

DMV Car Salesman Certification Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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1. What does the Federal Trade Commission Used Car Rule state about dealers offering vehicles at public auctions?

- A. A guide is not required**
- B. A guide must be on the vehicle if the auction is closed**
- C. A guide must be on the vehicle if the auction is open to the public**
- D. The vehicle's price must be displayed**

2. What is required of Section "C" on the Power of Attorney (Form VAD-70)?

- A. It must be completed by the lessee**
- B. It requires a signature from the buyer**
- C. It must always be completed by the dealer**
- D. It contains the vehicle's history**

3. What role does product knowledge play in the sales process?

- A. It is secondary to customer service**
- B. It helps gain credibility and trust with customers**
- C. It is irrelevant for modern sales strategies**
- D. It only matters for high-end dealerships**

4. What does it mean when the reverse of the Buyer's Guide is signed?

- A. The sale is final**
- B. The customer agrees to the warranty**
- C. The dealership accepts responsibility**
- D. Applicable terms of sale are acknowledged**

5. What is a crucial aspect of building rapport with customers?

- A. Active listening to understand their needs**
- B. Quickly moving through the sales pitch**
- C. Forgetting about customer's preferences**
- D. Prioritizing high-priced vehicles**

6. What does understanding customer motivation help a salesperson achieve?

- A. A better understanding of inventory**
- B. More efficient paperwork management**
- C. Improved ability to address customer needs and close sales**
- D. Less time spent on customer service**

7. What must finance charges be stated in?

- A. Monthly payments**
- B. Annual Percentage Rate**
- C. Total cost of credit**
- D. Loan application fees**

8. What is the maximum time period for which temporary transport plates may be issued?

- A. 7 days.**
- B. 10 days.**
- C. 5 days.**
- D. 30 days.**

9. How many miles must a vehicle have to be classified as a new motor vehicle?

- A. Less than 5,000 miles**
- B. Less than 7,500 miles**
- C. Less than 10,000 miles**
- D. Less than 15,000 miles**

10. True or False: Each dealership must post a list of the salespersons that work there.

- A. True**
- B. False**
- C. Only if requested by the board**
- D. Only for the chief salesperson**

Answers

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1. C
2. C
3. B
4. D
5. A
6. C
7. B
8. C
9. B
10. A

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Explanations

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1. What does the Federal Trade Commission Used Car Rule state about dealers offering vehicles at public auctions?

- A. A guide is not required
- B. A guide must be on the vehicle if the auction is closed
- C. A guide must be on the vehicle if the auction is open to the public**
- D. The vehicle's price must be displayed

The Federal Trade Commission (FTC) Used Car Rule is designed to ensure that consumers receive important information about used vehicles, promoting transparency in the car-buying process. When vehicles are offered at public auctions, this rule mandates that a buyer's guide must be displayed on the vehicle. This requirement is particularly important when the auction is open to the public because it provides potential buyers with essential details about the vehicle's condition, any known defects, and the warranty information, if applicable. The goal of this requirement is to protect consumers by ensuring they have access to relevant information before making a purchasing decision in a potentially high-pressure environment like a public auction. When the auction is open to everyone, the chance for less-informed buyers increases, making the display of the buyer's guide even more crucial. Thus, having a guide on the vehicle helps level the playing field, allowing all bidders to make informed decisions based on the same set of information.

2. What is required of Section "C" on the Power of Attorney (Form VAD-70)?

- A. It must be completed by the lessee
- B. It requires a signature from the buyer
- C. It must always be completed by the dealer**
- D. It contains the vehicle's history

Section "C" on the Power of Attorney (Form VAD-70) is specifically designed to require completion by the dealer. This section is critical because it outlines the authority granted to the dealer to act on behalf of the lessee or buyer in certain legal and financial matters related to the vehicle transaction. By having the dealer complete this section, it ensures that the dealer is appropriately authorized to handle title transfers, registration, and other necessary paperwork with the Department of Motor Vehicles. This process simplifies transactions and ensures compliance with regulations, as the dealer has the knowledge and authority to navigate these requirements effectively.

3. What role does product knowledge play in the sales process?

- A. It is secondary to customer service**
- B. It helps gain credibility and trust with customers**
- C. It is irrelevant for modern sales strategies**
- D. It only matters for high-end dealerships**

Product knowledge plays a crucial role in the sales process because it directly contributes to building credibility and trust with customers. When a salesperson possesses in-depth knowledge about the products they are selling, they can provide accurate information and answer questions with confidence. This expertise reinforces the customer's perception of the salesperson as a reliable source of information, which is vital for establishing a trusting relationship. Having this foundation allows salespeople to engage effectively with potential buyers, as they can highlight the features and benefits of vehicles, clarify misconceptions, and address concerns. This level of understanding not only makes the sales conversation more meaningful but also enhances the customer's overall experience. Buyers are more likely to feel secure in their decision-making process when they know that the salesperson is well-informed and genuinely interested in their needs. In contrast, being secondary to customer service, irrelevant to modern sales strategies, or limited to high-end dealerships does not accurately reflect the importance of product knowledge. While customer service is essential, it often intertwines with product knowledge, as effective service relies on understanding the products being offered. Furthermore, knowing the ins and outs of the products is a timeless strategy that transcends various sales contexts and should be considered a fundamental component for all types of dealerships, not just high-end ones.

4. What does it mean when the reverse of the Buyer's Guide is signed?

- A. The sale is final**
- B. The customer agrees to the warranty**
- C. The dealership accepts responsibility**
- D. Applicable terms of sale are acknowledged**

When the reverse of the Buyer's Guide is signed, it indicates that the customer acknowledges and understands the applicable terms of sale. This signature serves as a confirmation that the buyer has been informed about key aspects of the deal, including the specifics of the vehicle and the terms that will govern the sale. By signing, the customer is indicating that they are aware of their rights and responsibilities under the purchase agreement. Understanding the terms of sale is crucial for both the dealership and the buyer, as it helps prevent misunderstandings regarding warranties, return policies, and the condition of the vehicle being sold. This acknowledgment contributes to a transparent transaction, ensuring that all parties are on the same page regarding what to expect from the sale.

5. What is a crucial aspect of building rapport with customers?

- A. Active listening to understand their needs**
- B. Quickly moving through the sales pitch**
- C. Forgetting about customer's preferences**
- D. Prioritizing high-priced vehicles**

Active listening to understand customer needs is essential in building rapport because it demonstrates genuine interest and concern for the customer's preferences and situation. When a salesperson actively listens, they can ask relevant questions, clarify uncertainties, and respond appropriately to the customer's concerns. This interaction fosters trust and allows the customer to feel valued and understood, which is vital in the car sales process. Additionally, taking the time to engage with customers through active listening can lead to a more personalized sales experience, as the salesperson can tailor their recommendations based on the specific needs and desires expressed by the customer. This approach not only enhances the chances of making a sale but also encourages customer loyalty and positive word-of-mouth referrals in the future.

6. What does understanding customer motivation help a salesperson achieve?

- A. A better understanding of inventory**
- B. More efficient paperwork management**
- C. Improved ability to address customer needs and close sales**
- D. Less time spent on customer service**

Understanding customer motivation is pivotal for a salesperson because it directly enhances their ability to address customer needs and successfully close sales. When a salesperson is attuned to what drives a customer—be it emotional factors, practical needs, budget constraints, or lifestyle aspirations—they can tailor their approach to present the most relevant solutions. This alignment between what the customer desires and what the salesperson offers fosters trust and rapport, making it easier for the customer to make a purchasing decision. In contrast, simply having a better understanding of inventory does not necessarily connect to the customer's motivations. Likewise, while efficient paperwork management and reduced time spent on customer service are beneficial aspects of a sales process, they do not fundamentally relate to the effectiveness of the sales interaction itself. The primary focus should always be on aligning the product offerings with the customer's specific motivations and needs for optimal results in sales conversions.

7. What must finance charges be stated in?

- A. Monthly payments
- B. Annual Percentage Rate**
- C. Total cost of credit
- D. Loan application fees

Finance charges must be stated in the Annual Percentage Rate (APR) because the APR provides a standardized measure of the cost of borrowing expressed as a yearly interest rate. This allows consumers to easily compare the cost of different financing options offered by various lenders. By stating finance charges as an APR, it encompasses not only the interest rate on the loan but also any associated fees, enabling a clearer understanding of the total cost of credit over time. Other forms like monthly payments or total cost of credit may present useful information, but they don't uniformly convey the ongoing cost of borrowing in a way that is comparable across different financial products. Loan application fees, while related, are just one component of the overall financing costs and do not encompass all potential charges a borrower may face. Therefore, expressing finance charges as the APR is essential for transparency and informed decision-making in financing.

8. What is the maximum time period for which temporary transport plates may be issued?

- A. 7 days.
- B. 10 days.
- C. 5 days.**
- D. 30 days.

Temporary transport plates are typically issued to allow a vehicle to legally operate before permanent registration can be finalized. The correct answer indicates that these plates can be valid for a maximum period of 5 days. This short duration ensures that the vehicle can be used in a variety of situations, such as when someone has purchased a vehicle and needs to drive it home or use it in transit until they have their permanent registration established. The limited time frame is designed to promote prompt registration and proper compliance with state laws regarding vehicle ownership and operation. This helps prevent long-term use of temporary plates, which could lead to complications in tracking vehicle ownership for law enforcement and regulatory purposes. In general, temporary plates serve their intended purpose well within this 5-day limit, allowing for both flexibility and adherence to legal standards.

9. How many miles must a vehicle have to be classified as a new motor vehicle?

- A. Less than 5,000 miles**
- B. Less than 7,500 miles**
- C. Less than 10,000 miles**
- D. Less than 15,000 miles**

The correct classification of a vehicle as new is usually defined by a mileage threshold that reflects its usage and condition. A vehicle must have less than 7,500 miles to retain its status as a new motor vehicle. This mileage criterion helps differentiate between new and used vehicles, ensuring that consumers have a clear understanding of the vehicle's history and condition. Mileage under this limit signifies that the vehicle has not been subjected to significant wear and tear, which aligns with the expectations associated with new vehicles. Generally, vehicles above this mileage threshold may start to show signs of previous usage, impacting their value and perceived quality in the market.

10. True or False: Each dealership must post a list of the salespersons that work there.

- A. True**
- B. False**
- C. Only if requested by the board**
- D. Only for the chief salesperson**

The statement is true because all dealerships are required to maintain transparency about their sales staff. This requirement typically ensures that customers can see who is available to assist them and allows for accountability in sales practices. Having a list of sales persons posted helps customers identify their point of contact and can also facilitate better customer service, as patrons can approach someone who is knowledgeable and experienced for assistance. Ensuring that a list of salespersons is readily available contributes to a more professional environment and fosters trust between the dealership and its customers. It also allows regulatory bodies to easily verify compliance with licensing requirements, which is essential for maintaining industry standards. As a result, this practice supports both consumer rights and the integrity of the automotive sales industry.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://dmvcarsalesman.examzify.com>

We wish you the very best on your exam journey. You've got this!

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