

# OMVIC Practice Test (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 can lead to a dealer being deemed to have engaged in unfair practices under the CPA?**
  - A. Offering a warranty on a used vehicle**
  - B. Failing to disclose a 'material fact' or misleading a customer**
  - C. Selling a vehicle at the listed price**
  - D. Providing customers with financing options**
- 2. What must dealers include in a written agreement with buyers?**
  - A. Only the final sale price**
  - B. All terms of the sale, including price and financing**
  - C. Only the financing details**
  - D. Just the dealer's contact information**
- 3. Give two examples of steps dealers can take to ensure they know the history of vehicles they buy or accept in trade.**
  - A. 1) Use a vehicle history report**
  - B. 2) Understand the strengths and weaknesses of the various vehicle history reports**
  - C. 3) Thoroughly examine the vehicles**
  - D. All of the above**
- 4. According to the Code of Ethics Regulations, what must dealers do before signing a contract with a customer?**
  - A. Guarantee the lowest price**
  - B. Explain the terms of the contract and the customer's obligations**
  - C. Offer an additional discount**
  - D. Provide a gift**
- 5. Who has the right to file a complaint with OMVIC?**
  - A. Only licensed dealers**
  - B. Any consumer who feels wronged in a vehicle transaction**
  - C. Only individuals with legal representation**
  - D. Only those who purchase vehicles from registered franchises**

- 6. What information about financing must be provided if the dealer helps a consumer obtain it?**
- A. Color of the bank's logo**
  - B. Bank manager's name and address**
  - C. Initial Disclosure Statement details**
  - D. Location of the nearest ATM**
- 7. True or false: A customer can't cancel a contract if the dealer didn't know the vehicle's true history or if they honestly believed they disclosed accurate information.**
- A. True**
  - B. False**
- 8. If an order is used to stop or correct false advertising, for how long may the dealer need to seek OMVIC's pre-approval for future advertising?**
- A. 6 months**
  - B. Up to 1 year**
  - C. Up to 2 years**
  - D. Indefinitely**
- 9. What must an "as is" sale include in the contract?**
- A. Must include a specific definition of "as is" in the contract**
  - B. Must include a statement about warranty coverage**
  - C. Must include a clause for free servicing**
  - D. Must include a provision for unlimited returns**
- 10. List three types of incident damage that must be disclosed**
- A. Paint scratches**
  - B. Windshield cracks**
  - C. Collision, Fire, Flood, Structural Damage**
  - D. Dent repairs**

## **Answers**

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE



**1. What can lead to a dealer being deemed to have engaged in unfair practices under the CPA?**

**A. Offering a warranty on a used vehicle**

**B. Failing to disclose a 'material fact' or misleading a customer**

**C. Selling a vehicle at the listed price**

**D. Providing customers with financing options**

A dealer can be deemed to have engaged in unfair practices under the CPA by failing to disclose a 'material fact' or misleading a customer. This means that they did not provide the customer with all relevant information about the product or service, or they provided false or misleading information. Options A, C, and D are not examples of unfair practices, as offering a warranty on a used vehicle, selling a vehicle at the listed price, and providing financing options are all actions that are allowed and expected in a sales transaction. Therefore, they would not lead to a dealer being deemed to have engaged in unfair practices.

**2. What must dealers include in a written agreement with buyers?**

**A. Only the final sale price**

**B. All terms of the sale, including price and financing**

**C. Only the financing details**

**D. Just the dealer's contact information**

In a written agreement with buyers, dealers are required to include all terms of the sale, which encompasses both the price and any financing details. This comprehensive approach ensures that buyers are fully informed of their purchase, which aligns with the principles of transparency and fairness in the automotive sales process. Including all relevant terms helps prevent misunderstandings and protects both parties by clearly outlining expectations. Providing a detailed account of the sale allows buyers to make informed decisions and promotes accountability within the dealership. By documenting every aspect of the transaction, including any financing options available, dealers comply with legal obligations and foster trust in the buyer-seller relationship.

**3. Give two examples of steps dealers can take to ensure they know the history of vehicles they buy or accept in trade.**

**A. 1) Use a vehicle history report**

**B. 2) Understand the strengths and weaknesses of the various vehicle history reports**

**C. 3) Thoroughly examine the vehicles**

**D. All of the above**

By choosing options A, B, and C, dealers can ensure they have a comprehensive understanding of a vehicle's history. Option A, using a vehicle history report, is important because it provides a detailed record of a vehicle's past ownership, accidents, and other important information. Option B, understanding the strengths and weaknesses of different vehicle history reports, allows dealers to make informed decisions about which reports to use and how to interpret the information. Option C, thoroughly examining the vehicles, is essential because some issues may not be captured in the vehicle history report and need to be visually inspected. By utilizing all of these options, dealers can minimize the risk of purchasing a vehicle with an unknown or problematic history.

**4. According to the Code of Ethics Regulations, what must dealers do before signing a contract with a customer?**

**A. Guarantee the lowest price**

**B. Explain the terms of the contract and the customer's obligations**

**C. Offer an additional discount**

**D. Provide a gift**

Dealers must explain the terms of the contract and the customer's obligations before signing a contract, in accordance with the Code of Ethics Regulations. This option ensures that the customer understands their rights and responsibilities within the contract, and helps to prevent any misunderstandings or potential issues later on. Option A, guaranteeing the lowest price, is not a requirement stated by the Code of Ethics Regulations. Option C, offering an additional discount, is also not mentioned in the regulations and could potentially be seen as a deceptive or unethical sales tactic. Option D, providing a gift, can also be seen as a potential conflict of interest and is not mentioned in the regulations. Therefore, option B is the correct and most ethical choice according to the Code of Ethics Regulations.

**5. Who has the right to file a complaint with OMVIC?**

**A. Only licensed dealers**

**B. Any consumer who feels wronged in a vehicle transaction**

**C. Only individuals with legal representation**

**D. Only those who purchase vehicles from registered franchises**

The ability for any consumer who feels wronged in a vehicle transaction to file a complaint with OMVIC is anchored in the organization's fundamental purpose, which is to protect consumers in Ontario's motor vehicle sales industry. This right is essential for ensuring that consumers can express grievances regarding their experiences whether they are related to deceptive practices, safety concerns, or issues with a vehicle's condition after purchase. In allowing any consumer to file a complaint, OMVIC fosters a fair marketplace by enabling individuals to seek recourse against dealers or manufacturers who may not adhere to the regulations. This inclusiveness is vital as it ensures wider accountability within the automotive industry, promoting ethical sales practices and consumer rights. The other choices restrict the filing of complaints to specific groups, which would limit access to justice for many individuals who may have legitimate concerns. Only licensed dealers, individuals with legal representation, or those purchasing from registered franchises would not encapsulate the diverse situations that can arise in vehicle transactions.

**6. What information about financing must be provided if the dealer helps a consumer obtain it?**

- A. Color of the bank's logo**
- B. Bank manager's name and address**
- C. Initial Disclosure Statement details**
- D. Location of the nearest ATM**

When a dealer assists a consumer in obtaining financing, they must provide details about the Initial Disclosure Statement. This statement includes important information such as the annual percentage rate, finance charges, and other fees associated with the loan. Options A, B, and D are all irrelevant to the question and do not provide any useful information about the financing process.

**7. True or false: A customer can't cancel a contract if the dealer didn't know the vehicle's true history or if they honestly believed they disclosed accurate information.**

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

The correct answer is false because, in a sales transaction involving vehicles, consumers have certain rights that are protected, regardless of the dealer's knowledge or beliefs. If a dealer misrepresents a vehicle's history, such as failing to disclose critical information about previous accidents, odometer tampering, or other significant issues, the buyer usually has the right to rescind the contract. This is rooted in consumer protection laws which hold dealers accountable for the accuracy of the information they provide. Even if a dealer believes they have provided accurate information, they are still responsible for their representations. Thus, consumers can often cancel contracts based on misleading or incomplete information about a vehicle's condition or history, as it can affect their decision to purchase.

**8. If an order is used to stop or correct false advertising, for how long may the dealer need to seek OMVIC's pre-approval for future advertising?**

- A. 6 months**
- B. Up to 1 year**
- C. Up to 2 years**
- D. Indefinitely**

The dealer may need to seek OMVIC's pre-approval for future advertising for up to 2 years if an order is used to stop or correct false advertising. This is because OMVIC may impose a condition on the registration of a dealer that requires pre-approval for all dealer advertising for up to 2 years, in order to ensure that the dealer is complying with the order and not engaging in any further false advertising. Option A is incorrect because 6 months is a shorter time period than the maximum of 2 years. Option B is incorrect because it states "up to 1 year" rather than a specific time period. Option D is incorrect because "indefinitely" implies an unlimited amount of time, which is not necessarily the case. Option C is the best choice as it provides a specific and accurate time period in regard to seeking OMVIC's pre-approval for future advertising after an order has been issued.

**9. What must an "as is" sale include in the contract?**

- A. Must include a specific definition of "as is" in the contract**
- B. Must include a statement about warranty coverage**
- C. Must include a clause for free servicing**
- D. Must include a provision for unlimited returns**

An "as is" sale refers to a sale where the property or item is sold in its current condition, without any guarantees or warranties from the seller. It also means that the buyer must accept the property or item in its current state, with any faults or defects. Therefore, the contract must include a specific definition of "as is" to ensure that both parties are clear on the terms of the sale. Option B is incorrect because an "as is" sale explicitly waives any warranty coverage. Option C is incorrect because a clause for free servicing would contradict the "as is" agreement. Option D is incorrect because an "as is" sale does not allow for any returns, let alone unlimited returns.

**10. List three types of incident damage that must be disclosed**

- A. Paint scratches**
- B. Windshield cracks**
- C. Collision, Fire, Flood, Structural Damage**
- D. Dent repairs**

The three types of incident damage that must be disclosed are collision, fire, and flood damage, as well as structural damage. The other options, such as paint scratches or dent repairs, may not significantly affect the value or safety of the vehicle and may not need to be disclosed. Windshield cracks may vary in severity and may not necessarily require disclosure. Additionally, the options should not be referred to by their letter or number as this may change in different versions of the question.