

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

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2025 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.**

**SAMPLE**

## **Questions**

SAMPLE

- 1. What type of vehicles require a different set of disclosures when sold?**
  - A. Only new vehicles**
  - B. Only luxury vehicles**
  - C. Vehicles previously involved in accidents or with major repairs**
  - D. All vehicles are the same with respect to disclosures**
- 2. 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**
- 3. Dealers are required to disclose all the information set out below (a - f); however, rescission is only granted automatically for failing to disclose three of them. Which are they?**
  - A. The make, model and model year of the vehicle, The vehicle is missing airbags, The vehicle was previously a taxi or limo**
  - B. The make, model and model year of the vehicle, The vehicle has been branded, The vehicle's manufacturer's warranty has been cancelled**
  - C. The make, model and model year of the vehicle, The vehicle was previously a taxi or limo, The vehicle has been branded**
  - D. The vehicle was previously a taxi or limo, The vehicle's manufacturer's warranty has been cancelled, The vehicle was involved in a collision**
- 4. If an OMVIC inspector asks for assistance from the dealer, is there a legal obligation for the dealer to help?**
  - A. False**
  - B. True**
  - C. None of the above**
  - D. All of the above**

- 5. True or False: Only monies over \$10,000 that are received from a consignment sale must be deposited in the dealer's trust account.**
- A. False**
  - B. True**
- 6. 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**
- 7. Which of the following entities does OMVIC inspect?**
- A. Dealers**
  - B. Drivers**
  - C. Insurance companies**
  - D. Repair shops**
- 8. How many representatives on the OMVIC Board of Directors represent consumers?**
- A. One**
  - B. Two**
  - C. Three**
  - D. Four**
- 9. True or False: If an advertisement is for a vehicle of the current model year but the vehicle is used, the ad must clearly state the vehicle is used.**
- A. False**
  - B. True**
- 10. What document must include the mandatory "Sales Final" statement in 14 pt. bold font?**
- A. Deed of Sale**
  - B. Invoice**
  - C. Purchase Contract**
  - D. Warranty Agreement**

## **Answers**

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE



**1. What type of vehicles require a different set of disclosures when sold?**

**A. Only new vehicles**

**B. Only luxury vehicles**

**C. Vehicles previously involved in accidents or with major repairs**

**D. All vehicles are the same with respect to disclosures**

Vehicles that have been previously involved in accidents or have undergone major repairs require a different set of disclosures when sold because these factors significantly affect the vehicle's value, safety, and performance. Transparency about previous accidents or repairs is crucial for prospective buyers, as it informs them of any potential issues or diminished value associated with the vehicle. Regulatory bodies, such as OMVIC in Ontario, require sellers to disclose such histories to ensure that buyers have all relevant information before making a purchase decision. This disclosure helps protect consumers and promotes trust in the transactions within the automotive sales industry. Without such disclosures, buyers might unknowingly purchase vehicles that could incur higher repair costs or safety risks due to undisclosed problems stemming from past incidents. In contrast, the other options do not reflect a specific need for enhanced disclosure practices related to a vehicle's history or condition, focusing instead on generic categories or suggesting that all vehicles are treated equally in terms of disclosure requirements.

**2. 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.

**3. Dealers are required to disclose all the information set out below (a - f); however, rescission is only granted automatically for failing to disclose three of them. Which are they?**

- A. The make, model and model year of the vehicle, The vehicle is missing airbags, The vehicle was previously a taxi or limo**
- B. The make, model and model year of the vehicle, The vehicle has been branded, The vehicle's manufacturer's warranty has been cancelled**
- C. The make, model and model year of the vehicle, The vehicle was previously a taxi or limo, The vehicle has been branded**
- D. The vehicle was previously a taxi or limo, The vehicle's manufacturer's warranty has been cancelled, The vehicle was involved in a collision**

The correct choice emphasizes the critical elements of vehicle history that significantly impact a buyer's purchasing decision. The make, model, and model year of the vehicle are essential details that establish the vehicle's identity and valuation. Information about the vehicle being previously used as a taxi or limo provides context about potential wear and tear, usage patterns, and how it may have been maintained. Lastly, knowing whether the vehicle has been branded is crucial as it indicates potential significant financial or safety issues that could affect resale value or the vehicle's performance. These specific omissions are considered so significant that automatic rescission of the contract is warranted when they are not disclosed. This is designed to protect consumers from purchasing vehicles that may have hidden issues or histories that could lead to dissatisfaction or financial loss. The other options might contain important information as well, but they do not encompass the same level of disclosure that would trigger automatic rescission. Understanding these key points allows both dealers and consumers to engage in fair transactions, ensuring that buyers are fully informed before making a purchase.

**4. If an OMVIC inspector asks for assistance from the dealer, is there a legal obligation for the dealer to help?**

- A. False**
- B. True**
- C. None of the above**
- D. All of the above**

The answer is true because dealers are required by law to cooperate with OMVIC inspectors during an inspection. Option A is incorrect because it states false, which is not accurate. Option C is incorrect because it states none of the above, which does not answer the question. Option D is incorrect because it states all of the above, which is not necessary or accurate.

**5. True or False: Only monies over \$10,000 that are received from a consignment sale must be deposited in the dealer's trust account.**

**A. False**

**B. True**

The statement that only monies over \$10,000 received from a consignment sale must be deposited in the dealer's trust account is false. In reality, any money received from a consignment sale, regardless of the amount, needs to be deposited into the dealer's trust account. This practice ensures that all funds are properly accounted for and protects the interests of both the dealer and the consignor. Trust accounts are designed to separate client funds from the dealer's own funds, which adds a layer of transparency and accountability in financial dealings. Therefore, all amounts received from a consignment sale must be treated with the same level of care and deposited accordingly, rather than only those exceeding \$10,000.

**6. 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.

**7. Which of the following entities does OMVIC inspect?**

**A. Dealers**

**B. Drivers**

**C. Insurance companies**

**D. Repair shops**

OMVIC (Ontario Motor Vehicle Industry Council) is responsible for regulating and licensing dealers in the motor vehicle industry in Ontario. This includes new and used car dealers, as well as motorcycle, boat, snowmobile and trailer dealers. Therefore, out of the given choices, only dealers are inspected by OMVIC. Options B, C, and D are incorrect because drivers, insurance companies, and repair shops are not regulated by OMVIC.

**8. How many representatives on the OMVIC Board of Directors represent consumers?**

- A. One
- B. Two
- C. Three**
- D. Four

The options A, B, and D are incorrect because they give a smaller or larger number than the correct answer, which is three. There are three members on the OMVIC Board of Directors that represent consumers, which allows for equal representation from consumers, dealers, and government appointees. These three consumer representatives are chosen by the Minister of Government and Consumer Services.

**9. True or False: If an advertisement is for a vehicle of the current model year but the vehicle is used, the ad must clearly state the vehicle is used.**

- A. False
- B. True**

When an advertisement is for a vehicle of the current model year, it is important that the ad accurately reflects the vehicle being sold. This means that if the vehicle is used, the ad must clearly state that it is used. Therefore, the correct answer is True. Option A is incorrect because if the ad does not clearly state that the vehicle is used, it would be misleading to potential buyers.

**10. What document must include the mandatory "Sales Final" statement in 14 pt. bold font?**

- A. Deed of Sale
- B. Invoice
- C. Purchase Contract**
- D. Warranty Agreement

A Deed of Sale is a legal document that transfers ownership of a property from one party to another. It does not typically include a "Sales Final" statement as it is used for real estate transactions. An Invoice is a document used to request payment for goods or services rendered. While it may include sales terms and conditions, it is not typically required to include a "Sales Final" statement. A Warranty Agreement is a document that outlines the terms and conditions of a guarantee for a product or service. While it may mention the finality of a sale, it is not typically used for all sales and would not require a 14 pt. bold font for the statement. A Purchase Contract is a legal document that outlines the terms and conditions of a purchase agreement. This would be the correct document to include a mandatory "Sales Final" statement in 14 pt. bold font as it confirms the finality of the sale and the agreed upon terms.