

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

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- 1. 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**
- 2. What does "material fact" refer to?**
 - A. Information that is trivial to the purchase or lease**
 - B. Information that affects the consumer's decision to purchase or lease a vehicle**
 - C. Information that can be ignored by the consumer**
 - D. Information that must be hidden from the consumer**
- 3. What is one measure a dealer should take to ensure they do not sell a vehicle with a lien?**
 - A. Conduct a background check on the customer**
 - B. Verify the vehicle's insurance history**
 - C. Perform a lien check on the vehicle**
 - D. Inspect the vehicle for damages**
- 4. True or False: The Sale of Goods Act does not apply to vehicles sold "as is."**
 - A. False**
 - B. True**
- 5. True or False: Consumers may also have up to one year to request rescission under the Consumer Protection Act**
 - A. False**
 - B. True**
- 6. What is the purpose of OMVIC's consumer education initiatives?**
 - A. To lobby for better regulations**
 - B. To inform consumers about their rights**
 - C. To create advertisements for dealers**
 - D. To conduct market research**

- 7. Why is it important for a dealer to conduct a thorough vehicle inspection?**
- A. To save time before a sale**
 - B. To ensure compliance with legal requirements and ensure consumer protection**
 - C. To make the vehicle more appealing**
 - D. To determine the market value of the vehicle**
- 8. If a dealer's advertisement contains a price for a vehicle, that price must include:**
- A. Administration fees**
 - B. Freight and PDI**
 - C. Taxes (unless ad states in a clear, comprehensible and prominent manner that taxes are not included)**
 - D. All of the above**
- 9. True or False: Dealers may sell vehicles from any location, so long as they have registered a head office with OMVIC.**
- A. False**
 - B. True**
- 10. OMVIC can refuse, revoke or suspend registration if the financial responsibility or past conduct of an "interested person" concerns them. Who might be considered an "interested person"?**
- A. A person with beneficial interest in the business**
 - B. A random customer**
 - C. A salesperson only**
 - D. The janitor**

Answers

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

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Explanations

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1. 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.

2. What does "material fact" refer to?

A. Information that is trivial to the purchase or lease

B. Information that affects the consumer's decision to purchase or lease a vehicle

C. Information that can be ignored by the consumer

D. Information that must be hidden from the consumer

"Material fact" refers to information that is important and relevant to the consumer's decision to purchase or lease a vehicle. This includes any information that could impact the value, safety or condition of the vehicle, and cannot be ignored by the consumer. Option A is incorrect because trivial information does not have an impact on the consumer's decision. Option C is also incorrect because material facts cannot be ignored. Option D is incorrect because material facts should never be hidden from the consumer.

3. What is one measure a dealer should take to ensure they do not sell a vehicle with a lien?

A. Conduct a background check on the customer

B. Verify the vehicle's insurance history

C. Perform a lien check on the vehicle

D. Inspect the vehicle for damages

A lien is a legal claim against a vehicle that gives the lienholder the right to take possession of the vehicle if the borrower fails to meet the terms of the borrowing agreement. To avoid mistakenly selling a vehicle with a lien, it is important for a dealer to perform a lien check on the vehicle. Option A, conducting a background check on the customer, may not reveal any existing liens on the vehicle. Option B, verifying the insurance history of the vehicle, also may not indicate if there is a lien on the vehicle. Option D, inspecting the vehicle for damages, is important but does not address the issue of a lien. Therefore, performing a lien check on the vehicle is the best measure a dealer can take to ensure they do not sell a vehicle with a lien.

4. True or False: The Sale of Goods Act does not apply to vehicles sold "as is."

A. False

B. True

The correct answer is A. False. This statement is incorrect because the Sale of Goods Act does apply to vehicles sold "as is." This Act states that all products sold in Canada must adhere to certain standards, including vehicles sold "as is." Although there may be exemptions for specific circumstances, this Act generally applies to all goods sold in Canada, including vehicles. Therefore, the sale of a vehicle "as is" does not exempt it from the Sale of Goods Act.

5. 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.

6. What is the purpose of OMVIC's consumer education initiatives?

A. To lobby for better regulations

B. To inform consumers about their rights

C. To create advertisements for dealers

D. To conduct market research

The purpose of OMVIC's consumer education initiatives is to inform consumers about their rights. This initiative aims to empower consumers in the automotive marketplace by providing them with the knowledge they need to make informed decisions when purchasing vehicles. Understanding their rights helps consumers recognize when these rights are being upheld or violated, fostering a fairer and more transparent marketplace. OMVIC's focus on consumer education is crucial because it raises awareness of the regulations and protections available to buyers, including information about the purchasing process, potential pitfalls, and how to seek recourse if issues arise. This initiative strengthens consumer confidence and helps build a more equitable relationship between consumers and dealers, ultimately enhancing the standards of the automotive industry. In contrast, lobbying for better regulations, creating advertisements for dealers, or conducting market research, while may be activities relevant to OMVIC's broader mission, do not directly address the specific goal of educating consumers on their rights.

7. Why is it important for a dealer to conduct a thorough vehicle inspection?

- A. To save time before a sale**
- B. To ensure compliance with legal requirements and ensure consumer protection**
- C. To make the vehicle more appealing**
- D. To determine the market value of the vehicle**

Conducting a thorough vehicle inspection is vital for several reasons, with one of the most significant being the need to ensure compliance with legal requirements and consumer protection. Dealers have an obligation to provide vehicles that meet safety and environmental standards. This inspection process helps identify any potential issues that could affect the vehicle's performance, reliability, or safety. By addressing these concerns proactively, dealers not only adhere to regulations but also protect consumers from buying vehicles that may pose risks or have undisclosed problems. Additionally, thorough inspections foster consumer trust and satisfaction, as buyers are likely to feel more secure in their purchase when they know the vehicle has been carefully evaluated. This trust can lead to positive reputations for dealerships, ultimately benefiting their business in the long run.

8. If a dealer's advertisement contains a price for a vehicle, that price must include:

- A. Administration fees**
- B. Freight and PDI**
- C. Taxes (unless ad states in a clear, comprehensible and prominent manner that taxes are not included)**
- D. All of the above**

When an advertisement by a dealer lists a price for a vehicle, it is essential that the price reflects the total amount a consumer can expect to pay. This requirement ensures transparency and helps protect consumers from hidden costs that could lead to confusion or misrepresentation. Including administration fees is critical, as these are often standard costs associated with the sale of a vehicle that consumers should be aware of upfront. Ignoring these fees would mislead potential buyers regarding the actual amount they will need to spend. Freight and PDI (Pre-Delivery Inspection) costs are also integral to the final vehicle price. These fees result from the delivery of the vehicle to the dealership and the necessary preparations before it can be sold. Not disclosing these fees in the advertised price would fail to give a complete picture of the total cost to the buyer. Additionally, taxes must be included unless the advertisement clearly states otherwise in a manner that is easy to understand and visually prominent. This requirement is vital because sales tax significantly affects the actual price a buyer pays for a vehicle. By mandating that all these components—administration fees, freight and PDI, and taxes—be included in the advertised price, consumer protection regulations aim to promote fair and honest advertising practices within the vehicle sales industry.

9. True or False: Dealers may sell vehicles from any location, so long as they have registered a head office with OMVIC.

A. False

B. True

The statement is accurate because dealers are required to have a registered head office with OMVIC, which is essential for compliance with the regulations governing the sale of vehicles in Ontario. This registration establishes a primary location for the dealership's operations and is a legal requirement. However, dealers must still adhere to other regulations regarding the sale of vehicles, including ensuring that the locations from which they conduct sales are appropriately licensed and compliant with local laws and zoning requirements. In essence, while having a registered head office allows dealers to engage in lawfully selling vehicles, it does not imply unrestricted trading from any location without consideration for the required licenses and regulations pertaining to those locations.

10. OMVIC can refuse, revoke or suspend registration if the financial responsibility or past conduct of an "interested person" concerns them. Who might be considered an "interested person"?

A. A person with beneficial interest in the business

B. A random customer

C. A salesperson only

D. The janitor

An "interested person" is someone who holds a beneficial interest in the business, meaning they have a financial stake or ownership in the company. This can include shareholders, directors, and officers. Options B, C, and D are not considered "interested persons" as they do not have a direct financial interest in the business. Therefore, they would not be grounds for refusal, revocation, or suspension of registration.