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

Study Guide

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Questions

1. **True or False: A customer should do a lien check on a vehicle being purchased from a dealer.**

   A. False

   B. True

2. **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

3. **Who must provide a release letter if a lien is paid out on a traded-in vehicle?**

   A. The previous owner

   B. The dealership

   C. The financial institution

   D. The new owner

4. **What should a dealer do if a vehicle has been involved in a significant accident?**

   A. Sell it at a discounted price

   B. Remove it from their inventory

   C. Inform the buyer about the accident

   D. Negotiate the price invisibly

5. **What action can OMVIC take if it proposes to revoke a dealer or salesperson's registration?**

   A. Apply for a freeze order

   B. Issue an immediate ban on the dealer's activities

   C. Revocation without providing a reason

   D. None

6. Which organization conducts a Canada-wide criminal record search for dealer and salesperson applicants?

A. OMVIC

B. Licence Appeal Tribunal

C. Provincial Court

D. Supreme Court

7. True or False: Consumers may also have up to one year to request rescission under the Consumer Protection Act

A. False

B. True

8. 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)

9. Which of the following is a requirement for becoming a salesperson?

A. Complete/pass certification course

B. Only pay fee

C. Only pass an interview

D. Only be employed by a registered dealer

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

A. False

B. True

Answers

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

Explanations

1. True or False: A customer should do a lien check on a vehicle being purchased from a dealer.

A. False

B. True

A lien check is an important step when purchasing a vehicle, even from a dealer. This process ensures that the vehicle is free from any legal claims or outstanding debts that could affect ownership. When a dealer sells a vehicle, there could be existing liens from previous loans or financial agreements. If a buyer completes a lien check before concluding the purchase, they can protect themselves from potential disputes or financial liabilities associated with the vehicle. This step helps ensure that the buyer is clear of any complications that may arise in the future, such as repossession of the vehicle due to unpaid debts linked to it. Therefore, conducting a lien check is a prudent measure to verify that the vehicle is legally clear for ownership transfer.

2. 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.

3. Who must provide a release letter if a lien is paid out on a traded-in vehicle?

A. The previous owner

B. The dealership

C. The financial institution

D. The new owner

The financial institution must provide a release letter if a lien is paid out on a traded-in vehicle because they hold the title for the vehicle until it is fully paid off. The previous owner, dealership, and new owner do not have the authority to provide a release letter as they do not hold the lien on the vehicle. The previous owner has already released their ownership of the vehicle through the trade-in process and the dealership only handles the transaction and sale of the vehicle. The new owner only receives the vehicle and does not have any lien on it. Therefore, the correct answer is C - the financial institution.

4. What should a dealer do if a vehicle has been involved in a significant accident?

A. Sell it at a discounted price

B. Remove it from their inventory

C. Inform the buyer about the accident

D. Negotiate the price invisibly

When a vehicle has been involved in a significant accident, the ethical and legal responsibility of a dealer is to inform the buyer about the accident. Disclosing this information is crucial because it allows the buyer to make an informed decision about the vehicle. Customers have the right to understand the history of the vehicle they are considering, especially regarding any potential issues that could affect its safety, reliability, or value. Failing to disclose such important information could lead to legal consequences for the dealer, including potential claims of misrepresentation or fraud. Transparency builds trust and helps maintain a positive reputation for the dealership, which can lead to long-term customer loyalty. It is essential for dealers to operate with integrity and prioritize the interests of their customers, particularly in situations where significant past incidents like accidents could adversely affect a vehicle's performance or safety.

5. What action can OMVIC take if it proposes to revoke a dealer or salesperson's registration?

A. Apply for a freeze order

B. Issue an immediate ban on the dealer's activities

C. Revocation without providing a reason

D. None

OMVIC can apply for a freeze order when proposing to revoke a dealer or salesperson's registration to prevent them from conducting any business until the revocation process is complete. This action helps protect consumers and maintain the integrity of the automotive marketplace by ensuring that individuals or businesses that may pose a risk or have violated regulations cannot continue their operations during the review process. The other options indicate actions that are either too extreme or not permitted under the regulatory framework. For instance, issuing an immediate ban on activities without due process or justification would infringe on the rights of the dealer or salesperson, and revoking the registration without providing a reason contradicts the principles of fairness and transparency that regulatory bodies are expected to uphold. Selecting "none" fails to recognize the regulatory measures available to OMVIC in such situations.

6. Which organization conducts a Canada-wide criminal record search for dealer and salesperson applicants?

A. OMVIC

B. Licence Appeal Tribunal

C. Provincial Court

D. Supreme Court

OMVIC (Ontario Motor Vehicle Industry Council) is the organization responsible for conducting a Canada-wide criminal record search for dealer and salesperson applicants. This is because OMVIC regulates and licenses motor vehicle dealers and salespeople in Ontario. The other options, such as Licence Appeal Tribunal, Provincial Court, and Supreme Court, do not have jurisdiction over conducting criminal record searches for dealer and salesperson applicants.

7. True or False: Consumers may also have up to one year to request rescission under the Consumer Protection Act

A. False

B. True

The statement is true because according to the Consumer Protection Act, consumers are granted up to one year to request rescission for certain purchases. Option A, which is False, is incorrect because consumers are in fact given this one year timeframe. Therefore, option A does not accurately reflect the information provided in the question. On the other hand, option B correctly states that consumers do have the right to request rescission within one year, making it the correct answer.

8. 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.

9. Which of the following is a requirement for becoming a salesperson?

A. Complete/pass certification course

B. Only pay fee

C. Only pass an interview

D. Only be employed by a registered dealer

B, C, D are incorrect because they are not enough for one to become a salesperson. B, paying a fee, does not demonstrate any knowledge or skills required for the job. C, passing an interview, is not enough because one could have done well in the interview but still lack the necessary qualifications to be a successful salesperson. D, being employed by a registered dealer, is not enough because the individual may not have completed the necessary training or certification to excel in the role. Therefore, completing and passing a certification course is the most comprehensive requirement for becoming a salesperson. It ensures that the individual has the necessary knowledge and skills to effectively perform the duties of a salesperson.

10. 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.