

OMVIC Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

- 1. If a dealer does not have a specific new vehicle in stock, but will locate and bring it in, what must be disclosed about the vehicle's mileage?**
 - A. The exact mileage**
 - B. The average mileage for that model**
 - C. Mileage within a certain range or no maximum with buyer's initials**
 - D. The mileage of the previous vehicle the buyer owned**
- 2. What does "due diligence" imply for vehicle dealers?**
 - A. Taking shortcuts to save time and resources**
 - B. Conducting thorough research and assessments**
 - C. Ensuring compliance with all legal requirements and best practices**
 - D. Delegating tasks to staff to meet obligations**
- 3. What is the "Transactional Fee Program" under OMVIC?**
 - A. Program for free vehicle registrations**
 - B. Fee charged to report accidents**
 - C. Program for dealer compliance training**
 - D. Fee for each vehicle sold or leased remitted to OMVIC**
- 4. What does the "lemon law" in Ontario protect consumers from?**
 - A. Defective vehicles that cannot be repaired after a reasonable number of attempts**
 - B. Vehicles that have been previously owned**
 - C. High repair costs after purchase**
 - D. Dealership closures**
- 5. A dealer who facilitates the sale of an extended warranty is responsible if:**
 - A. The warranty terms change**
 - B. The warranty company goes out of business**
 - C. The customer changes their mind**
 - D. The vehicle is sold to another party**

- 6. When is a Safety Standards Certificate required?**
- A. All of the above**
 - B. Changing the status of a vehicle from unfit to fit**
 - C. Registering a vehicle in Ontario that was previously registered outside Ontario**
 - D. Transferring a used vehicle to a new owner as fit**
- 7. True or false: If a customer signs a contract but doesn't complete the sale, the dealer can keep the whole deposit, no matter how much it is.**
- A. False**
 - B. True**
 - C. Not specified**
 - D. May vary by location**
- 8. What is one of the main purposes of the Seller's Disclosure Statement?**
- A. To provide warranty details for the vehicle**
 - B. To inform prospective buyers about the history and condition of the vehicle**
 - C. To outline financing options available**
 - D. To list all previous owners of the vehicle**
- 9. Which action is an example of “best practices” in the vehicle dealership context?**
- A. Keeping all information about vehicles confidential**
 - B. Providing complete and accurate vehicle histories**
 - C. Focusing solely on closing sales quick**
 - D. Encouraging customers to rush their decisions**
- 10. If a dealer or salespeople receive any commission for providing an application for financing, what is required?**
- A. A detailed biography of the financier**
 - B. A statement initialled by the buyer**
 - C. A group photo with the financier**
 - D. The financier's guarantee of lowest rates**

Answers

SAMPLE

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

SAMPLE

Explanations

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1. If a dealer does not have a specific new vehicle in stock, but will locate and bring it in, what must be disclosed about the vehicle's mileage?

A. The exact mileage

B. The average mileage for that model

C. Mileage within a certain range or no maximum with buyer's initials

D. The mileage of the previous vehicle the buyer owned

A This is incorrect because the exact mileage cannot be provided if the vehicle is not in stock. B: This is incorrect because the average mileage may not reflect the specific vehicle being brought in. D: This is incorrect because the mileage of a previous vehicle is not relevant to the specific vehicle being brought in.

2. What does "due diligence" imply for vehicle dealers?

A. Taking shortcuts to save time and resources

B. Conducting thorough research and assessments

C. Ensuring compliance with all legal requirements and best practices

D. Delegating tasks to staff to meet obligations

"Due diligence" for vehicle dealers emphasizes the importance of ensuring compliance with all legal requirements and adhering to best practices within the industry. This concept is central to maintaining ethical standards and protecting both the dealership and its customers. It involves a comprehensive approach to operations, which includes verifying the condition of vehicles, understanding financing options, ensuring proper documentation, and adhering to regulations set forth by authorities. By practicing due diligence, dealers can mitigate risks associated with legal disputes, fraud, and customer dissatisfaction, ultimately fostering trust and integrity in their business dealings. While thorough research and assessments can be part of due diligence, it goes beyond that to encompass the complete responsibility to meet legal and ethical standards. Taking shortcuts or merely delegating tasks without overseeing compliance could lead to potential liabilities or operational failures.

3. What is the "Transactional Fee Program" under OMVIC?

A. Program for free vehicle registrations

B. Fee charged to report accidents

C. Program for dealer compliance training

D. Fee for each vehicle sold or leased remitted to OMVIC

The "Transactional Fee Program" under OMVIC is not a program for free vehicle registrations (A), as there is a fee charged for registering a vehicle. It is also not a fee charged to report accidents (B), as that would fall under the jurisdiction of insurance companies. The program is not specifically for dealer compliance training (C), although compliance training is an integral part of OMVIC's mandate. The transactional fee (D) is a fee for each vehicle sold or leased by OMVIC-Registered Dealers and Salepeople, which is then remitted to OMVIC. This fee helps fund the operations of OMVIC, such as consumer protection initiatives and enforcing compliance with the Motor Vehicle Dealers Act. Therefore, the correct answer is D.

4. What does the "lemon law" in Ontario protect consumers from?

- A. Defective vehicles that cannot be repaired after a reasonable number of attempts**
- B. Vehicles that have been previously owned**
- C. High repair costs after purchase**
- D. Dealership closures**

The "lemon law" in Ontario specifically addresses consumer protection regarding defective vehicles. This law is designed to safeguard consumers who purchase vehicles that turn out to be defective and cannot be repaired even after a reasonable number of attempts. If a vehicle has significant issues that affect its use, safety, or value, and those issues persist despite the dealer's efforts to fix them, the consumer may be eligible for a refund or replacement vehicle under this legislation. The other options do not accurately describe the primary focus of the lemon law. Previous ownership does not factor into the protections offered by the lemon law, as it applies equally to new and used vehicles that meet the criteria. High repair costs, while a genuine concern for consumers, are not the specific target of the lemon law, which is more about the nature of the defects rather than the expense of repairs. Dealership closures are unrelated to the lemon law, which is centered on vehicle defects rather than business operations. Thus, the correct understanding of the lemon law highlights its protective role for consumers against enduring defects in their purchased vehicles.

5. A dealer who facilitates the sale of an extended warranty is responsible if:

- A. The warranty terms change**
- B. The warranty company goes out of business**
- C. The customer changes their mind**
- D. The vehicle is sold to another party**

A dealer who facilitates the sale of an extended warranty is responsible if the warranty company goes out of business. This is because the dealer is the one who made the sale and received payment from the customer. As the intermediary between the customer and the warranty company, it is the dealer's responsibility to ensure that the warranty company will honor their agreements. The other options are not the dealer's responsibility because they are either out of the dealer's control (warranty terms changing, warranty company going out of business) or due to the customer's own decision (changing their mind, selling the vehicle to another party).

6. When is a Safety Standards Certificate required?

- A. All of the above**
- B. Changing the status of a vehicle from unfit to fit**
- C. Registering a vehicle in Ontario that was previously registered outside Ontario**
- D. Transferring a used vehicle to a new owner as fit**

A Safety Standards Certificate is required in all of the situations described in the given choices, including changing the status of a vehicle from unfit to fit, registering a vehicle in Ontario that was previously registered outside Ontario, and transferring a used vehicle to a new owner as fit. Option A, "All of the above", includes all of these scenarios, making it the correct answer. Options B, C, and D may seem like possible answers individually, but do not encompass all of the requirements listed in the question. Therefore, they are incorrect choices. This showcases the importance of carefully reading and considering all options before choosing an answer.

7. True or false: If a customer signs a contract but doesn't complete the sale, the dealer can keep the whole deposit, no matter how much it is.

- A. False**
- B. True**
- C. Not specified**
- D. May vary by location**

This statement is false because in most cases, a signed contract does not guarantee the completion of a sale. If a customer backs out of the deal, the amount of deposit that the dealer can keep may be determined by the terms and conditions of the contract, state and local laws, and the specific circumstances of the situation. In some cases, a portion or all of the deposit may need to be returned to the customer. Additionally, the amount of deposit may vary depending on location and the individual policies of the dealership. Therefore, while the dealer may be entitled to a portion of the deposit, they cannot always keep the entire amount if the sale is not completed.

8. What is one of the main purposes of the Seller's Disclosure Statement?

- A. To provide warranty details for the vehicle**
- B. To inform prospective buyers about the history and condition of the vehicle**
- C. To outline financing options available**
- D. To list all previous owners of the vehicle**

The Seller's Disclosure Statement serves a critical role in the vehicle sale process by informing prospective buyers about the history and condition of the vehicle. This document presents vital information that can include any past accidents, damage, odometer issues, or other relevant details that might affect the buyer's decision. Transparency is key in vehicle transactions to facilitate trust and ensure that buyers are fully aware of what they are considering purchasing. By disclosing this information upfront, sellers help potential buyers make informed decisions, which can lead to a smoother transaction process.

9. Which action is an example of “best practices” in the vehicle dealership context?

- A. Keeping all information about vehicles confidential**
- B. Providing complete and accurate vehicle histories**
- C. Focusing solely on closing sales quick**
- D. Encouraging customers to rush their decisions**

Providing complete and accurate vehicle histories exemplifies "best practices" in the vehicle dealership context because it prioritizes transparency and integrity in the sales process. By offering potential buyers comprehensive information about a vehicle's past, including any accidents, previous ownership, and maintenance records, dealerships foster trust with their customers. This practice not only helps customers make informed decisions but also enhances the dealership's reputation for honesty and reliability. Over time, this can lead to repeat business and referrals, as satisfied customers are more likely to recommend a dealership that values their needs and provides thorough information. Adhering to such best practices ultimately contributes to a positive buying experience and supports ethical standards within the industry.

10. If a dealer or salespeople receive any commission for providing an application for financing, what is required?

- A. A detailed biography of the financier**
- B. A statement initialled by the buyer**
- C. A group photo with the financier**
- D. The financier's guarantee of lowest rates**

Commission refers to a payment or incentive received for performing a service. In this case, the question is asking about the requirement when a dealer or salesperson receives commission for providing a financing application. Option A, a detailed biography of the financier, is incorrect because it is not a requirement in this situation. Option C, a group photo with the financier, is also incorrect as it is not relevant to the financing transaction. Option D, the financier's guarantee of lowest rates, is not a requirement as it does not pertain to the dealer or salesperson receiving commission. The correct answer, B, a statement initialled by the buyer, is required as it serves as documentation and proof that the buyer has acknowledged the commission received by the dealer or salesperson.