

# Wisconsin Motor Vehicle Salesperson Manual Practice Test (Sample)

## Study Guide



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## **Questions**

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- 1. What should you do if a vehicle's odometer cannot be reset to its previous mileage?**
  - A. Set the mileage reading to "zero"**
  - B. Place a sticker on the vehicle's left door frame specifying the previous mileage**
  - C. Include an odometer statement saying "not actual" mileage**
  - D. Both A and B**
- 2. The value of a trade-in may be reappraised only under which of the following conditions?**
  - A. The trade-in vehicle has been damaged**
  - B. If the dealership changes ownership**
  - C. If the customer finds a lower offer elsewhere**
  - D. If the customer changes warranty options**
- 3. When must you state the model year of a motor vehicle?**
  - A. When advertising it**
  - B. When negotiating the price**
  - C. When completing the sale**
  - D. When displaying it on the lot**
- 4. Who should be shown the prior owner's odometer statement?**
  - A. Only the new owner after sale**
  - B. All prospective customers before sale**
  - C. The dealership management**
  - D. The state vehicle inspection authority**
- 5. Where does your license allow you to sell?**
  - A. Only at your primary dealership**
  - B. To other states**
  - C. To vehicle wholesalers**
  - D. Your employer and any dealers in your "dealership group"**

- 6. When can the dealer cancel the prelease agreement?**
- A. If the customer's credit is not approved by the sales finance company loaning money for the lease**
  - B. If the customer changes their mind**
  - C. If the vehicle is available earlier than expected**
  - D. If the customer requests additional features**
- 7. What should be omitted from a signed prelease agreement if the vehicle is not available at the time of signing?**
- A. Buyer's signature**
  - B. Vehicle price**
  - C. Vehicle color**
  - D. Identification number**
- 8. Why is it important for salespersons to understand financing options?**
- A. It helps them increase the vehicle prices**
  - B. It assists customers in making informed purchasing decisions**
  - C. It allows them to persuade customers to buy more vehicles**
  - D. It enables them to eliminate the need for customer insurance**
- 9. Which of the following actions is part of the reasonable care standard for dealerships?**
- A. Take the vehicle apart**
  - B. Run tests only if necessary**
  - C. Inspect under the brakes**
  - D. Inspect only the vehicle's paperwork**
- 10. Why should salespersons avoid using pressure tactics?**
- A. They can harm customer relationships and lead to complaints**
  - B. They can inflate the price of the vehicle**
  - C. They can complicate the sales process**
  - D. They can generate negative media coverage**

## **Answers**

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

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## **Explanations**

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**1. What should you do if a vehicle's odometer cannot be reset to its previous mileage?**

- A. Set the mileage reading to "zero"**
- B. Place a sticker on the vehicle's left door frame specifying the previous mileage**
- C. Include an odometer statement saying "not actual" mileage**
- D. Both A and B**

When a vehicle's odometer cannot be reset to its previous mileage, it is important to take steps to provide accurate information to potential buyers. Setting the mileage reading to "zero" indicates that the vehicle has undergone a reset, which is necessary for transparency. This is particularly important because buyers need to be aware of the vehicle's history and condition, as it affects its value and their purchase decision. Placing a sticker on the vehicle's left door frame specifying the previous mileage enhances clarity by informing prospective buyers of the actual mileage before the reset. This practice helps maintain transparency and honesty in the sales process, which is essential in building trust with customers and complying with legal requirements related to odometer disclosures. By combining both steps, you create a clear communication strategy that informs potential buyers of the vehicle's history, allowing them to make informed choices. Thus, both actions support the ethical and legal standards of vehicle sales.

**2. The value of a trade-in may be reappraised only under which of the following conditions?**

- A. The trade-in vehicle has been damaged**
- B. If the dealership changes ownership**
- C. If the customer finds a lower offer elsewhere**
- D. If the customer changes warranty options**

If a trade-in vehicle has been damaged, the value of the vehicle may need to be reappraised. This is because the damage may affect the overall value of the vehicle. Option B is incorrect because a change in ownership of the dealership would not directly impact the value of a trade-in. Option C is incorrect because the value of the trade-in does not change based on offers from other dealerships. Option D is incorrect because changing warranty options does not necessarily affect the value of the trade-in vehicle. Option A is the correct answer because a damaged vehicle may have a lower value and therefore, may need to be reappraised.

### 3. When must you state the model year of a motor vehicle?

- A. When advertising it**
- B. When negotiating the price
- C. When completing the sale
- D. When displaying it on the lot

When advertising a motor vehicle, it is important to state the model year as it provides important information about the vehicle and can affect the buyer's decision. It is not necessary to state the model year when negotiating the price or completing the sale as these details can be discussed during the transaction. Additionally, while it is important to display the model year when the vehicle is on the lot, it is not the only time when it must be stated. Therefore, the correct answer is A, as it specifies a specific scenario in which the model year must be mentioned.

### 4. Who should be shown the prior owner's odometer statement?

- A. Only the new owner after sale
- B. All prospective customers before sale**
- C. The dealership management
- D. The state vehicle inspection authority

The correct answer is B because the prior owner's odometer statement provides important information about the vehicle's mileage and can influence a potential buyer's decision. Showing this statement to all prospective customers before the sale is important in ensuring transparency and honesty in the transaction. Options A, C, and D are incorrect because they do not involve sharing the statement with the potential buyers, which can lead to an unfair or misleading sale.

### 5. Where does your license allow you to sell?

- A. Only at your primary dealership
- B. To other states
- C. To vehicle wholesalers
- D. Your employer and any dealers in your "dealership group"**

Your license allows you to sell to your employer and any dealers in your "dealership group". Option A, "Only at your primary dealership", is incorrect because it limits your sales to just one location, while your license allows you to sell at multiple dealerships in your "dealership group". Option B, "To other states", is incorrect because it is too broad and does not specify which dealerships you are allowed to sell in. Option C, "To vehicle wholesalers", is incorrect because it only allows you to sell to wholesalers, not to other dealerships. Therefore, option D is the correct answer as it best explains the scope of your license for selling purposes.

**6. When can the dealer cancel the prelease agreement?**

- A. If the customer's credit is not approved by the sales finance company loaning money for the lease**
- B. If the customer changes their mind**
- C. If the vehicle is available earlier than expected**
- D. If the customer requests additional features**

Car dealerships typically have a prelease agreement with a sales finance company that allows customers to lease a vehicle. This agreement is contingent upon the customer's credit being approved by the sales finance company. Therefore, if the customer's credit is not approved, the dealership is no longer able to offer the prelease agreement and may need to cancel it. This option is the only one that directly relates to the agreement being nullified due to circumstances outside of the customer's control. Options B, C, and D would not cause the prelease agreement to be cancelled by the dealer.

**7. What should be omitted from a signed prelease agreement if the vehicle is not available at the time of signing?**

- A. Buyer's signature**
- B. Vehicle price**
- C. Vehicle color**
- D. Identification number**

In a signed prelease agreement, the buyer's signature serves as confirmation that they have agreed to the terms of the agreement. However, if the vehicle is not available at the time of signing, then the buyer is unable to confirm their agreement. Therefore, it should be omitted from the agreement as it would be invalid. Option B, the vehicle price, should not be omitted from the agreement as it is a crucial aspect of the prelease agreement, regardless of the availability of the vehicle. Similarly, option C, the vehicle color, should not be omitted as it is also an important detail that needs to be agreed upon by both parties. Option D, the identification number, should not be omitted as it serves as a unique identifier for the vehicle and is necessary for proper documentation.

**8. Why is it important for salespersons to understand financing options?**

- A. It helps them increase the vehicle prices**
- B. It assists customers in making informed purchasing decisions**
- C. It allows them to persuade customers to buy more vehicles**
- D. It enables them to eliminate the need for customer insurance**

Understanding financing options is crucial for salespersons as it directly impacts their ability to assist customers in making informed purchasing decisions. When salespeople have a solid grasp of various financing methods, including loans, leases, and payment plans, they can tailor their recommendations to fit individual customer needs and financial situations. This knowledge equips them to explain the benefits and drawbacks of different financing options, helping customers choose the most suitable method for their budget and circumstances. By effectively communicating these financing details, salespeople can foster trust and confidence, ultimately enhancing the customer experience. An informed customer is more likely to feel comfortable with their purchase, reducing anxiety related to financing and increasing satisfaction with the overall transaction. This customer-centric approach not only strengthens the relationship between the salesperson and the buyer but can also lead to increased sales and customer loyalty over time.

**9. Which of the following actions is part of the reasonable care standard for dealerships?**

- A. Take the vehicle apart**
- B. Run tests only if necessary**
- C. Inspect under the brakes**
- D. Inspect only the vehicle's paperwork**

The reasonable care standard for dealerships requires them to take care of the vehicle's condition and make sure it is safe for the buyer. This includes performing necessary tests to ensure the vehicle is functioning properly. Option A is incorrect because it is not necessary to take the vehicle apart for routine inspections. Option C is incorrect because brakes are just one component of the vehicle and the inspection should cover the entire vehicle. Option D is incorrect because paperwork alone does not provide enough information about the condition of the vehicle. Therefore, option B is the most appropriate answer as it aligns with the reasonable care standard.

## 10. Why should salespersons avoid using pressure tactics?

**A. They can harm customer relationships and lead to complaints**

**B. They can inflate the price of the vehicle**

**C. They can complicate the sales process**

**D. They can generate negative media coverage**

Salespersons should avoid using pressure tactics primarily because such tactics can harm customer relationships and lead to complaints. Establishing trust and a positive rapport with customers is essential in the sales process, especially in the automotive industry, where long-term relationships can lead to repeat business and referrals. When customers feel pressured, they may become uncomfortable, and their perception of the salesperson and the dealership can become negative. This discomfort can result in complaints to management or even public reviews that reflect poorly on the business. Maintaining a respectful and professional approach fosters a positive environment where customers feel valued and more likely to make a purchase based on their own decision rather than under duress. The other options highlight potential consequences, such as inflated prices or negative media coverage, but they do not directly address the core issue of relationship management as thoroughly as the correct choice does. Focusing on customer needs and building long-term relationships ultimately leads to a more successful and sustainable business model.