

A limitation of authority which is not customary or is not inherent in the nature of the matters entrusted cannot be set up against third persons who had no knowledge of it.

*ILLUSTRATION.* — *A, a general outfitter in Bangkok, has appointed B as his agent, manager of a branch in Chiengmai. But B's authority is limited ; B has no power to sign receipts. This limitation is not customary. If B signs a receipt to C who has no knowledge of such limitation, such receipt shall stand good and C can set it up against A's claim.*

874. — A person who expressly or impliedly represents another person as his agent or knowingly allows another person to be represented as his agent, is liable to third persons in good faith in the same way as if such person was his agent.

875. — A principal who represents his agent or knowingly allows his agent to be represented as having a wider authority than he actually has is liable to third persons in good faith in the same way as if the agent had such wider authority.

876. — If a person does an act without authority or beyond the scope of his authority such act does not bind the principal unless he expressly or impliedly ratifies it.

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