

OMVIC License Practice Test & Course - Prepare for the OMVIC Exam in Ontario (Sample)

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

- 1. Are the requirements for the sale or lease of a vehicle to another dealer in the MVDA the General Regulations or the Code of Ethics Regulations?**
 - A. Code of Ethics Regulations**
 - B. Consumer Protection Act**
 - C. General Regulations**
 - D. Motor Vehicle Safety Act**
- 2. When is a dealer required to provide a written contract to the buyer?**
 - A. Within a week after the sale**
 - B. At the time of the sale, prior to accepting any payment**
 - C. Only if requested by the buyer**
 - D. After the vehicle has been delivered**
- 3. Studies have shown the percentage of "private" vehicle ads that are actually placed by curbsiders is:**
 - A. Five per cent**
 - B. 10 per cent**
 - C. 20 per cent**
 - D. 25 per cent**
- 4. On a purchase contract, what must be printed in 14 pt. bold font next to the buyer's signature?**
 - A. Buyer's Name**
 - B. Mandatory "Sales Final" statement**
 - C. Seller's Name**
 - D. Vehicle Identification Number (VIN)**
- 5. What must a buyer receive if the dealer is unable to provide an itemized invoice at the time of sale?**
 - A. A handwritten receipt**
 - B. A duplicate of their contract**
 - C. A promissory note**
 - D. A temporary invoice**

- 6. How many years must pass if a person has been refused registration before they can reapply?**
- A. 1 year**
 - B. 2 years**
 - C. 3 years**
 - D. 5 years**
- 7. What is one responsibility of a dealer regarding the Compensation Fund?**
- A. Make a lump sum payment upon starting the business**
 - B. Pay \$300 annually to the Fund**
 - C. Submit quarterly reports**
 - D. Reimburse the Fund if a claim is paid out on their behalf**
- 8. True or False: The Code of Ethics Regulations for dealers and salespeople are guidelines or "best practices" but do not have any real legal authority.**
- A. False**
 - B. True**
- 9. What are common problems with the vehicles curbsiders sell?**
- A. Odometer-tampered**
 - B. Stolen or have liens**
 - C. Accident-damaged**
 - D. All of the above**
- 10. When negotiating the price of a used vehicle, what should a consumer be aware of?**
- A. That all prices are non-negotiable**
 - B. That they can negotiate as per their comfort and knowledge of the market**
 - C. That they require written permission to negotiate**
 - D. That negotiations must be finalized before the test drive**

Answers

SAMPLE

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

SAMPLE

Explanations

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1. Are the requirements for the sale or lease of a vehicle to another dealer in the MVDA the General Regulations or the Code of Ethics Regulations?

A. Code of Ethics Regulations

B. Consumer Protection Act

C. General Regulations

D. Motor Vehicle Safety Act

The requirements for the sale or lease of a vehicle to another dealer in the MVDA are outlined in the Code of Ethics Regulations. The General Regulations, while also important in regulating the motor vehicle industry, do not specifically address the sale or lease of vehicles to other dealers. Similarly, the Consumer Protection Act and Motor Vehicle Safety Act may have some relevance to the sale or lease of vehicles, but they are not the primary source for regulations in this specific scenario. Therefore, A is the best choice as it directly addresses the specific question being asked.

2. When is a dealer required to provide a written contract to the buyer?

A. Within a week after the sale

B. At the time of the sale, prior to accepting any payment

C. Only if requested by the buyer

D. After the vehicle has been delivered

A dealer is required to provide a written contract to the buyer at the time of the sale, prior to accepting any payment. This requirement is in place to ensure that both parties have a clear understanding of the terms and conditions of the sale. Providing a written contract at this stage protects the buyer by outlining their rights and obligations, as well as those of the dealer, thereby promoting transparency and fairness in the transaction. Issuing the contract before payment also helps to prevent potential disputes that might arise later regarding the details of the sale, such as pricing, vehicle condition, and warranties. It establishes a formal record of the agreement, which can be referenced by both parties should any issues arise post-sale. Other timeframes for providing a contract, such as within a week after the sale or only upon buyer request, do not fulfill the legal obligation that aims to ensure immediate clarity and documentation of the agreement at the time the buyer commits financially. Likewise, waiting until after the vehicle has been delivered does not create a record of the sales agreement before the transaction is finalized.

3. Studies have shown the percentage of "private" vehicle ads that are actually placed by curbsiders is:

- A. Five per cent**
- B. 10 per cent**
- C. 20 per cent**
- D. 25 per cent**

Studies have shown that the percentage of "private" vehicle ads that are actually placed by curbsiders is 25 per cent. This means that 25 per cent of private vehicle ads are actually placed by people illegally acting as car dealers, potentially scamming buyers. The other options are incorrect because they are either too low or too high. A and B are too low, meaning that the actual percentage is higher than those options suggest. C is too high, meaning that the actual percentage is lower than what is stated. Option D is the most accurate and supported by studies.

4. On a purchase contract, what must be printed in 14 pt. bold font next to the buyer's signature?

- A. Buyer's Name**
- B. Mandatory "Sales Final" statement**
- C. Seller's Name**
- D. Vehicle Identification Number (VIN)**

The mandatory "Sales Final" statement must be printed in 14 pt. bold font next to the buyer's signature on a purchase contract. This statement serves as a reminder to the buyer that once they sign the contract, the sale is final and there is no option for return or refund. Options A, C, and D are incorrect as they do not need to be printed in 14 pt. bold font next to the buyer's signature. Option A, the buyer's name, should already be included on the contract and does not need special font or emphasis. Option C, the seller's name, only needs to be included for identification purposes and can be printed in a regular font. Option D, the Vehicle Identification Number (VIN), while an important piece of information, does not need to be highlighted in 14 pt. bold font.

5. What must a buyer receive if the dealer is unable to provide an itemized invoice at the time of sale?

- A. A handwritten receipt**
- B. A duplicate of their contract**
- C. A promissory note**
- D. A temporary invoice**

If the dealer is unable to provide an itemized invoice at the time of sale, the buyer should receive a temporary invoice. This is because a temporary invoice can serve as proof of purchase and can be used for future reference or for warranty claims. A handwritten receipt may not provide enough information and may not be accepted by the dealer in the future. A duplicate of the contract does not serve as an invoice and a promissory note is a promise to pay, not a proof of payment or purchase. Therefore, a temporary invoice is the most suitable option in this situation.

6. How many years must pass if a person has been refused registration before they can reapply?

- A. 1 year
- B. 2 years**
- C. 3 years
- D. 5 years

A person must wait a total of 2 years before they can reapply if they have been refused registration. Option A (1 year) is too short of a waiting period and may not provide enough time for the person to address the reasons for their refusal. Option C (3 years) and D (5 years) are longer waiting periods and may seem excessive, potentially hindering the person's ability to reapply and pursue their goals. Option B provides a reasonable amount of time for the person to reflect on their previous application and potentially make improvements before reapplying.

7. What is one responsibility of a dealer regarding the Compensation Fund?

- A. Make a lump sum payment upon starting the business
- B. Pay \$300 annually to the Fund
- C. Submit quarterly reports
- D. Reimburse the Fund if a claim is paid out on their behalf**

One of the dealer's responsibilities regarding the Compensation Fund involves making regular financial contributions to sustain the Fund. The requirement to pay a set annual amount reflects the dealer's commitment to supporting the Fund, which is designed to protect consumers against losses caused by dealer misconduct. By making these annual payments, the dealer contributes to a collective pool that can be accessed by consumers who may have been harmed financially due to issues with a dealership, such as fraud or failure to deliver agreed-upon goods or services. While other options suggest different obligations, they do not align with the established protocols for dealer contributions to the Compensation Fund. Regular funding through the specified annual payment ensures the Fund remains viable and effective in addressing valid claims made by consumers. This structure encourages accountability within the dealership community, reinforcing the importance of ethical business practices in the automotive industry.

8. True or False: The Code of Ethics Regulations for dealers and salespeople are guidelines or "best practices" but do not have any real legal authority.

- A. False**
- B. True

The Code of Ethics Regulations for dealers and salespeople go beyond just being "best practices" to more closely resemble laws that must be followed. As written in the NADA's "A Dealer Guide to Safeguarding Personal Information", these regulations are "the minimum...for keeping customer information secure". This means that while the Code of Ethics is not a legally-binding document, it does carry significant weight and failure to follow it could result in legal consequences. Therefore, the statement that the Code of Ethics has no "real legal authority" is false.

9. What are common problems with the vehicles curbsiders sell?

- A. Odometer-tampered**
- B. Stolen or have liens**
- C. Accident-damaged**
- D. All of the above**

Curbsiders, who are individuals that sell vehicles without the required licensing, often engage in deceptive practices that can compromise the safety and legality of the vehicles they sell. Vehicles sold by curbsiders frequently have odometer-tampering issues, where the actual mileage of the car is altered to inflate its value or misrepresent its condition to prospective buyers. This raises significant concerns because buyers rely on mileage indicators to assess a vehicle's wear and potential issues. Additionally, curbsiders may sell vehicles that are either stolen or have liens against them. Purchasing a stolen vehicle can result in legal complications for the buyer, as they may lose the car and face potential charges. Liens indicate that the vehicle is still under financial obligation, which can also lead to disputes or recovery attempts by the lender once the vehicle is sold. Moreover, vehicles sold by curbsiders often suffer from accident damage that may not be disclosed to the buyer. This can affect the car's performance, safety, and resale value. Buyers deserve transparency regarding a vehicle's history, including any accidents that may have occurred. Thus, the inclusion of all these factors—odometer-tampering, theft or liens, and accident damage—highlights the pervasive risks associated with vehicles sold by cur

10. When negotiating the price of a used vehicle, what should a consumer be aware of?

- A. That all prices are non-negotiable**
- B. That they can negotiate as per their comfort and knowledge of the market**
- C. That they require written permission to negotiate**
- D. That negotiations must be finalized before the test drive**

Being aware that they can negotiate as per their comfort and knowledge of the market is crucial for consumers when engaging in the price negotiation of a used vehicle. This understanding empowers consumers to advocate for a price that reflects their research and perceived value of the vehicle. Knowledge of the market helps consumers identify fair pricing and establish a basis for their negotiating stance. Additionally, being confident in negotiating can lead to better deals, as many sellers expect some level of negotiation. This process can often result in a satisfactory agreement for both parties, particularly if the consumer feels informed about comparable vehicle prices, condition, and factors affecting value. The other choices suggest misconceptions about the negotiation process. For instance, the idea that all prices are non-negotiable does not reflect the reality of vehicle sales transactions, where negotiation is a common practice. The need for written permission to negotiate is also not a standard requirement in vehicle sales, and negotiating before a test drive may hinder the consumer's ability to assess the vehicle fully before finalizing any terms. Thus, approach B provides the most accurate perspective on consumer rights and practices in vehicle price negotiation.