

Wisconsin Motor Vehicle Salesperson Manual Practice Test (Sample)

Study Guide



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SAMPLE

Questions

- 1. Which of the following must appear on a completed purchase contract?**
 - A. Names and addresses of the dealer and purchaser**
 - B. Salesperson's birthdate**
 - C. Engine size of the vehicle**
 - D. Customer's credit score**
- 2. When is a vehicle that has a pending offer to purchase allowed to be sold to another customer?**
 - A. If the original offer is voided**
 - B. After 24 hours**
 - C. With the written consent of the first buyer**
 - D. Never**
- 3. Are "As-is" sales legal in Wisconsin?**
 - A. Yes**
 - B. No**
 - C. Only for used vehicles**
 - D. Only for new vehicles**
- 4. 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**
- 5. What must always be documented in the sales agreement for trade-ins?**
 - A. Salesperson's name**
 - B. Purchase date**
 - C. Condition and value of the trade-in**
 - D. Dealership location**

- 6. 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**
- 7. What action should be taken if there is uncertainty about the material history of a used vehicle?**
- A. Disclose the uncertainty to potential buyers**
 - B. Assume it is irrelevant**
 - C. Proceed with selling the vehicle without mentioning it**
 - D. Remove the vehicle from the inventory**
- 8. What can you do if your license is denied?**
- A. Apply again immediately**
 - B. File a lawsuit**
 - C. Hire a lawyer**
 - D. Appeal to the Division of Hearings and Appeals**
- 9. Which term is appropriate when indicating that an item comes with a purchased vehicle?**
- A. "bundled with"**
 - B. "included with"**
 - C. "no cost"**
 - D. "promo item"**
- 10. What is the purpose of undercoating a vehicle?**
- A. To improve engine performance**
 - B. To enhance aesthetics**
 - C. To prevent rust**
 - D. To increase fuel efficiency**

Answers

SAMPLE

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

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Explanations

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1. Which of the following must appear on a completed purchase contract?

- A. Names and addresses of the dealer and purchaser**
- B. Salesperson's birthdate**
- C. Engine size of the vehicle**
- D. Customer's credit score**

A purchase contract is a legally binding document that outlines the terms of a sale or purchase transaction between a dealer and a purchaser. It is important for the contract to include the names and addresses of both parties in order to establish who is involved in the transaction and where they can be reached. This information is necessary for any legal issues that may arise in the future. The salesperson's birthdate, engine size of the vehicle, and customer's credit score are not required to be included in a purchase contract and are therefore incorrect options.

2. When is a vehicle that has a pending offer to purchase allowed to be sold to another customer?

- A. If the original offer is voided**
- B. After 24 hours**
- C. With the written consent of the first buyer**
- D. Never**

A vehicle that has a pending offer to purchase is allowed to be sold to another customer if the original offer is voided. This means that if the initial buyer decides not to pursue the purchase or if the seller and buyer come to a mutual agreement to void the offer, then the vehicle can be sold to someone else. The other options are incorrect because B is too specific and does not take into account potential different circumstances, C requires specific written consent and may not be feasible in urgent situations, and D is too broad and does not consider a possible voided offer.

3. Are "As-is" sales legal in Wisconsin?

- A. Yes**
- B. No**
- C. Only for used vehicles**
- D. Only for new vehicles**

"As-is" sales simply means that the buyer is purchasing the item in its current state, with no guarantee or warranty from the seller. In Wisconsin, "as-is" sales are legal for all types of goods, not just used or new vehicles. Therefore, options C and D are not the best answers. While option B may seem like a plausible response, it is incorrect as "as-is" sales are legally allowed in the state of Wisconsin.

4. 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.

5. What must always be documented in the sales agreement for trade-ins?

- A. Salesperson's name**
- B. Purchase date**
- C. Condition and value of the trade-in**
- D. Dealership location**

In a sales agreement for trade-ins, it is essential to document the condition and value of the trade-in. This information is crucial because it provides transparency regarding the assessment and appraisal of the vehicle being traded in. Documenting the condition ensures that both the seller and the dealership have a clear understanding of the trade-in's worth, which can also prevent disputes later in the buying process. The value of the trade-in affects the overall transaction, including how much the buyer will pay for the new vehicle, making accurate documentation a key component of the sales agreement. While other factors present in the options might be helpful or relevant to the transaction, they are not mandatory in the context of the sales agreement. The salesperson's name might be relevant for accountability, the purchase date could provide context about the transaction timeline, and the dealership location can indicate where the sale is taking place, but none of these elements hold the same significance in terms of valuing and assessing the trade-in itself. Thus, condition and value are vital for ensuring a fair transaction for both parties involved.

6. 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**

The correct answer centers around the fact that if a vehicle is not available at the time of signing a prelease agreement, the buyer's signature should not be included as it represents the buyer's acknowledgment and acceptance of the specific terms of the agreement. When the vehicle is unavailable, it essentially means there is no specific deal to finalize—hence, having a buyer's signature would not be appropriate under these circumstances. In contrast, while the details regarding the vehicle price, color, and identification number may be necessary for the final agreement, they can still be noted or discussed even if the vehicle is not physically present at the signing. However, including a buyer's signature implies that they are committing to the terms of a deal, which cannot be valid if the vehicle is not available to lease at that moment. Therefore, omitting the buyer's signature is essential to ensure that the agreement remains accurate and enforceable.

7. What action should be taken if there is uncertainty about the material history of a used vehicle?

- A. Disclose the uncertainty to potential buyers**
- B. Assume it is irrelevant**
- C. Proceed with selling the vehicle without mentioning it**
- D. Remove the vehicle from the inventory**

One should disclose the uncertainty to potential buyers to ensure transparency and honesty in the transaction. Assuming it is irrelevant (B) or proceeding with selling the vehicle without mentioning it (C) is unethical and could lead to legal issues. Removing the vehicle from the inventory (D) is also not a viable option as it does not address the issue and could worsen the situation. It is necessary to inform potential buyers about any uncertainties related to the vehicle's history to avoid any misunderstandings or legal consequences.

8. What can you do if your license is denied?

- A. Apply again immediately**
- B. File a lawsuit**
- C. Hire a lawyer**
- D. Appeal to the Division of Hearings and Appeals**

If your license is denied, your best course of action would be to appeal to the Division of Hearings and Appeals. Applying again immediately (option A) would not be useful as the decision would likely remain the same. Filing a lawsuit (option B) or hiring a lawyer (option C) would be a potential option, but it would be a longer and more expensive process compared to appealing to the Division of Hearings and Appeals.

9. Which term is appropriate when indicating that an item comes with a purchased vehicle?

- A. "bundled with"
- B. "included with"**
- C. "no cost"
- D. "promo item"

"Included with" is the most appropriate term to use when indicating that an item comes with a purchased vehicle. This indicates that the item is a part of the purchase and is not an additional cost or promotion. The other options could also technically be correct, but they do not accurately convey that the item is specifically tied to the purchase of the vehicle. "Bundled with" could suggest that the item is a part of a larger package deal, "no cost" could imply that the item is a free bonus but not necessarily tied to the purchase, and "promo item" implies that the item is a promotional offer rather than a standard inclusion with the purchase. Therefore, "included with" is the most appropriate and specific term to use in this context.

10. What is the purpose of undercoating a vehicle?

- A. To improve engine performance
- B. To enhance aesthetics
- C. To prevent rust**
- D. To increase fuel efficiency

The purpose of undercoating a vehicle is primarily to prevent rust. Undercoating involves applying a protective layer to the underside of the vehicle, which acts as a barrier against moisture, salt, and other elements that can cause corrosion. This is particularly significant in regions where roads are salted during the winter, as salt can accelerate rust formation. By creating this protective layer, undercoating helps extend the lifespan of the vehicle's undercarriage and contributes to overall vehicle durability. Enhancing aesthetics, improving engine performance, or increasing fuel efficiency do not relate to the primary function of undercoating. While these aspects are important for a vehicle, they are not addressed through the application of undercoating.