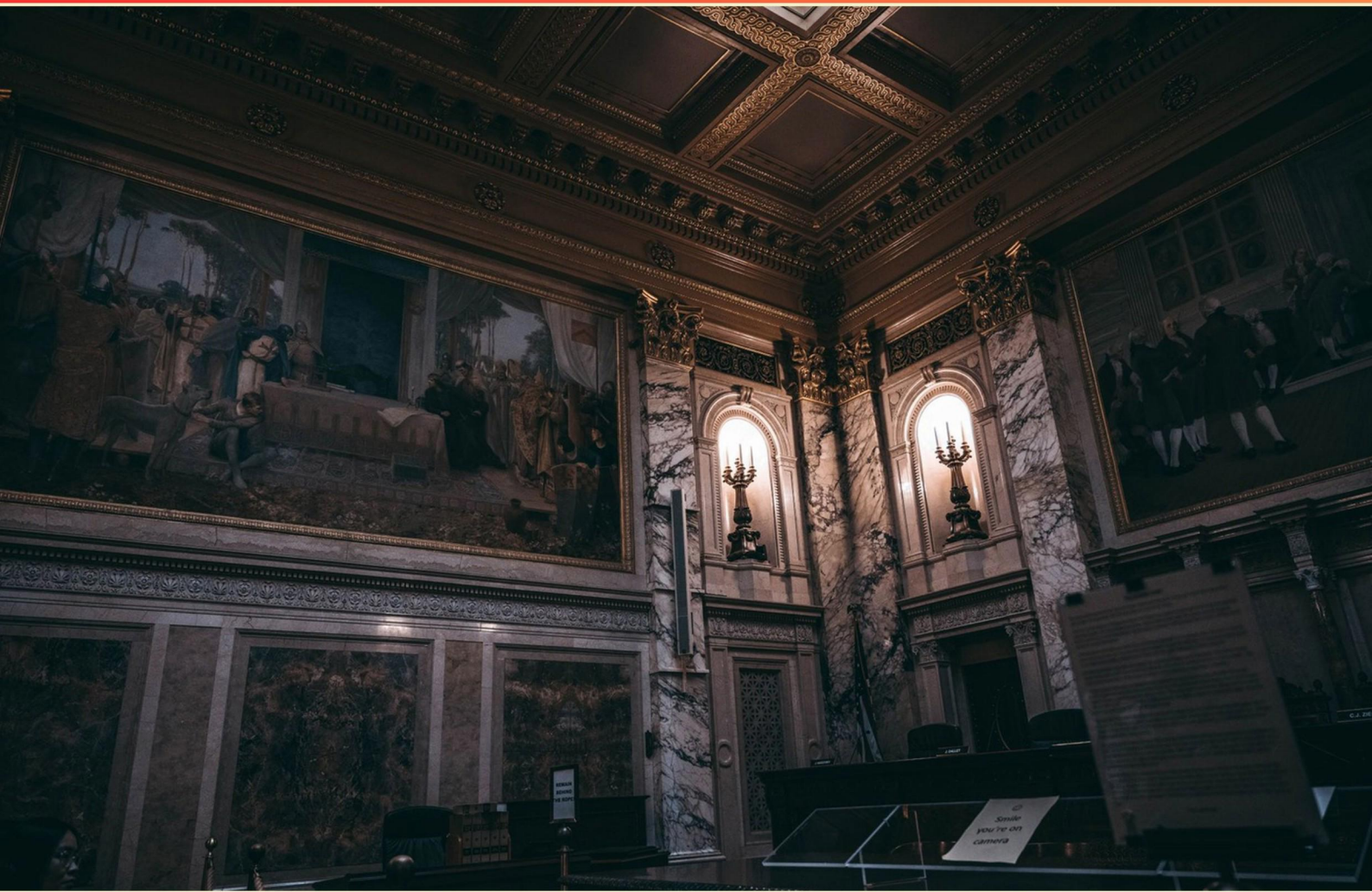


VIRGINIA DMV SALESPERSON PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Under what condition can a second set of temporary tags be issued to a customer?**
 - A. The vehicle is not selling well
 - B. The title is not available after 30 days
 - C. The customer requests it
 - D. All temporary plates have been used
- 2. Which of the following is a consequence of altering a vehicle's mileage?**
 - A. A reduced resale value
 - B. A possible legal penalty and being charged with fraud
 - C. An increase in customer inquiries
 - D. A more favorable loan approval rate
- 3. Which of the following actions is recommended when suspecting fraud?**
 - A. Confronting the customer directly
 - B. Continuing the transaction to appease the customer
 - C. Reporting the matter to authorities
 - D. Seeking advice from colleagues
- 4. Which of the following must be disclosed under Regulation Z (Truth in Lending)?**
 - A. Payment due dates.
 - B. Amount financed.
 - C. Payment plan options.
 - D. Tax implications.
- 5. Which of the following is part of the disclosures related to APR?**
 - A. Monthly payment amount.
 - B. Late fees and APR.
 - C. Loan duration.
 - D. Financing options.

- 6. What must a salesperson do if their license is revoked for failing to reimburse the Motor Vehicle Transaction Recovery Fund?**
- A. Pay a fine
 - B. Complete additional training
 - C. Reimburse the fund with interest
 - D. Wait one year before reapplying
- 7. When collecting tax on extended service contracts, how is the fee divided?**
- A. Equally among all services
 - B. On an item-by-item basis
 - C. On one half of the retail cost
 - D. No tax is applied
- 8. What is NOT a valid use for temporary transport plates?**
- A. Transporting vehicles from auctions
 - B. Traveling to a dealership
 - C. Transporting vehicles after purchase
 - D. Transporting vehicles for repair
- 9. What does a "Processing Fee" represent in a vehicle transaction?**
- A. A charge imposed by a dealer for processing a transaction
 - B. A government fee for vehicle registration
 - C. A fee collected for vehicle delivery
 - D. A service fee for vehicle cleaning
- 10. What must a dealer provide when giving a warranty on a used vehicle?**
- A. A verbal warranty summary
 - B. A copy of the Buyers Guide window sticker
 - C. A warranty document with no specific phrases
 - D. Only a receipt of sale

Answers

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

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Explanations

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1. Under what condition can a second set of temporary tags be issued to a customer?

- A. The vehicle is not selling well
- B. The title is not available after 30 days**
- C. The customer requests it
- D. All temporary plates have been used

A second set of temporary tags can be issued under the condition that the title is not available after 30 days. This provision is in place to accommodate situations where delays occur in the transfer of title, such as processing issues or waiting for paperwork from other jurisdictions. The purpose of temporary tags is to allow customers to operate their vehicle legally while the formal title process is being completed. If the original temporary tags expire and the title still hasn't been received, a second set of tags ensures that the customer can continue to drive the vehicle legally. Other options, such as the vehicle not selling well, customer requests, or all temporary plates being used, do not align with the regulations surrounding the issuance of temporary tags, as they focus on the status of the title rather than sales performance or customer preference.

2. Which of the following is a consequence of altering a vehicle's mileage?

- A. A reduced resale value
- B. A possible legal penalty and being charged with fraud**
- C. An increase in customer inquiries
- D. A more favorable loan approval rate

Altering a vehicle's mileage is considered odometer fraud and is illegal. Engaging in such practice can lead to severe legal consequences, including criminal charges for fraud. This can result in fines, restitution, and even imprisonment, depending on the severity of the offense and the laws of the state. Additionally, this action undermines the trust of buyers and the integrity of the vehicle sales industry, leading to legal penalties to deter such behavior. While reduced resale value, increase in customer inquiries, and favorable loan approval rates are potential outcomes related to vehicle sales, they do not directly result from altering mileage in the same way that legal consequences do. These other options may reflect the market dynamics or customer behaviors but don't capture the seriousness of the legal implications involved in manipulating a vehicle's odometer reading.

3. Which of the following actions is recommended when suspecting fraud?

- A. Confronting the customer directly
- B. Continuing the transaction to appease the customer
- C. Reporting the matter to authorities**
- D. Seeking advice from colleagues

When suspecting fraud, the recommended action is to report the matter to authorities. This step is crucial because it ensures that trained professionals can investigate the situation appropriately and take necessary action. Authorities, such as law enforcement or regulatory agencies, have the expertise and resources to deal effectively with fraudulent activities, which helps protect not only the business but also other customers and the broader community. Reporting to authorities allows for an objective assessment of the situation, which can often be complex and may involve legal implications. By doing so, you are adhering to the protocols designed to ensure transparency and accountability within the business environment. Additionally, it helps to safeguard the integrity of the business and maintain trust with honest customers. Engaging in options such as directly confronting the customer or continuing the transaction may lead to adverse outcomes, including escalation of the situation or causing harm to the business's reputation. Seeking advice from colleagues can be helpful, but it is generally more effective to involve authorities who are trained to handle such incidents.

4. Which of the following must be disclosed under Regulation Z (Truth in Lending)?

- A. Payment due dates.
- B. Amount financed.**
- C. Payment plan options.
- D. Tax implications.

The correct choice emphasizes the requirement for lenders to disclose the "amount financed" under Regulation Z, which is part of the Truth in Lending Act. This regulation aims to promote informed use of consumer credit by requiring clear and transparent disclosures regarding loan terms and costs. The "amount financed" represents the total amount of credit extended to the borrower, which, when disclosed, allows consumers to understand how much they are borrowing and the financial implications of their loan. This figure is crucial because it is foundational to calculating the consumer's overall debt obligation, along with other important costs such as interest rates and repayment terms. By standardizing this disclosure, Regulation Z helps ensure that consumers can compare different financing options effectively, making informed decisions based on a clear understanding of their financial responsibilities. Other options, while informative and relevant to the financing process, do not carry the same level of mandated disclosure under Regulation Z. For instance, payment due dates and payment plan options might not always provide the comprehensive financial perspective that the "amount financed" does, and tax implications are not a requirement of this specific regulation. The focus of Regulation Z is primarily on aspects that directly inform consumers about the cost and terms of credit.

5. Which of the following is part of the disclosures related to APR?

- A. Monthly payment amount.
- B. Late fees and APR.**
- C. Loan duration.
- D. Financing options.

The correct answer focuses on the relationship between late fees and the annual percentage rate (APR). The APR represents the total cost of borrowing over a year, which includes not just the interest rate but also any fees that may be charged over the life of the loan, such as late fees. Consumers benefit from this disclosure because it provides a clearer picture of the overall cost of the loan, enabling them to make informed financial decisions. By understanding how late fees can impact the effective cost of borrowing, buyers can evaluate whether the loan terms are favorable compared to other offers. This ensures awareness of potential additional charges that could affect their payment amounts. Thus, including late fees in the APR disclosure is vital for transparency and consumer protection. While the other choices—monthly payment amount, loan duration, and financing options—are important aspects of a loan or financing agreement, they do not specifically pertain to the disclosures related to the calculation and understanding of APR as directly as late fees do.

6. What must a salesperson do if their license is revoked for failing to reimburse the Motor Vehicle Transaction Recovery Fund?

- A. Pay a fine
- B. Complete additional training
- C. Reimburse the fund with interest**
- D. Wait one year before reapplying

When a salesperson's license is revoked due to their failure to reimburse the Motor Vehicle Transaction Recovery Fund, the necessary action to restore their license involves reimbursing that fund. This process requires not only the repayment of the owed amount but also includes paying interest on that amount. The Recovery Fund is designed to protect consumers and ensure that salespeople uphold their financial responsibilities. By reimbursing the fund with interest, the salesperson is making amends for their prior negligence and fulfilling their obligation to the public and the regulatory framework. This action is essential to demonstrate their commitment to ethical practices in the industry and to regain their credential to operate legally as a salesperson.

7. When collecting tax on extended service contracts, how is the fee divided?

- A. Equally among all services
- B. On an item-by-item basis
- C. On one half of the retail cost**
- D. No tax is applied

The fee for tax on extended service contracts is typically divided on one half of the retail cost. This means that when calculating the sales tax for these contracts, the tax is applied as though only half of the total retail price of the extended service contract is subject to tax. This approach provides a standardized way to determine the tax liability while ensuring that customers are not overcharged based on the full retail value of the service. In practice, this means that if a contract with a total retail value of \$1,000 is sold, the taxable amount for the service contract may be considered as \$500. This methodology is often regulated by state laws to ensure fair practices in the sale of extended service contracts and their associated taxes. It's important for salespersons to understand these regulations to properly calculate and communicate tax obligations to customers.

8. What is NOT a valid use for temporary transport plates?

- A. Transporting vehicles from auctions
- B. Traveling to a dealership**
- C. Transporting vehicles after purchase
- D. Transporting vehicles for repair

Temporary transport plates are a legal means of allowing the movement of vehicles for specific purposes, often under circumstances where permanent registration isn't yet in place. Each option represents a potential scenario where these temporary plates might be considered. Traveling to a dealership is not typically a valid use for temporary transport plates. These plates are intended for situations directly tied to the movement of vehicles that require immediate transport for specific transactional reasons, such as from an auction where the vehicle is being sold or transferred, following the purchase of a vehicle to its new owner, or moving a vehicle that requires repair. In contrast, transporting vehicles from auctions and after purchase directly relates to the necessity of getting the vehicle to a new location, which is why they align perfectly with the valid uses of temporary transport plates. Transporting vehicles for repair fits within the realm of a necessary movement for maintenance or servicing. Understanding these valid uses is crucial for compliance with Virginia's DMV regulations and ensuring the plates are used in accordance to their intended purpose.

9. What does a "Processing Fee" represent in a vehicle transaction?

- A. A charge imposed by a dealer for processing a transaction
- B. A government fee for vehicle registration
- C. A fee collected for vehicle delivery
- D. A service fee for vehicle cleaning

A "Processing Fee" in a vehicle transaction specifically refers to a charge that a dealer imposes for handling the administrative aspects of processing the sale. This can include tasks such as preparing paperwork, handling the title transfer, and ensuring that all necessary documentation is submitted to the relevant authorities. Such fees are common practice in the automotive industry and serve to compensate the dealership for the time and resources spent on the transaction. The other options represent different types of fees associated with vehicle transactions, but they do not accurately define the processing fee. For example, a government fee for vehicle registration is a separate cost mandated by the state for officially registering a vehicle. Similarly, a vehicle delivery fee is charged when a dealership provides transportation of the vehicle to the customer, and a service fee for vehicle cleaning relates to additional services offered by dealerships after the sale. Each of these fees serves a distinct purpose and is not synonymous with the processing fee.

10. What must a dealer provide when giving a warranty on a used vehicle?

- A. A verbal warranty summary
- B. A copy of the Buyers Guide window sticker
- C. A warranty document with no specific phrases
- D. Only a receipt of sale

When a dealer provides a warranty on a used vehicle, it is essential to include a copy of the Buyers Guide window sticker. This document serves as a crucial disclosure tool that informs potential buyers about the warranty and condition of the vehicle. The Buyers Guide outlines important information regarding the vehicle's warranty coverage, including whether the vehicle is being sold "as is" or if it comes with a warranty. This written notice helps ensure transparency and protection for both the dealer and the buyer. It allows buyers to make informed decisions based on the warranty terms clearly detailed in the guide. Additionally, having a Buyers Guide is a requirement under federal law, reinforcing its significance in the sale of used vehicles. Providing only a verbal summary, a warranty document devoid of specific phrases, or merely a receipt of sale does not fulfill the regulatory requirements and may leave the buyer with insufficient information regarding their rights and the specifics of the warranty. Thus, a copy of the Buyers Guide window sticker is the required and most effective approach for a dealer when offering a warranty on a used vehicle.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://vadmvsalesperson.examzify.com>

We wish you the very best on your exam journey. You've got this!

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