



The Indian Contract Act, 1872**Contract of Agency****Marks: 10 marks****Time: 20 mins**

Q1) (a) A appoints M, a minor, as his agent to sell his watch for cash at a price not less than ₹ 700. M sells it to D for ₹350. Is the sale valid? Explain the legal position of M and D, referring to the provisions of the Indian Contract Act, 1872. (4 marks)

(b) ABC Ltd. sells its products through some agents and it is not the custom in their business to sell the products on credit. Mr. Pintu, one of the agents sold goods of ABC Ltd. to M/s. Parul Pvt. Ltd. (on credit) which was insolvent at the time of such sale. ABC Ltd. sued Mr. Pintu for compensation towards the loss caused due to sale of products to M/s. Parul Pvt. Ltd. Will ABC Ltd. succeed in its claim? (4 marks)

Q2) Multiple Choice Questions (2 marks)

(i) A is residing in Delhi and has a house in Mumbai. A appoints B by a power of attorney to take care of his house. State the nature of agency created between A and B:

- (a) Implied agency
- (b) Agency by ratification
- (c) Agency by necessity
- (d) Express agency

(ii) L made an offer to MD of a company. MD accepted the offer though he had no authority to do so. Subsequently L withdrew the offer but the company ratified the MD's acceptance. State which of the statement given hereunder is correct:

- (a) L was bound with the offer
- (b) An offer once accepted cannot be withdrawn
- (c) Both option (a) & (b) is correct
- (d) L is not bound to an offer.

DISCUSS AND CHECK YOUR SOLUTION WITH ME!!

For Answer Discussion video follow the link

<https://www.youtube.com/watch?v=T3iizjuRw6I&list=PL0sBEDN99Ti5pajh79FrnXfk6EfcbrFXv&index=14>