

OMVIC Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

SAMPLE

- 1. Which of the following employee information must a dealer keep:**
 - A. All of the above**
 - B. Employee name**
 - C. Employee salary**
 - D. Proof of payment**
- 2. Who must salespeople be employed or retained by in order to apply for registration as a salesperson?**
 - A. An automotive manufacturer**
 - B. A registered dealer**
 - C. A car leasing company**
 - D. An automotive repair shop**
- 3. What is the maximum penalty for an individual person convicted under the CPA?**
 - A. A max of two years less a day in jail and/or a fine of up to 25,000**
 - B. A max of two years less a day in jail and/or a fine of up to 60,000**
 - C. A max of two years less a day in jail and/or a fine of up to 50,000**
 - D. A max of two years less a day in jail and/or a fine of up to 30,000**
- 4. What secures the consumer market from unsafe vehicles?**
 - A. Dealer plates**
 - B. CAMVAP**
 - C. The branding program**
 - D. The garage register**
- 5. True or false: A customer should do a lien check on a vehicle they plan to buy from a dealer.**
 - A. True**
 - B. False**
 - C. Depends on the dealer**
 - D. Sometimes true**

- 6. When selling a new vehicle, what information regarding the manufacturer must be included in the contract?**
- A. Manufacturer's middle name**
 - B. Manufacturer's suggested retail price (MSRP)**
 - C. Manufacturer's guarantee of no defects**
 - D. Manufacturer's personal phone number**
- 7. What is NOT part of the registration requirements for dealers and salespeople under the MVDA?**
- A. Maintaining financial responsibility**
 - B. Conducting business with honesty and integrity**
 - C. Having a minimum of 5 years sales experience**
 - D. Conducting business in accordance with the law**
- 8. What must dealers do for contracts of sale on an 'as is' basis?**
- A. Offer a minimum one-year warranty**
 - B. Clearly indicate it on the front of the contract**
 - C. Only disclose this verbally**
 - D. Provide a detailed vehicle history**
- 9. Choose the most correct answer: An as-is sale...**
- A. Isn't legal to a consumer**
 - B. Must have the buyer write an explanation of "as-is"**
 - C. Doesn't require the buyer to initial the words "as-is"**
 - D. Must include a specific definition of "as-is" in the contract**
- 10. What is one of the key objectives of OMVIC?**
- A. To set minimum sales prices for all vehicles**
 - B. To inform consumers about their rights and responsibilities**
 - C. To restrict the types of vehicles available for sale**
 - D. To limit competition between dealerships**

Answers

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

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Explanations

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1. Which of the following employee information must a dealer keep:

- A. All of the above**
- B. Employee name**
- C. Employee salary**
- D. Proof of payment**

A dealer must keep all of the listed employee information, which includes the employee's name, salary, and proof of payment. This information is important for record-keeping purposes and also for ensuring that all employees receive proper compensation for their work. B, C, and D are incorrect because they only mention specific pieces of employee information, whereas A encompasses all the necessary information that must be kept.

2. Who must salespeople be employed or retained by in order to apply for registration as a salesperson?

- B. A registered dealer**
- A. An automotive manufacturer**
- C. A car leasing company**
- D. An automotive repair shop**

Salespeople must be employed or retained by a registered dealer in order to apply for registration as a salesperson. This is because registered dealers are licensed to sell vehicles and are regulated by the government. Options A, C, and D are incorrect because salespeople are not required to be employed or retained by an automotive manufacturer, car leasing company, or an automotive repair shop. These options do not have the same level of regulation and licensing as registered dealers in the automotive industry.

3. What is the maximum penalty for an individual person convicted under the CPA?

- C. A max of two years less a day in jail and/or a fine of up to 50,000**
- A. A max of two years less a day in jail and/or a fine of up to 25,000**
- B. A max of two years less a day in jail and/or a fine of up to 60,000**
- D. A max of two years less a day in jail and/or a fine of up to 30,000**

The Correct answer is C A max of two years less a day in jail and/or a fine of up to 50,000. This is the maximum penalty for an individual person convicted under the CPA. Options A, B, and D all have incorrect fine amounts. Option A has a fine of up to 25,000 which is lower than the maximum penalty. Similarly, option B has a fine of up to 60,000 and option D has a fine of up to 30,000, both of which are higher than the maximum penalty. Therefore, the correct answer is C because it has the correct fine amount of up to 50,000, in addition to the maximum jail time of two years less a day.

4. What secures the consumer market from unsafe vehicles?

- A. Dealer plates
- B. CAMVAP
- C. The branding program**
- D. The garage register

The correct choice, which is the branding program, plays a crucial role in protecting the consumer market from unsafe vehicles. This program ensures that vehicles are properly identified and their histories are transparent, including any accidents or significant repairs. By branding vehicles with information regarding their condition, such as whether they have been declared salvaged or rebuilt, it helps consumers make informed decisions. This transparency is vital in preventing the sale of unsafe vehicles, as consumers are less likely to purchase a car that has a questionable history. The other options, while they may each serve important functions within the automotive industry or regulatory framework, do not have the same level of impact in terms of directly securing the consumer market from unsafe vehicles. For instance, dealer plates facilitate the operation of dealerships but do not inherently guarantee vehicle safety. CAMVAP is focused on resolving disputes between consumers and manufacturers but does not address vehicle safety inspection directly. The garage register maintains a record of garages but is not aimed specifically at preventing unsafe vehicle sales. Thus, the branding program stands out as the primary mechanism that ensures consumer protection against unsafe vehicles in the market.

5. True or false: A customer should do a lien check on a vehicle they plan to buy from a dealer.

- A. True**
- B. False
- C. Depends on the dealer
- D. Sometimes true

Conducting a lien check on a vehicle before purchasing it is crucial because it helps ensure that the buyer is aware of any outstanding debts or financial claims against the vehicle. A lien signifies that a third party may have a legal claim to the vehicle, often due to unpaid loans or services. If a buyer purchases a vehicle with an existing lien without being informed, they could face legal issues, including the potential for repossession of the vehicle by the lienholder. When buying from a dealer, it might be assumed that the vehicle is free of liens. However, mistakes can happen, and a lien check provides additional peace of mind for the buyer. It allows them to verify the vehicle's status and confirms that they are making a sound investment. Therefore, the necessity of a lien check is applicable in any purchase scenario to protect the buyer's interest and ensure a clear title transfer.

6. When selling a new vehicle, what information regarding the manufacturer must be included in the contract?

- A. Manufacturer's middle name**
- B. Manufacturer's suggested retail price (MSRP)**
- C. Manufacturer's guarantee of no defects**
- D. Manufacturer's personal phone number**

The correct answer is the manufacturer's suggested retail price (MSRP) because it is a crucial piece of information that provides transparency in the transaction between the dealer and the buyer. The MSRP is a recommended selling price provided by the manufacturer, and including it in the contract ensures that the buyer is aware of the expected price for the vehicle before negotiations take place. It helps in establishing trust and clarity regarding pricing. This requirement is part of consumer protection laws that aim to ensure buyers are informed about the fair market value of the vehicle they are purchasing. The inclusion of the MSRP in the sales contract helps prevent potential disputes over pricing after the purchase is made. The other choices do not reflect requirements that are generally mandated in vehicle sales contracts. For instance, the manufacturer's middle name and personal phone number are irrelevant and unnecessary for the sale transaction. Additionally, while a manufacturer might have a guarantee regarding the vehicle's quality, explicit guarantees against defects may not be uniformly included in all contracts, as they can depend on additional warranties or service agreements separate from the sale contract.

7. What is NOT part of the registration requirements for dealers and salespeople under the MVDA?

- A. Maintaining financial responsibility**
- B. Conducting business with honesty and integrity**
- C. Having a minimum of 5 years sales experience**
- D. Conducting business in accordance with the law**

The registration requirements for dealers and salespeople under the Motor Vehicle Dealers Act (MVDA) emphasize several key principles aimed at ensuring ethical business practices and compliance with regulations. One of these components includes maintaining financial responsibility, which ensures that dealers can handle their financial obligations and protect consumers. Additionally, conducting business with honesty and integrity reflects the ethical standards required of all registered entities, ensuring trustworthiness in transactions. Moreover, conducting business in accordance with the law is fundamental, as it aligns with all regulations and legislative requirements governing the motor vehicle sales industry. In contrast, the requirement for a minimum of 5 years of sales experience is not mandated by the MVDA. While experience in sales can be beneficial for both dealers and salespeople, the act does not set a specific timeframe for such experience as part of the registration criteria. Thus, this choice stands out as not being a necessary requirement for registration under the MVDA.

8. What must dealers do for contracts of sale on an 'as is' basis?

- A. Offer a minimum one-year warranty**
- B. Clearly indicate it on the front of the contract**
- C. Only disclose this verbally**
- D. Provide a detailed vehicle history**

Dealers must clearly indicate that the contract is on an 'as is' basis on the front of the contract. This is important as it ensures transparency and informs the buyer that they are purchasing the vehicle as it is, without any guarantees or warranties from the dealer. Options A, C, and D are incorrect as they do not adequately address the requirement for an 'as is' sale. Offering a warranty or disclosing verbally does not clearly indicate that the sale is on an 'as is' basis, while providing a vehicle history is not necessarily required for an 'as is' sale. It is important for dealers to follow this guideline to avoid potential legal issues with buyers.

9. Choose the most correct answer: An as-is sale...

- A. Isn't legal to a consumer**
- B. Must have the buyer write an explanation of "as-is"**
- C. Doesn't require the buyer to initial the words "as-is"**
- D. Must include a specific definition of "as-is" in the contract**

An as-is sale occurs when a seller offers the product or property in its current condition, typically without any warranties or guarantees. This means that the buyer is taking on the risk of any potential defects or issues with the product. Option A, that an as-is sale isn't legal to a consumer, is incorrect because as-is sales are legal if the buyer agrees to the terms. Option B, that the buyer must write an explanation of "as-is", is incorrect because it is the responsibility of the seller to clearly communicate the "as-is" condition of the sale. Option C, that the buyer doesn't need to initial the words "as-is", is incorrect because it is important for the buyer to acknowledge and understand the terms of the sale, even if they are purchasing the product or property in its current condition. Option D, that the sale must include a specific definition of "as-is" in the contract, is the most correct because it ensures that both parties are aware and in agreement of the terms of the sale.

10. What is one of the key objectives of OMVIC?

- A. To set minimum sales prices for all vehicles**
- B. To inform consumers about their rights and responsibilities**
- C. To restrict the types of vehicles available for sale**
- D. To limit competition between dealerships**

One of the key objectives of OMVIC (Ontario Motor Vehicle Industry Council) is to inform consumers about their rights and responsibilities. This objective is vital as it empowers consumers in their vehicle purchasing decisions. By providing clear information, OMVIC helps buyers understand the laws that protect them, what to expect during the buying process, and how to address any issues that may arise after a purchase. This commitment to consumer education fosters transparency in the automotive marketplace and builds trust between consumers and dealers, ensuring that transactions are conducted fairly. The other options do not align with OMVIC's core mission. Setting minimum sales prices is outside the purview of a regulatory body focused on consumer protection and industry standards. Similarly, restricting vehicle types for sale or limiting competition would not serve the interests of consumers, which is the primary focus of OMVIC. Thus, the emphasis on informing consumers about their rights and responsibilities is crucial and aligns closely with OMVIC's role as a regulatory body.