# What Is a Novation? - Quiz

**To view the article that this quiz is based on, please go to:** https://constitutionus.com/law/what-is-a-novation/

## Q1. What is novation?

A. Replacing an old obligation with a new one
B. Canceling a contract without replacement
C. Renegotiating terms within the same contract
D. Extending the duration of a contract

## Q2. How many parties are involved in a standard novation?

A. One
B. Two
C. Three
D. Four

## Q3. What must all parties do for a novation to occur?

A. Sign a new contract
B. Provide their consent
C. Pay a fee
D. Renegotiate all terms

## Q4. Which industry uses novations to transfer loans or debts?

A. Real estate
B. Construction
C. Banking
D. Retail

## Q5. What is the key difference between novation and assignment?

A. Novation requires third-party consent
B. Assignment transfers obligations permanently
C. Original party remains responsible in assignment
D. Novation does not create a new contract

## Q6. Which type of novation involves three parties?

A. Standard
B. Expromissio
C. Delegation
D. Renegotiation

## Q7. In real estate, what can novation be used for?

A. Extending lease terms
B. Transferring a lease to a new party
C. Reducing property taxes
D. Canceling a mortgage

## Q8. What happens to the original contract after a novation?

A. It remains active
B. It is void and replaced
C. It is amended
D. It is suspended

## Q9. What is an example of a responsibility in a contract?

A. Receiving payment
B. Completing tasks for benefits
C. Signing the contract
D. Negotiating terms

## Q10. Which novation type involves transferring obligations to a new party?

A. Standard
B. Expromissio
C. Delegation
D. Assignment

## Answer Key

1. Q1: A
2. Q2: B
3. Q3: B
4. Q4: C
5. Q5: C
6. Q6: B
7. Q7: B
8. Q8: B
9. Q9: B
10. Q10: C