

# OMVIC Practice Test (Sample)

## Study Guide



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## **Questions**

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- 1. If a dealer replaces a part during a repair, what is the correct action regarding the old part?**
  - A. The consumer can request the old part back**
  - B. The dealer must inform the consumer about the old part**
  - C. The dealer can retain the old part**
  - D. The dealer is not responsible for the old part**
- 2. Is it necessary for a dealer to disclose a vehicle's cancelled manufacturer warranty if they offer the customer an extended warranty?**
  - A. True**
  - B. False**
- 3. Which body or agency enforces MVDA?**
  - A. OMVIC**
  - B. CAA**
  - C. OADA**
  - D. VADA**
- 4. Which statement is true about dealer premises?**
  - A. a. Must be located next to a shopping mall**
  - B. b. Must have a swimming pool**
  - C. c. Must have an office and a lot**
  - D. d. Must be in an industrial complex**
- 5. Which best practices should dealers follow under OMVIC regulations?**
  - A. Simplifying vehicle sales processes**
  - B. Ensuring transparency and honesty in transactions**
  - C. Attracting customers with deceptive advertising**
  - D. Rushing the sales process to increase volume**
- 6. True or False: A salesperson must produce his or her registration certificate for inspection if a customer asks to see it?**
  - A. True**
  - B. False**

- 7. Can a dealer negotiate fees with the consignor after selling a vehicle in a consignment sale?**
- A. True**
  - B. False**
- 8. Under the Code of Ethics, advertising must fulfill which criteria?**
- A. Only be posted during business hours**
  - B. Must always include price reductions**
  - C. Be legal, decent, ethical and truthful**
  - D. Focus solely on vehicle features**
- 9. What must a dealer disclose to a customer regarding a vehicle that was previously declared a total loss after a collision?**
- A. The nature of the damage sustained**
  - B. The repair process**
  - C. The previous damage history**
  - D. Nothing needs to be disclosed**
- 10. 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**

## **Answers**

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

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## **Explanations**

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**1. If a dealer replaces a part during a repair, what is the correct action regarding the old part?**

- A. The consumer can request the old part back**
- B. The dealer must inform the consumer about the old part**
- C. The dealer can retain the old part**
- D. The dealer is not responsible for the old part**

When a dealer replaces a part during a repair, the consumer has the right to request the return of the old part. This practice is essential in maintaining transparency and trust in the repair process. When consumers are given access to the old parts, it allows them to verify that the repairs were necessary, understand the condition of the parts being replaced, and make informed decisions regarding future maintenance or repairs. This requirement aligns with consumer rights protections, as it fosters open communication between the dealer and the consumer. Additionally, being able to see the replaced part can provide the consumer with peace of mind that the repair was completed properly. While dealers may sometimes retain parts for warranty purposes, the consumer's right to request the return of the old part is a fundamental aspect of the service agreement between them.

**2. Is it necessary for a dealer to disclose a vehicle's cancelled manufacturer warranty if they offer the customer an extended warranty?**

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

A dealer is indeed required to disclose a vehicle's cancelled manufacturer warranty when offering an extended warranty to a customer. This is important because it provides transparency and allows the customer to make an informed decision. If a manufacturer warranty has been cancelled, it can affect the overall value and reliability of the vehicle. By disclosing this information, the dealer ensures that the buyer understands the current state of the vehicle's warranty protection and can weigh the benefits of purchasing an extended warranty in relation to the vehicle's history. This practice is part of ethical sales and consumer protection regulations, which are in place to promote honesty and fairness in the automotive sales industry.

**3. Which body or agency enforces MVDA?**

- A. OMVIC**
- B. CAA**
- C. OADA**
- D. VADA**

The body or agency responsible for enforcing MVDA (Motor Vehicle Dealers Act) is OMVIC. OMVIC is the Ontario Motor Vehicle Industry Council, which is a regulatory body for motor vehicle dealerships in Ontario. CAA (Canadian Automobile Association), which is widely known for providing roadside assistance and other vehicle-related services, does not enforce MVDA. Similarly, OADA (Ontario Automobile Dealers Association) and VADA (Vehicle Sales Authority of British Columbia) are industry associations and do not have the authority to enforce MVDA. Therefore, A (OMVIC) is the correct answer.

**4. Which statement is true about dealer premises?**

- A. a. Must be located next to a shopping mall
- B. b. Must have a swimming pool
- C. c. Must have an office and a lot**
- D. d. Must be in an industrial complex

Dealer premises must have an office and a lot for the business operations and storage of vehicles. Option A is incorrect because dealer premises can be located anywhere as long as they have the necessary amenities. Option B is incorrect because a swimming pool is not a requirement for a dealership. Option D is incorrect because dealer premises do not have to be in an industrial complex specifically, as long as they comply with zoning regulations. The only necessary requirement is an office and a lot for the dealership.

**5. Which best practices should dealers follow under OMVIC regulations?**

- A. Simplifying vehicle sales processes
- B. Ensuring transparency and honesty in transactions**
- C. Attracting customers with deceptive advertising
- D. Rushing the sales process to increase volume

Ensuring transparency and honesty in transactions is a fundamental principle underlying OMVIC regulations. The primary objective of these regulations is to protect consumers from unfair practices and to promote integrity within the automotive sales industry. By adhering to a standard of transparency, dealers foster trust with their customers, which is essential for building long-term relationships and a positive reputation in the marketplace. This practice involves accurately representing the vehicles being sold, disclosing any relevant information about the vehicle's history, and providing clear terms of sale. Such diligence not only aligns with regulatory expectations but also enhances customer satisfaction and loyalty, contributing to a dealer's success in the long run. The other options do not align with best practices as defined by OMVIC regulations, as they can compromise consumer trust and violate ethical selling standards. Simplicity in sales processes is beneficial but does not surpass the necessity of honesty and transparency. Deceptive advertising is unethical and prohibited, and rushing the sales process can lead to consumer dissatisfaction and potential legal issues.

**6. True or False: A salesperson must produce his or her registration certificate for inspection if a customer asks to see it?**

- A. True**
- B. False

A salesperson must indeed produce his or her registration certificate for inspection if requested by a customer. This requirement helps to ensure transparency and trust in the transaction process. By showing the registration certificate, the salesperson verifies their legitimacy and compliance with regulatory standards set by OMVIC (Ontario Motor Vehicle Industry Council). This practice not only protects consumers by assuring them that they are dealing with a licensed professional, but it also promotes ethical behavior within the automotive sales industry. Customers have the right to verify that the salesperson is authorized to conduct business in their jurisdiction, further highlighting the importance of accountability within the field.

**7. Can a dealer negotiate fees with the consignor after selling a vehicle in a consignment sale?**

**A. True**

**B. False**

In a consignment sale, the terms between the dealer and the consignor are typically established prior to the sale. The dealer acts as an agent for the consignor and is expected to sell the vehicle on their behalf, usually for an agreed-upon price and terms. Once the vehicle is sold, the dealer is obligated to honor the original agreement, which includes the fee structure, and cannot negotiate additional fees retroactively with the consignor. This maintains fairness and transparency in the transaction, ensuring that both parties uphold their initial agreements and expectations. Therefore, the answer to whether a dealer can negotiate fees with the consignor after selling a vehicle in a consignment sale is false.

**8. Under the Code of Ethics, advertising must fulfill which criteria?**

**A. Only be posted during business hours**

**B. Must always include price reductions**

**C. Be legal, decent, ethical and truthful**

**D. Focus solely on vehicle features**

The Code of Ethics for advertising requires advertisements to be legal, decent, ethical, and truthful. This means that advertisements must not be false, misleading, or deceptive in any way. Options A, B, and D are incorrect as they do not fulfill all of the criteria mentioned in the question. Posting advertisements during business hours or including price reductions may be beneficial in some cases, but they are not the main criteria that must be followed. Additionally, focusing solely on vehicle features may not necessarily fulfill the requirement of being legal, decent, and ethical. Therefore, only option C accurately fulfills the criteria outlined in the question.

**9. What must a dealer disclose to a customer regarding a vehicle that was previously declared a total loss after a collision?**

- A. The nature of the damage sustained**
- B. The repair process**
- C. The previous damage history**
- D. Nothing needs to be disclosed**

A dealer is required to disclose the previous damage history of a vehicle that was declared a total loss after a collision. This requirement is grounded in the principles of transparency and consumer protection, allowing potential buyers to make informed decisions about their purchases. When a vehicle has been declared a total loss, it indicates that the cost of repairs exceeded a certain percentage of the vehicle's value, often leading to significant damage. By informing customers of this history, dealers ensure that buyers are aware of the vehicle's past issues, which can impact its safety, reliability, and overall value. Understanding the total loss history empowers customers to consider potential risks and may influence their willingness to purchase the vehicle. The other choices, while they contain relevant information, do not encapsulate the complete responsibility of the dealer. Knowledge about the nature of the damage and the repair process is essential, but failing to disclose the total loss history itself can lead to a breach of trust and ethical standards in the sale of vehicles. Therefore, providing a comprehensive disclosure about past incidents is critical for maintaining fair dealings in the automotive industry.

**10. 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.