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

Study Guide

BY EXAMZIFY

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Questions

1. **When the dealer replaces a part, what must the dealer do?**
   - A. Keep the old part
   - B. Offer the old part to the consumer
   - C. Warn the consumer that the part is greasy and dirty
   - D. Call the previous owner

2. **Under what conditions can a claim be made from the Compensation Fund?**
   - A. Only if the dealer is bankrupt or insolvent
   - B. If the dealer has sold a defective vehicle
   - C. If the salesperson has left the company
   - D. Always, without any specific conditions

3. **Check any statement that is correct: A contract for sale or lease of a vehicle between dealers:**
   - A. Is subject to the provisions of the Consumer Protection Act
   - B. Must disclose a statement as to whether CAMVAP is available
   - C. Must disclose exactly the same information required in the sale of a vehicle to a purchaser who is a consumer
   - D. Must disclose specific information to comply with the Code of Ethics Regulations

4. **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

5. **Why should a dealer do a lien check on a vehicle that is being taken in on trade?**
   - A. To ensure the vehicle has no mechanical issues
   - B. To protect the dealer and to ensure the dealer does not subsequently sell a vehicle with a lien
   - C. To verify the vehicle's mileage
   - D. To assess the vehicle's market value

6. Which of the following is a type of "previous use of a vehicle" that dealers must disclose?

- **A. Utility company vehicle**
- **B. Company car**
- **C. Police vehicle**
- **D. Showroom display vehicle**

7. True or False: Under the Transaction Fee Program, dealers are required to remit $10 for each vehicle sold or leased.

- **A. False**
- **B. True**

8. True or False: All new car manufacturers participate in CAMVAP.

- **A. False**
- **B. True**

9. In order for a remote storage location to be approved by OMVIC, which condition must be met?

- **A. It has a security system**
- **B. It is always accessible to OMVIC staff during normal business hours**
- **C. It is in the same municipality as the dealer's registered address**
- **D. All of the above**

10. Under the Sale of Goods Act, vehicles sold must:

- **A. Be covered by a 30-day warranty**
- **B. Be covered by a 90-day warranty**
- **C. Be fit for the purpose for which they are intended**
- **D. Provide reasonable transportation for a reasonable period of time**

Answers

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

Explanations

1. When the dealer replaces a part, what must the dealer do?

A. Keep the old part

B. Offer the old part to the consumer

C. Warn the consumer that the part is greasy and dirty

D. Call the previous owner

When the dealer replaces a part, they must offer the old part to the consumer. This is done so that the consumer may have the option to keep the old part or dispose of it themselves. Option A is incorrect because keeping the old part is not a requirement for the dealer, but rather an option for the consumer. Option C is incorrect because warning the consumer that the part is greasy and dirty is not a necessary step for the dealer to take when replacing a part. Option D is incorrect because calling the previous owner is not a relevant action for the dealer to take when replacing a part for a current customer.

2. Under what conditions can a claim be made from the Compensation Fund?

A. Only if the dealer is bankrupt or insolvent

B. If the dealer has sold a defective vehicle

C. If the salesperson has left the company

D. Always, without any specific conditions

A claim can be made from the Compensation Fund primarily under specific conditions that relate to the financial responsibility of a dealer, which is essentially outlined in the context of protection for consumers. The primary situation that allows for a claim is when a dealer is bankrupt or insolvent. This is because the Compensation Fund is designed to assist consumers who have incurred losses due to the failure of a registered dealership to fulfill its contractual obligations, particularly in cases where the dealer can no longer provide recourse due to financial incapacity. When a dealer is bankrupt or insolvent, it indicates an inability to compensate consumers directly for losses, making the Compensation Fund a critical resource for affected individuals. This fund aims to ensure that consumers can seek restitution and protection in legitimate cases of loss caused by the dealers' financial failings. The other options provided relate to aspects of vehicle sales and employment status that do not meet the specific criteria under which claims may be submitted to the Compensation Fund. Thus, they do not align with the fundamental purpose of the fund, which focuses on protecting consumers from financial risks associated with dealer insolvency.

3. Check any statement that is correct: A contract for sale or lease of a vehicle between dealers:

- **A. Is subject to the provisions of the Consumer Protection Act**
- **B. Must disclose a statement as to whether CAMVAP is available**
- **C. Must disclose exactly the same information required in the sale of a vehicle to a purchaser who is a consumer**
- **D. Must disclose specific information to comply with the Code of Ethics Regulations**

A Incorrect - A contract for sale or lease of a vehicle between dealers is not subject to the provisions of the Consumer Protection Act. That act applies to transactions between a dealer and a consumer. B: Incorrect - While CAMVAP may be available in this type of contract, it is not required to be disclosed. C: Incorrect - While some information may be similar, a contract between dealers does not have to disclose the same information as a sale to a consumer. Different regulations may apply. D: Correct - A contract for sale or lease of a vehicle between dealers must disclose specific information to comply with the Code of Ethics Regulations. This includes providing a statement of disclosures about the vehicle's history, warranty information, and any potential defects or issues.

4. 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.

5. Why should a dealer do a lien check on a vehicle that is being taken in on trade?

A. To ensure the vehicle has no mechanical issues

B. To protect the dealer and to ensure the dealer does not subsequently sell a vehicle with a lien

C. To verify the vehicle's mileage

D. To assess the vehicle's market value

Conducting a lien check on a vehicle being taken in on trade is crucial for ensuring that the dealer does not inadvertently sell a vehicle that has outstanding liens against it. When a vehicle has a lien, it means that a financial institution or creditor has a legal claim on the vehicle as security for a debt. If a dealer sells a vehicle with an existing lien, the new owner could potentially face legal issues, including the possibility of repossession by the lienholder. This situation not only creates a negative experience for the customer but also exposes the dealer to significant liability and reputational damage. By performing a lien check, the dealer safeguards both the business and the customers, ensuring that all transactions are transparent and free of legal complications. This due diligence helps maintain trust in the dealership and protects the investment of both parties involved in the sale.

6. Which of the following is a type of "previous use of a vehicle" that dealers must disclose?

A. Utility company vehicle

B. Company car

C. Police vehicle

D. Showroom display vehicle

Police vehicle is a type of "previous use of a vehicle" that dealers must disclose because it has been previously used for law enforcement purposes, which may affect the vehicle's condition and value. The other options, such as a utility company vehicle, company car, and showroom display vehicle, may also have previous use but are not required to be disclosed by dealers.

7. True or False: Under the Transaction Fee Program, dealers are required to remit $10 for each vehicle sold or leased.

A. False

B. True

The statement is true. Under the Transaction Fee Program, vehicle dealers are mandated to remit a fee of $10 for each vehicle they sell or lease. This program was introduced to enhance accountability and transparency within the vehicle sales industry in Ontario, providing a mechanism for funding consumer protection initiatives, education, and enforcement activities. The fees collected contribute to the resources needed to maintain regulatory oversight and consumer support, ensuring a fair marketplace. This requirement underscores the financial responsibilities dealers have towards contributing to the industry's regulatory framework.

8. True or False: All new car manufacturers participate in CAMVAP.

A. False

B. True

Explanation False is the correct answer because not all new car manufacturers participate in CAMVAP. In fact, CAMVAP is a voluntary dispute resolution program for participating manufacturers that is offered as an alternative to the court system. Therefore, it is not mandatory for all new car manufacturers to participate in CAMVAP.

9. In order for a remote storage location to be approved by OMVIC, which condition must be met?

A. It has a security system

B. It is always accessible to OMVIC staff during normal business hours

C. It is in the same municipality as the dealer's registered address

D. All of the above

In order for a remote storage location to be approved by OMVIC, it must be always accessible to OMVIC staff during normal business hours. This means that options A, C, and D are incorrect because they do not fulfill this specific condition. Option A may increase the chances of the storage location being approved, but it is not the only factor. Option C may be convenient, but it does not guarantee accessibility. Option D may seem like the most comprehensive answer, but it also includes options that do not meet the given condition. Therefore, the correct answer is B as it directly addresses the condition stated in the question.

10. Under the Sale of Goods Act, vehicles sold must:

A. Be covered by a 30-day warranty

B. Be covered by a 90-day warranty

C. Be fit for the purpose for which they are intended

D. Provide reasonable transportation for a reasonable period of time

The correct answer is that vehicles sold must be fit for the purpose for which they are intended. This means that when a vehicle is sold, it should be capable of performing the functions that the buyer expects from it. For example, if a buyer purchases a vehicle for daily commuting, it should be reliable enough to fulfill that role without frequent breakdowns or issues. This concept aligns with the principles set out in the Sale of Goods Act, which ensures that goods, including vehicles, meet certain quality standards and are suitable for their intended use. This is an essential protection for consumers, as it holds sellers accountable to provide products that are not only functional but also meet basic expectations regarding quality and fitness for purpose. In this context, warranties or guarantees do not dictate the conditions of sale; rather, the fundamental requirement is that the vehicle must perform as promised and intended.