

Case study on agency theory

Business



**ASSIGN
BUSTER**

Agency Theory Case Study:

Agency theory is the theory which defines the relations between the representatives of an agency. An agency is an organization which is composed with two parties: the principles and their representatives or the employees of the lower rank (agents). An agency has to fulfil certain work and duties which are set by the principles.

The second party of agents has the duty to represent the ideas and interests of the principles to the third party. Agency theory describes the possible relations and conflicts which can occur between the first and the second party. It is obvious that the interests of the principle and an agent are completely different, but the common desire is to achieve profit. But the profit for an agent can be gained only due to his hard work. There are conflicts which are based on the risk, actions and responsibility. For example, if an agent has the task to attract clients and persuade them to pay for the certain life insurance, it is a benefit to the agency and the agent himself.

In fact, if the agent fails to attract clients, he will be considered to be irresponsible and possessing poor qualification and will be probably fired. An agent is supposed to take risks which can be dangerous and expensive for both: for him and for the agency. The problems also occur when the agent receives insufficient information from the principles, although he is expected to be able to make decisions himself and organize his own work and strategy correctly. Agency theory is an interesting topic for the research, because the organization of an agency is a specific matter which is worth attention. In order to complete a good agency theory case study the student should pay

much attention to the quality of the sources and the relevance of the information. One should explain the importance of the topic, the purpose of the research and learn about the cause and effect of the problem on agency theory.

The student is expected to analyze the problem professionally and suggest his own alternative solutions to the given problem, conclude the paper well and define the importance of the problem on agency theory in the direct case. When there is a trouble with case study writing, the Internet becomes the most important helper. It is possible to find a high-quality free example case study on agency theory prepared by the experienced writer for students in order to teach them organize theory assignment paper correctly. One can look through a free sample case study on agency theory and learn to form the text successfully, create the right structure for the paper and pick the best methods for the analysis of the case. One of the most popular case study topics in college and university is agency theory and corporate governance - you can choose it for your paper.