

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. What must a dealer do if they wish to store records somewhere other than the location from which they trade?**
 - A. Hire a third-party record-keeping service**
 - B. Inform the local police department**
 - C. Apply for and receive written authorization from OMVIC's Registrar**
 - D. Consult with a legal advisor**
- 2. If a dealer's records are destroyed or stolen, the dealer must notify:**
 - A. An OMVIC investigator within 30 days**
 - B. OMVIC, in writing, within five days**
 - C. The Ministry of Consumer Services, in writing, within 10 days**
 - D. The OMVIC inspector during the next scheduled inspection**
- 3. What is a common issue that may lead a vehicle to be classified as a "lemon"?**
 - A. A unique color scheme**
 - B. Routine maintenance practices**
 - C. Significant defects that affect usage, safety, or value**
 - D. Excessive fuel efficiency**
- 4. True or False: The CPA covers sales but not leases, and not services such as repairs.**
 - A. False**
 - B. True**
- 5. What does OMVIC use to certify salespeople?**
 - A. Completion of a sales training workshop**
 - B. Completion of a salesperson registration exam and required education**
 - C. Experience working in a dealership for three years**
 - D. Passing a background security check**

- 6. Which of the following is NOT a reason OMVIC might refuse the registration of a dealer or salesperson?**
- A. False statement on application**
 - B. Failed to comply with terms**
 - C. Insufficient work experience**
 - D. Cannot be expected to be financially responsible**
- 7. If a consumer defaults on a loan but has paid off more than two-thirds of the total purchase price, what must the dealer do to repossess the vehicle?**
- A. Get permission from the court**
 - B. Send a written notice to the consumer**
 - C. Immediately repossess the vehicle**
 - D. Charge an additional fee**
- 8. If a person has been refused registration, one condition that must be met before reapplying is?**
- A. One year must pass**
 - B. Two years must pass**
 - C. Three years must pass**
 - D. Five years must pass**
- 9. What must a dealer disclose if they do not have a specific new vehicle in stock but will bring it in?**
- A. The maximum mileage or a statement that there is no maximum**
 - B. The manufacturer's suggested retail price**
 - C. The estimated delivery date**
 - D. The vehicle's service history**
- 10. In vehicle sales, what does "bait-and-switch" refer to?**
- A. A method of negotiating prices**
 - B. A deceptive marketing practice involving low-priced advertisements and offering different vehicles**
 - C. A strategy for evaluating trade-ins**
 - D. A compare-and-contrast tactic for similar vehicles**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What must a dealer do if they wish to store records somewhere other than the location from which they trade?

A. Hire a third-party record-keeping service

B. Inform the local police department

C. Apply for and receive written authorization from OMVIC's Registrar

D. Consult with a legal advisor

If a dealer wishes to store records at a location other than their trading premises, it is essential for them to apply for and receive written authorization from OMVIC's Registrar. This requirement ensures that all record-keeping practices comply with provincial regulations and that OMVIC retains oversight of the manner in which dealers manage their documentation. Proper authorization helps maintain the integrity of the records, ensuring they can be reviewed as needed by OMVIC during inspections or investigations. Maintaining accurate and accessible records is crucial in the automotive industry, as it provides transparency and accountability. By requiring authorization for alternate storage sites, OMVIC can ensure that records remain secure and can be retrieved easily if necessary. The other options do not satisfy the regulatory compliance needed. While hiring a third-party service might be beneficial for management, it does not substitute for the required authorization. Informing the local police department is not necessary in this context, as it does not relate to regulatory compliance. Consulting with a legal advisor could provide useful guidance, but it does not fulfill the requirement for formal approval from OMVIC.

2. If a dealer's records are destroyed or stolen, the dealer must notify:

A. An OMVIC investigator within 30 days

B. OMVIC, in writing, within five days

C. The Ministry of Consumer Services, in writing, within 10 days

D. The OMVIC inspector during the next scheduled inspection

If a dealer's records are destroyed or stolen, the dealer must notify OMVIC, the Ontario Motor Vehicle Industry Council, in writing within five days. This is important so that OMVIC can take appropriate action to protect consumers and investigate any potential violations. Option A, notifying an OMVIC investigator within 30 days, may not provide enough time for effective action to be taken. Option C, notifying the Ministry of Consumer Services within 10 days, is not the correct procedure as OMVIC is the governing authority for the motor vehicle industry in Ontario. Option D, notifying an OMVIC inspector during the next scheduled inspection, may not be timely enough to address any potential issues arising from the destroyed or stolen records.

3. What is a common issue that may lead a vehicle to be classified as a "lemon"?

A. A unique color scheme

B. Routine maintenance practices

C. Significant defects that affect usage, safety, or value

D. Excessive fuel efficiency

A vehicle is classified as a "lemon" when it possesses significant defects that adversely affect its usage, safety, or overall value. This classification is typically associated with vehicles that have substantial problems that remain unresolved after a reasonable number of repair attempts. The definition is rooted in consumer protection laws designed to assist buyers of vehicles that fail to meet quality and reliability standards. Significant defects can include issues with the engine, transmission, brakes, or other fundamental components that could compromise the safe operation of the vehicle. These defects not only make the vehicle less reliable but can also pose serious safety risks to the driver and others on the road. This classification serves to protect consumers who might otherwise be stuck with a faulty vehicle that cannot adequately serve its intended purpose. In contrast, options like a unique color scheme, routine maintenance practices, and excessive fuel efficiency do not pertain to the underlying mechanical or safety-related conditions that typically characterize a lemon. They are either aesthetic factors or unrelated to the vehicle's reliability and safety standards.

4. True or False: The CPA covers sales but not leases, and not services such as repairs.

A. False

B. True

The statement "The CPA covers sales but not leases, and not services such as repairs" is incorrect. The CPA, or Consumer Protection Act, covers all aspects of consumer transactions including sales, leases, and services such as repairs. This ensures that consumers are protected in all types of transactions, not just sales. Therefore, option A, which states that the statement is false, is the correct answer. Option B is incorrect because it states that the statement is true, when in fact it is false.

5. What does OMVIC use to certify salespeople?

- A. Completion of a sales training workshop**
- B. Completion of a salesperson registration exam and required education**
- C. Experience working in a dealership for three years**
- D. Passing a background security check**

OMVIC, the Ontario Motor Vehicle Industry Council, requires that salespeople complete a salesperson registration exam along with specific educational requirements to become certified. This process ensures that salespeople possess the necessary knowledge of automotive sales regulations, consumer protection laws, and ethical sales practices. By passing the exam, they demonstrate their comprehension of crucial industry standards, which promotes professionalism and accountability within the vehicle sales sector. The other options do not encompass all the necessary criteria for certification. While workshops and background checks may complement a salesperson's qualifications, they do not meet the comprehensive requirements set out by OMVIC for official certification. Additionally, merely having worked for three years in a dealership does not guarantee that an individual understands the legal and ethical obligations that are essential in the role of a licensed salesperson.

6. Which of the following is NOT a reason OMVIC might refuse the registration of a dealer or salesperson?

- A. False statement on application**
- B. Failed to comply with terms**
- C. Insufficient work experience**
- D. Cannot be expected to be financially responsible**

The reason listed as insufficient work experience is not typically grounds for OMVIC to refuse the registration of a dealer or salesperson. OMVIC focuses on ensuring that applicants meet certain standards of conduct, honesty, and financial responsibility, which are essential for maintaining the integrity of the automotive marketplace in Ontario. In contrast, a false statement on the application can indicate dishonesty, which is a significant concern for regulatory bodies. Similarly, failing to comply with established terms suggests a lack of adherence to necessary regulations, raising concerns about the individual's ability to operate within legal and ethical boundaries. Furthermore, a lack of financial responsibility could lead to potential harm to consumers, as it may imply that the dealer or salesperson is not capable of managing their financial obligations effectively. By not including insufficient work experience as a reason for refusal, OMVIC recognizes that while experience is valuable, it should not be the sole determinant of an applicant's suitability if other more critical aspects, such as ethical conduct and responsibility, are satisfied.

7. If a consumer defaults on a loan but has paid off more than two-thirds of the total purchase price, what must the dealer do to repossess the vehicle?

- A. Get permission from the court**
- B. Send a written notice to the consumer**
- C. Immediately repossess the vehicle**
- D. Charge an additional fee**

To repossess the vehicle, the dealer must first obtain permission from the court. This is because having paid off more than two-thirds of the total purchase price indicates that the consumer has made a significant investment in the vehicle and therefore has certain legal rights. Simply sending a written notice to the consumer or immediately repossessing the vehicle without involving the court would violate those rights. Additionally, charging an additional fee would also be incorrect as it does not address the legal requirement of obtaining court permission.

8. If a person has been refused registration, one condition that must be met before reapplying is?

- A. One year must pass**
- B. Two years must pass**
- C. Three years must pass**
- D. Five years must pass**

While there is no set amount of time that must pass before reapplying, having a longer amount of time between applications may demonstrate to the registration board that the individual has taken steps to improve their qualifications and address any reasons for the initial refusal. Therefore, options A, C, and D, which have longer time periods, are not necessarily incorrect but may not be the best option for meeting the condition of reapplication. Option B, with a slightly longer time period, may better demonstrate that the individual has learned from their previous rejection and made significant improvements before attempting to reapply.

9. What must a dealer disclose if they do not have a specific new vehicle in stock but will bring it in?

- A. The maximum mileage or a statement that there is no maximum**
- B. The manufacturer's suggested retail price**
- C. The estimated delivery date**
- D. The vehicle's service history**

A dealer must disclose the maximum mileage or clearly state that there is no maximum for a new vehicle that is not currently in stock and is being brought in. This is to ensure transparency and avoid any potential surprises for the customer. Options B, C, and D are incorrect as they do not pertain to the disclosure of a specific vehicle's availability and may not be relevant to the customer's decision-making process. The manufacturer's suggested retail price may vary depending on the dealer's location or discounts available, the estimated delivery date may change due to unforeseen circumstances, and the service history is typically only provided for used vehicles. Therefore, option A is the most relevant and important piece of information that the dealer is obligated to disclose in this scenario.

10. In vehicle sales, what does "bait-and-switch" refer to?

- A. A method of negotiating prices**
- B. A deceptive marketing practice involving low-priced advertisements and offering different vehicles**
- C. A strategy for evaluating trade-ins**
- D. A compare-and-contrast tactic for similar vehicles**

The term "bait-and-switch" in vehicle sales specifically refers to a deceptive marketing practice where a dealer advertises a vehicle at a low price to attract potential customers (the "bait"), but then when the customer arrives, they find that the advertised vehicle is no longer available or is not as it was presented. Instead, the dealer offers different vehicles, often at a higher price or with less favorable terms (the "switch"). This tactic misleads consumers and takes advantage of their interest to push them towards other options that might not meet their initial expectations. This practice is not only unethical but can also be illegal, as it violates consumer protection laws which aim to ensure honest advertising and sales practices. Understanding this concept is crucial for anyone involved in vehicle sales or consumer protection, as it underscores the importance of integrity in sales processes and the potential consequences of misleading advertising.