

Step by Step Problem Application: what's inside

Every week follows the same layout. This sample shows each part, using Week 1 (Agency).

👤 Agency

📄 Partnership

🏠 Joint ventures

🛒 Sale of goods & ACL

🌐 CISG

💰 Bills of exchange

🏛️ Guarantees

🛡️ Insurance

🚗 PPSA

🗺️ 1. The answer roadmap which issues to run, in what order

1	Identify the tripartite relationship	Map principal, agent and third party. Confirm agency is the live question.
2	Actual express authority	Read the appointment terms. Did the agent act within them (subject matter, dollar cap, conditions)?
3	Actual implied authority	Implied from position, custom or acquiescence. Cannot exceed express limits unless conduct is clear.
4	Apparent (ostensible) authority	Representation by the principal, reliance, alteration of position (Freeman & Lockyer).
5	Ratification	Has the principal later ratified the contract?
6	Outcome and remedies	Principal bound, or agent liable for breach of warranty of authority (Collen v Wright).

📖 2. Step by step application rule, then application, then a sentence you can adapt

STEP 4 APPARENT (OSTENSIBLE) AUTHORITY

Rule

- Arises from a representation by the principal (by words or by placing the agent in a position), relied on by the third party, who alters its position: *Freeman & Lockyer v Buckhurst Park Properties*.
- Holding out by the agent alone is not enough.
- Extends to the usual authority of an agent in that position.

RED FLAG: The representation must come from the principal. Name it specifically (the appointment to the role, the title on the door, the email signature).

Application

The store manager was placed in that role by the owner and left in charge. The role carries the usual authority to deal with suppliers. The supplier had no notice of the internal \$2,000 cap and relied on the manager's position. Apparent authority is likely made out, so the principal is likely bound.

WRITE THIS: "The representation here is [principal] placing [agent] in the position of [role], which carries the usual authority to [scope]. [Third party] had no notice of the internal limits, relied on that representation, and altered its position by [conduct]."

⚠️ 3. Traps to avoid

TRAP	FIX
Letting implied authority swallow express limits	Implied cannot exceed express unless the principal clearly acquiesces (Hely Hutchinson).
Forgetting the third party's knowledge	Actual or constructive notice of the limits defeats apparent authority.
Treating "no authority" as the end	The agent is personally liable for breach of warranty of authority (Collen v Wright).

⚡ 4. Quick recall table

PROMPT	WHAT TO SAY
Three types of authority	Actual express; actual implied; apparent.
Test for apparent authority	Representation, reliance, alteration of position.
Ratification	Retroactive once made (Bolton Partners v Lambert).

🔗 5. Alternative path + 📝 6. Conclusions short and full versions every week

Alternative path: if the third party had actual or constructive notice that the agent lacked authority (for example, the size and character of the deal would put a careful counterparty on inquiry), apparent authority cannot be invoked and the answer flips.