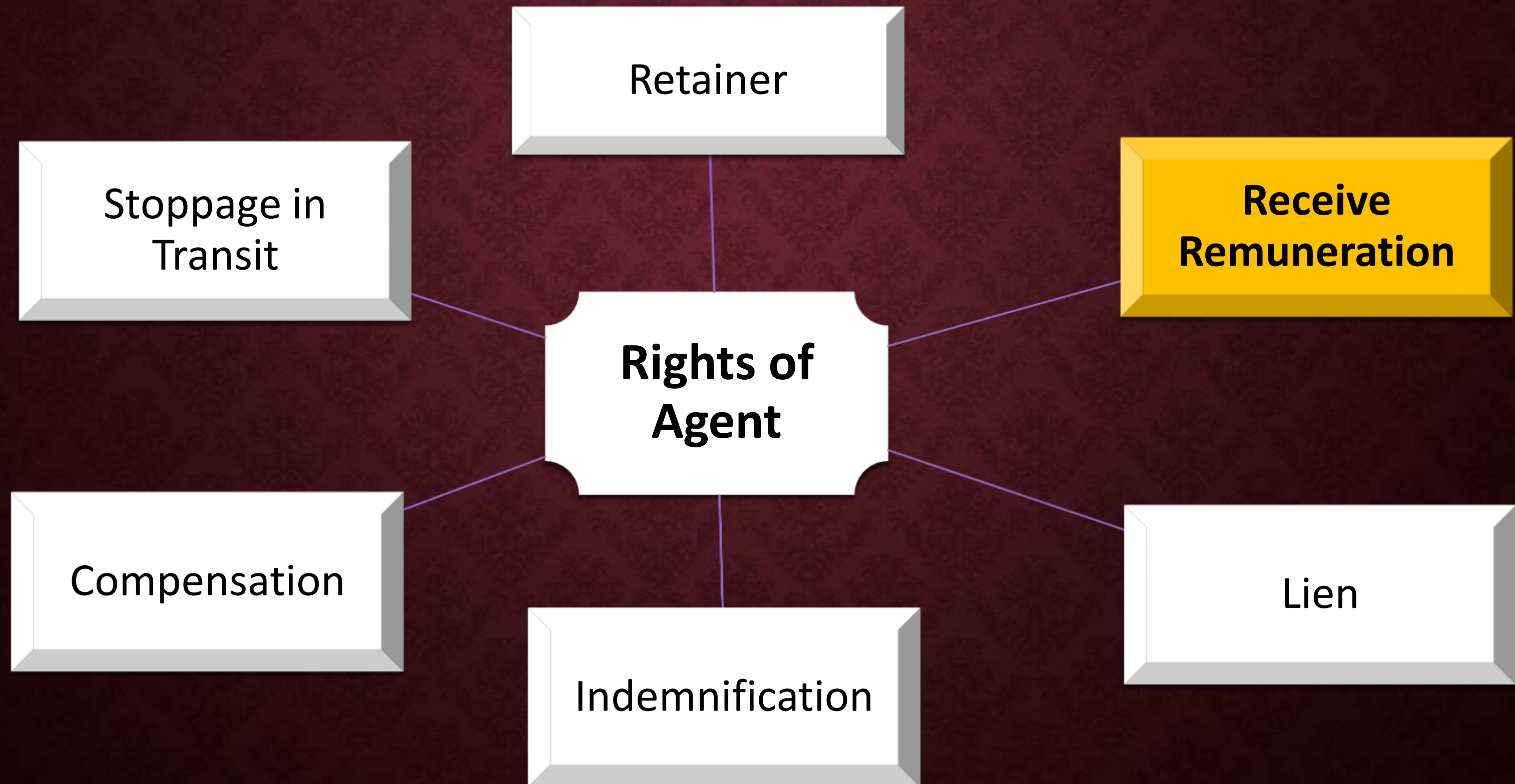
# Law of Agency

## Rights of Agent



# Law of Agency

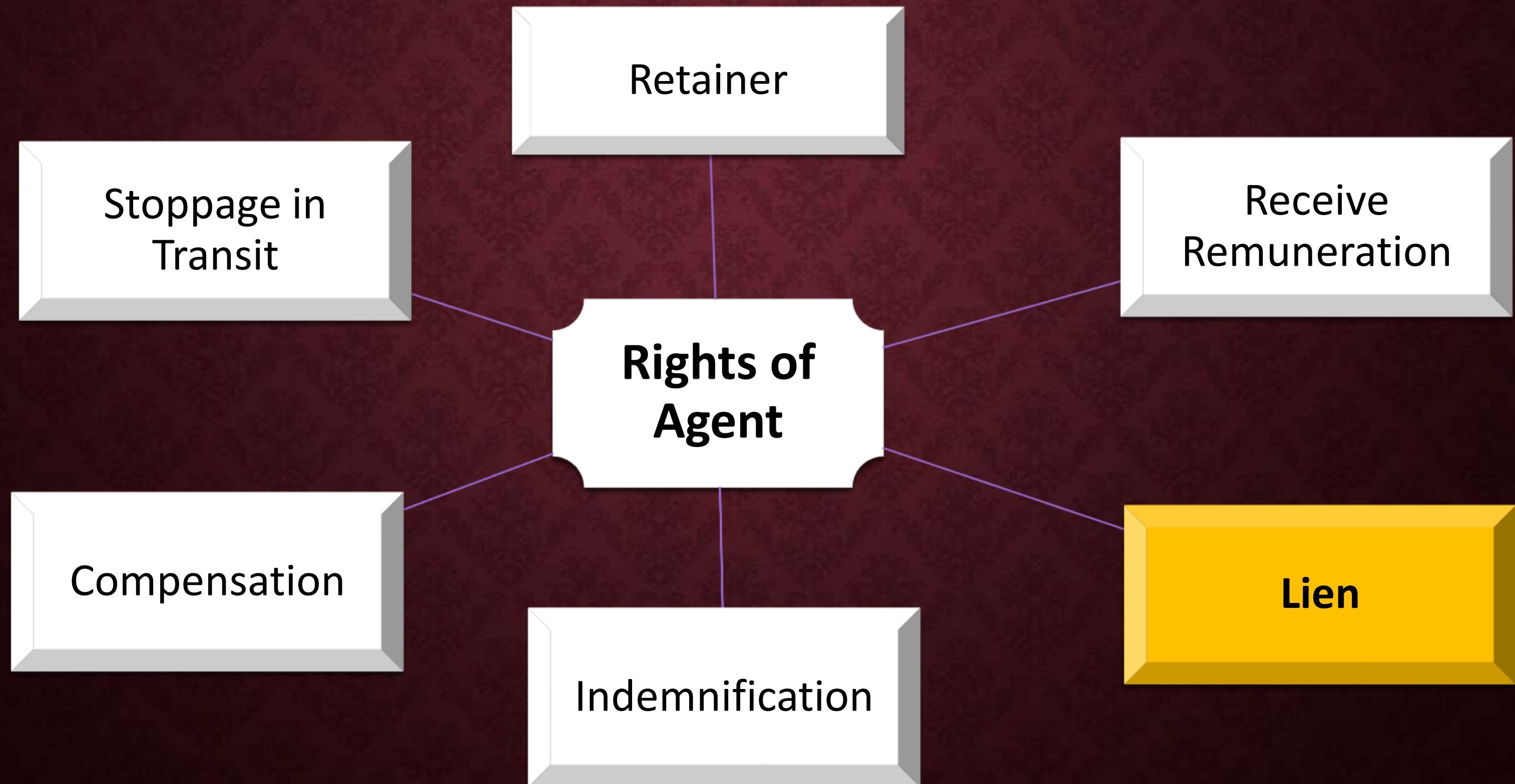
## Rights of Agent





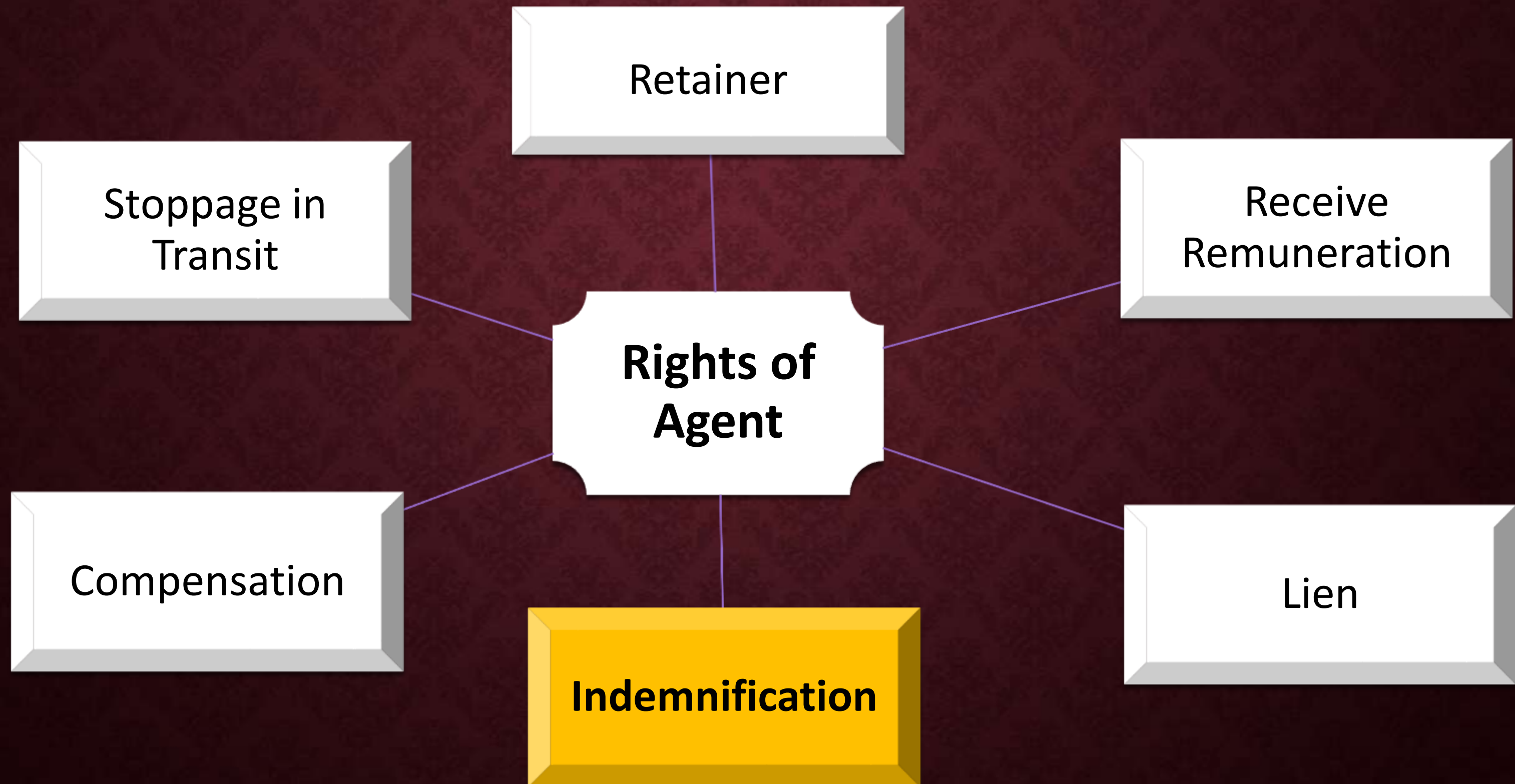
# Law of Agency

## Rights of Agent



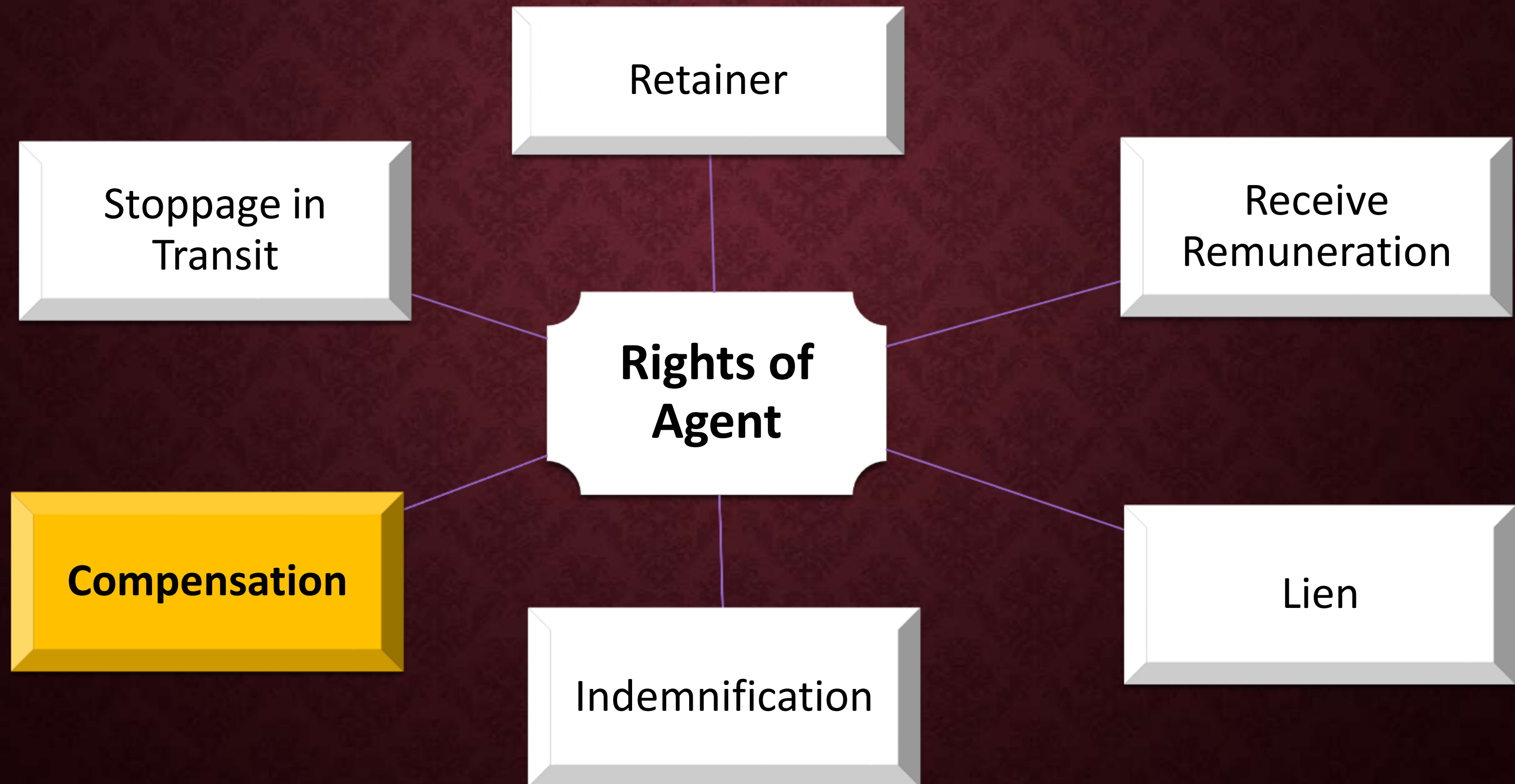
# Law of Agency

## Rights of Agent



# Law of Agency

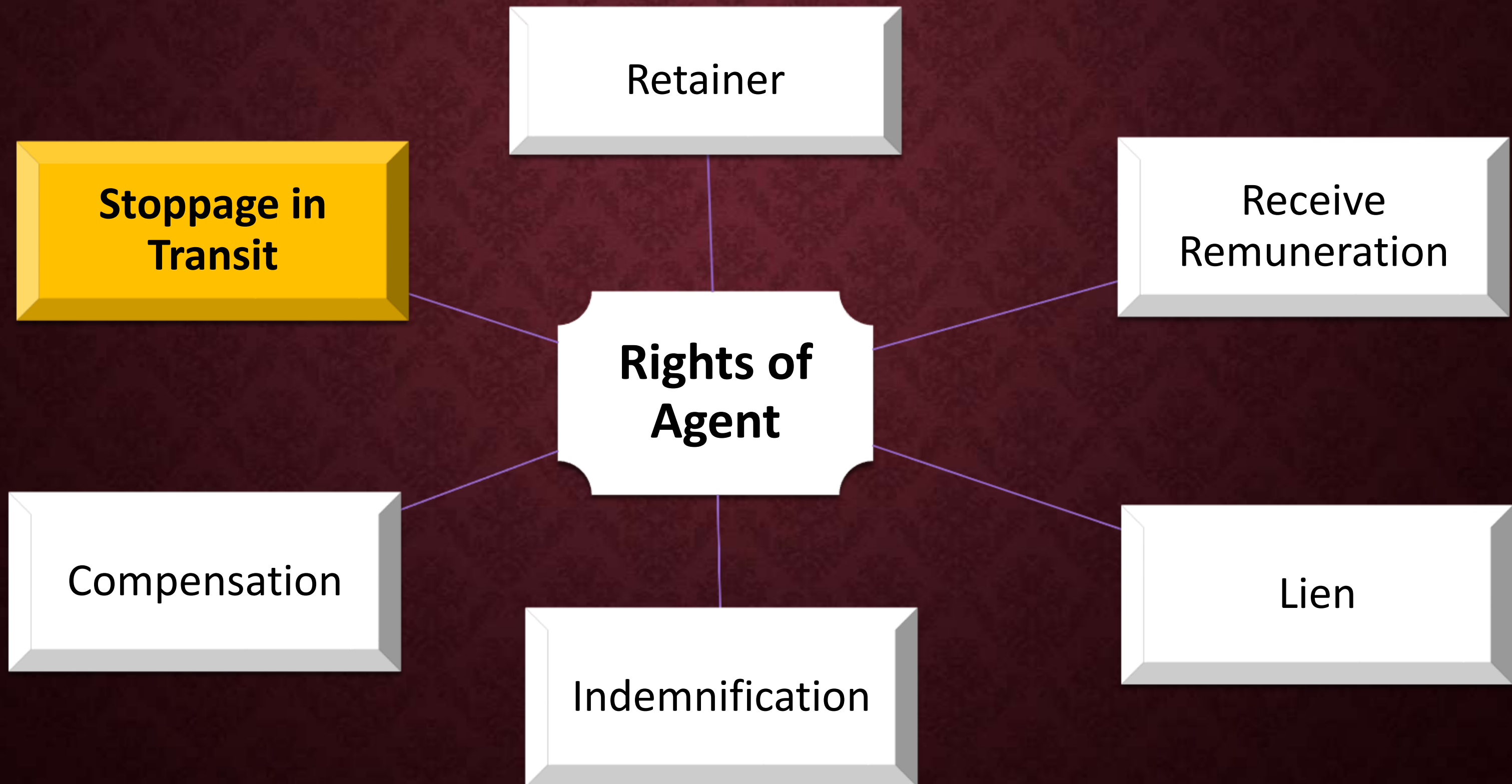
## Rights of Agent





# Law of Agency

## Rights of Agent



# Law of Agency

## Duties of Agent

### Duties of Agent

Carry out the work undertaken

Work with reasonable care, skill and diligence

Render proper accounts

Communicate in case of difficulty

Not to deal on his own account

Pay sums received

Protect and preserve the interest in case of death or insolvency

Not to use information obtained

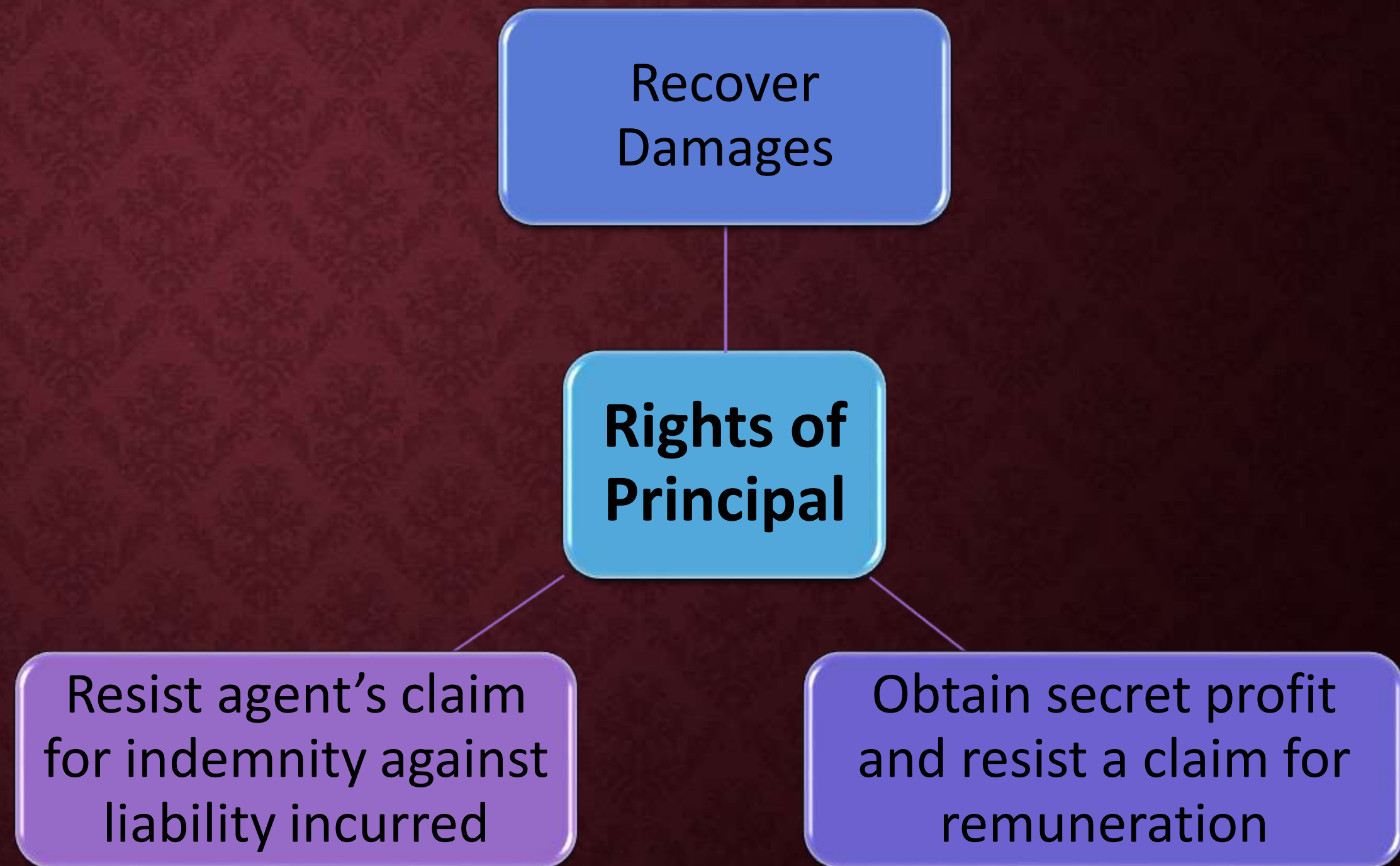
Not to make secret profit

Not to set up adverse title

Not to delegate authority

# Law of Agency

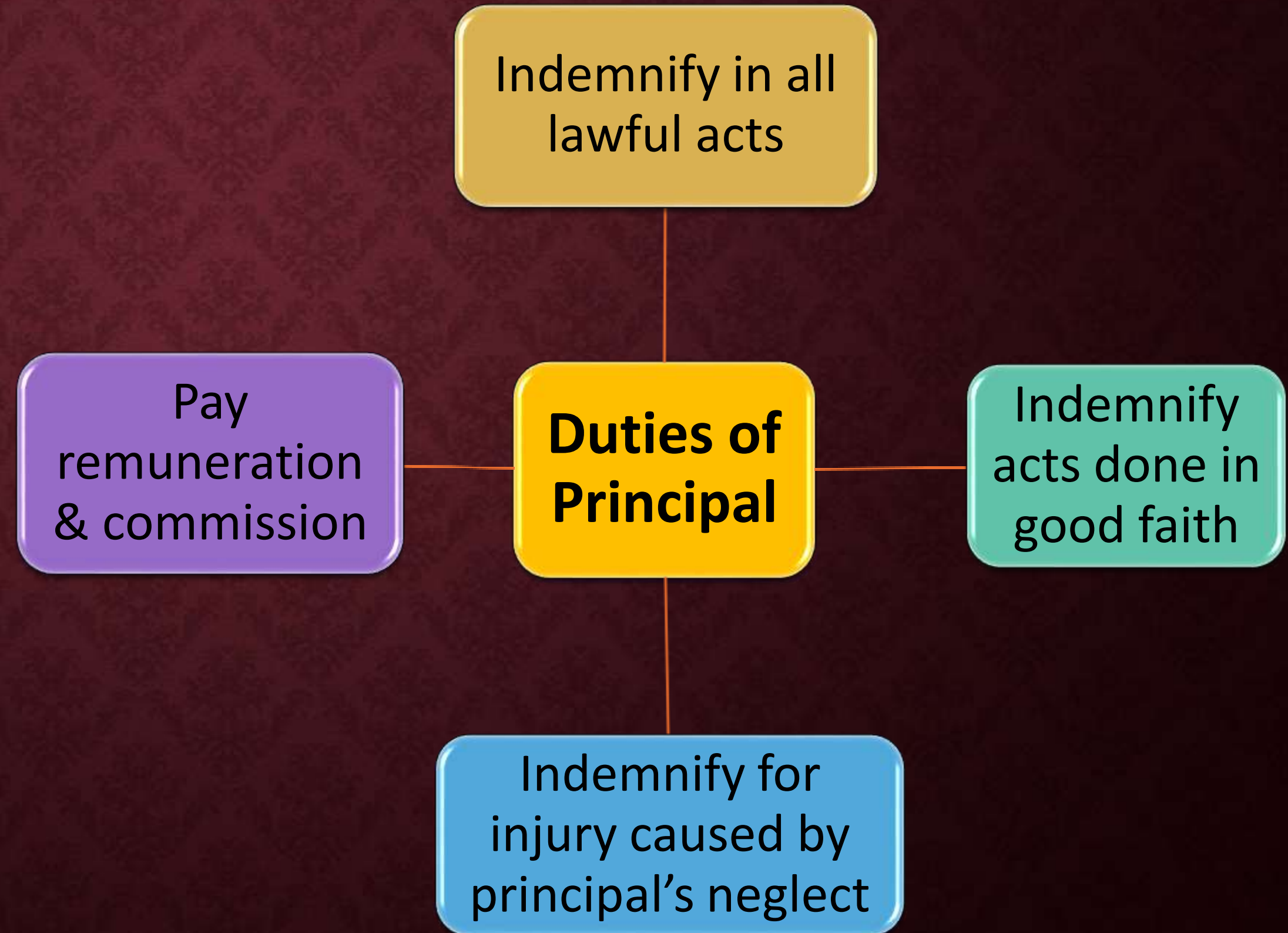
## Rights of Principal





# Law of Agency

## Duties of Principal



# Review Questions

1. An agent is personally liable to his principal in respect of loss or damage which is indirectly or remotely caused by such neglect, want of skill or misconduct. **True or False**
2. Who is liable for wrongful acts of the agent done within the scope of his authority?
  - a. Agent
  - b. Principal
  - c. Both a & b
  - d. None of the above
3. A policeman, thinking that the driver of a bus was drunk, ordered him to leave the bus. The conductor asked a man in the street to drive the bus to its destination, a kilometre away. He drove the bus negligently and a passenger received injuries. Is the proprietor liable?



# Answer

1. An agent is personally liable to his principal in respect of loss or damage which is indirectly or remotely caused by such neglect, want of skill or misconduct.

**Answer:** False

2. Who is liable for wrongful acts of the agent done within the scope of his authority?

**Answer:** b. Principal

3. A policeman, thinking that the driver of a bus was drunk, ordered him to leave the bus. The conductor asked a man in the street to drive the bus to its destination, a kilometre away. He drove the bus negligently and a passenger received injuries. Is the proprietor liable?

**Answer:** No, as the conductor cannot delegate authority



# Thank You