Wisconsin Motor Vehicle Salesperson Manual Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Questions



- 1. What must the Wisconsin Buyers Guide provide regarding a vehicle?
 - A. The vehicle's prior use
 - **B. Previous financing information**
 - C. Service history
 - **D.** Insurance costs
- 2. What aspect of vehicle history is a dealer required to disclose?
 - A. Any that is considered "material"
 - **B.** Only accidents
 - C. Only manufacturing defects
 - D. None of the above
- 3. What is optional on the Dealer Supplemental Price Label?
 - A. Items or services which have not been installed
 - **B. MSRP**
 - C. Standard equipment
 - D. Transportation charges
- 4. Which laws apply to consignment sales for dealer-owned vehicles?
 - A. Display of the Wisconsin Buyers Guide
 - **B.** Inspection
 - C. Both Inspection and Display of the Wisconsin Buyers Guide
 - D. Neither Inspection nor Display of the Wisconsin Buyers Guide
- 5. How do you obtain a duplicate salesperson license?
 - A. Complete a MV2184 Salesperson Application with your employer
 - **B.** Inform the Department of Revenue
 - C. Report to law enforcement
 - D. Visit the regional office in-person

- 6. What is prohibited in advertising to induce the purchase of a motor vehicle?
 - A. Including all fees in the price
 - **B.** Offering discounts
 - C. Using false, deceptive, or misleading advertising or representations
 - D. Providing vehicle history
- 7. Under what condition can the seller disclose that the odometer reading reflects the "actual" mileage?
 - A. When the odometer has not been tampered with
 - B. When the original owner confirms the mileage
 - C. If the malfunction occurred within 30 days and the mileage traveled since the malfunction is reasonably accurate
 - D. When the mileage is within 500 miles of the original reading
- 8. If the dealership is unsure whether history information would be material to a buyer, what should they do?
 - A. Consult a legal advisor
 - B. Place a "not inspected for sale" sticker on the vehicle
 - C. Assume it is not important and proceed with the sale
 - D. Ignore the information
- 9. How can fraudulent practices be avoided in vehicle sales?
 - A. By offering significant discounts
 - B. Salespersons should adhere to ethical practices and fully disclose all necessary vehicle information
 - C. By hiding the vehicle's history
 - D. By making sales override agreements with customers
- 10. What type of advertising is prohibited for motor vehicle sales?
 - A. Creative advertising
 - **B.** Discount advertising
 - C. False or misleading advertising
 - D. Celebrity endorsement advertising

Answers



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



Explanations



1. What must the Wisconsin Buyers Guide provide regarding a vehicle?

- A. The vehicle's prior use
- **B. Previous financing information**
- C. Service history
- **D.** Insurance costs

The Wisconsin Buyers Guide is required to provide information regarding the vehicle's prior use. This includes details about the history of the vehicle such as whether it has been used as a rental or for commercial purposes. Options B, C, and D are all incorrect because they do not pertain to the vehicle's prior use and are not required to be provided in the Buyers Guide. Option B relates to financing, option C relates to service history, and option D relates to insurance costs, which are all separate from the vehicle's prior use. Therefore, option A is the most accurate choice for what the Wisconsin Buyers Guide must provide.

2. What aspect of vehicle history is a dealer required to disclose?

- A. Any that is considered "material"
- **B.** Only accidents
- C. Only manufacturing defects
- D. None of the above

A dealer is required by law to disclose any aspect of the vehicle's history that could be considered "material", or significant, to a potential buyer. This includes any accidents, previous damage, or major repairs. Option B and C are incorrect because they only mention specific aspects of vehicle history, rather than the overall requirement to disclose any material information. Option D is incorrect because dealers are required to disclose certain aspects of vehicle history, making "none of the above" an incorrect statement.

3. What is optional on the Dealer Supplemental Price Label?

- A. Items or services which have not been installed
- B. MSRP
- C. Standard equipment
- D. Transportation charges

Items or services that have not been installed on the vehicle are optional on the Dealer Supplemental Price Label. The other options listed may also appear on this label, but they are not necessarily optional. MSRP (Manufacturer's Suggested Retail Price) is the suggested price for the vehicle set by the manufacturer, standard equipment refers to the features and components included with the vehicle, and transportation charges cover the cost of delivering the vehicle to the dealership. These options are typically included in the overall price of the vehicle and are not considered optional.

- 4. Which laws apply to consignment sales for dealer-owned vehicles?
 - A. Display of the Wisconsin Buyers Guide
 - **B.** Inspection
 - C. Both Inspection and Display of the Wisconsin Buyers Guide
 - D. Neither Inspection nor Display of the Wisconsin Buyers Guide

In the context of consignment sales for dealer-owned vehicles, both the inspection of the vehicle and the display of the Wisconsin Buyers Guide are indeed required by law. The inspection refers to the necessary checks and assessments that a vehicle must undergo to ensure it meets safety and operational standards. This process enhances consumer protection by confirming that the vehicle being sold is in sound condition, thereby reducing the risk of selling a defective vehicle. The Wisconsin Buyers Guide is a critical document that must be displayed for used vehicles. It provides potential buyers with essential information, including warranty details and the vehicle's condition history. This requirement aims to promote transparency in the sales process, ensuring that customers are fully informed about the vehicle they consider purchasing. Thus, for dealer-owned vehicles being sold on consignment, both the inspection of the vehicle and the display of the Wisconsin Buyers Guide are mandatory, ensuring adherence to both consumer protection laws and industry standards.

- 5. How do you obtain a duplicate salesperson license?
 - A. Complete a MV2184 Salesperson Application with your employer
 - **B.** Inform the Department of Revenue
 - C. Report to law enforcement
 - D. Visit the regional office in-person

To obtain a duplicate salesperson license, you need to complete a MV2184 Salesperson Application with your employer. This is because the application requires you to gather information from your employer and provide it to the Department of Revenue. Option B, informing the Department of Revenue, is not enough as you also need to submit a completed application. Option C, reporting to law enforcement, is not relevant to obtaining a duplicate salesperson license. Option D, visiting the regional office in-person, may not be necessary as the application can be completed online or mailed in. Therefore, the most efficient and accurate way to obtain a duplicate salesperson license is by completing the MV2184 Salesperson Application with your employer.

- 6. What is prohibited in advertising to induce the purchase of a motor vehicle?
 - A. Including all fees in the price
 - **B.** Offering discounts
 - C. Using false, deceptive, or misleading advertising or representations
 - D. Providing vehicle history

When advertising to induce the purchase of a motor vehicle, it is important to ensure that all statements and representations are true and not misleading. Option A and B are incorrect because including fees in the price and offering discounts are common advertising practices and are not necessarily prohibited. Option D is also incorrect because providing vehicle history is actually encouraged in advertising as it can help build trust with potential buyers. Option C is the correct answer because using false, deceptive, or misleading advertising or representations is explicitly prohibited in order to protect consumers from being misled or making a purchase based on false information.

- 7. Under what condition can the seller disclose that the odometer reading reflects the "actual" mileage?
 - A. When the odometer has not been tampered with
 - B. When the original owner confirms the mileage
 - C. If the malfunction occurred within 30 days and the mileage traveled since the malfunction is reasonably accurate
 - D. When the mileage is within 500 miles of the original reading

The other options, A, B, and D, are incorrect because they do not directly address the specific condition under which the seller can disclose the "actual" mileage. Option A only mentions that the odometer has not been tampered with, but it does not specify any timeframe or reason for the disclosure. Option B only involves the confirmation of the original owner, but it does not establish any condition for disclosure. Option D only mentions mileage within 500 miles of the original reading, but it does not mention any specific condition for disclosure.

- 8. If the dealership is unsure whether history information would be material to a buyer, what should they do?
 - A. Consult a legal advisor
 - B. Place a "not inspected for sale" sticker on the vehicle
 - C. Assume it is not important and proceed with the sale
 - **D.** Ignore the information

Consulting a legal advisor is the most prudent course of action when a dealership is uncertain whether certain history information is material to a buyer. Legal advisors can provide guidance on the implications of disclosing or withholding information related to a vehicle's history, helping the dealership navigate potential legal liabilities and ensuring compliance with relevant consumer protection laws. This approach prioritizes the buyer's right to make an informed decision, fostering transparency and trust between the buyer and the dealership. The other options do not promote informed consumer practices. For instance, placing a "not inspected for sale" sticker does not address the issue, as it does not provide full disclosure about the vehicle's history that could impact the buyer's decision. Assuming the information is unimportant can lead to misunderstandings or dissatisfaction, negatively affecting the dealership's reputation. Ignoring the information entirely could expose the dealership to legal consequences if it is later found that the history was indeed relevant to the sale. Therefore, seeking advice from a legal professional supports responsible sales practices.

- 9. How can fraudulent practices be avoided in vehicle sales?
 - A. By offering significant discounts
 - B. Salespersons should adhere to ethical practices and fully disclose all necessary vehicle information
 - C. By hiding the vehicle's history
 - D. By making sales override agreements with customers

Salespersons can effectively avoid fraudulent practices in vehicle sales by adhering to ethical standards and fully disclosing all pertinent information regarding the vehicle. This approach fosters trust between the salesperson and the customer, ensuring that buyers are well-informed about the condition, history, and any potential issues related to the vehicle. Transparency in communication is key to maintaining integrity within the sales process, which not only enhances the reputation of the dealership but also protects consumers from potential scams or disappointment after the sale. In contrast, offering significant discounts may seem appealing but does not inherently address the issue of fraud. Similarly, hiding a vehicle's history or making questionable agreements with customers can lead to unethical practices and legal repercussions. These actions could compromise the trustworthiness of the sales process and ultimately damage the relationship between the seller and buyer. Ensuring ethical practices through full disclosure is, therefore, the most effective method for preventing fraud in vehicle sales.

10. What type of advertising is prohibited for motor vehicle sales?

- A. Creative advertising
- **B.** Discount advertising
- C. False or misleading advertising
- D. Celebrity endorsement advertising

The prohibition of false or misleading advertising is crucial in the motor vehicle sales industry to maintain ethical standards and protect consumers. This type of advertising can harm buyers by presenting inaccurate information about a vehicle's features, pricing, or benefits, potentially leading them to make uninformed purchasing decisions. Laws and regulations are in place to ensure that all marketing representations are truthful and not deceptive, reinforcing the integrity of the sales process. Therefore, adhering to truthful advertising practices is essential for both compliance and fostering trust with customers in the automotive market.