

**24-7 DEALER TRAINING SPECIALISTS – DMV CERTIFIED EDUCATIONAL PROVIDER
PRE LICENSE PRACTICE DEALER EXAM**

1. Misdemeanor crimes can be charged for:
 - a. Not offering a contraction cancellation for a vehicle valued under 40 Thousand Dollars
 - b. Failure to provide pre contract disclosures
 - c. Fail to disclose the customer's credit score
 - d. All the above
2. A retail dealer's sign at their place of business shall be viewable from 50 feet and have a total size not less than:
 - a. Two Square Feet
 - b. Three Square Feet
 - c. Five Square Feet
 - d. Six Square Feet
3. A Conditional Sales Contract is:
 - a. Not Legal in the State of California
 - b. Not recommended for your sales transactions
 - c. An attempt to obtain financing for your customer
 - d. An agreement between a dealer and retail buyer when a lien is created and Payments are to be made to the lien holder
4. To sell a consigned vehicle, the consignment agreement must include:
 - a. Any outstanding Lien amount due
 - b. Total amount the consignor will be paid from the proceeds of sale
 - c. The consignor shall be paid within 20 days after the sale date
 - d. All the above
5. If a dealer is unable to obtain financing for a retail buyer:
 - a. The dealer may keep the down payment
 - b. The dealer must return the down payment
 - c. The dealer is allowed to keep any collected money for use of the vehicle
 - d. The down payment may be kept as a service fee
6. Prior to offering a vehicle for sale to the retail public, the dealer must:
 - a. Have a Federal Buyer's Guide posted in the side window of the vehicle
 - b. Have a current smog certification for the vehicle
 - c. Obtain a National Motor Vehicle Title Information report
 - d. All the above
7. In an advertisement a dealer must include in the ad:
 - a. Name of the dealership
 - b. Year, Make and model of the vehicle
 - c. Vehicle Identification number
 - d. All the above
8. What is the maximum a dealer may charge for a smog test:
 - a. \$35.00
 - b. \$58.25
 - c. \$50.00
 - d. \$19.95

9. When a dealer sells an advertised vehicle, how much time does the dealer have to Withdraw the advertisement:
- 24 Hours
 - 48 Hours
 - 72 Hours
 - There is no time limit
10. A dealer may reset an odometer on a vehicle if:
- It is a crime to reset the odometer of any vehicle
 - The dealer doesn't know the true mileage
 - The dealer added too many miles to the vehicle
 - The dealer can make more money for less miles
11. A selling dealer may keep excess DMV fees paid by the retail customer:
- When the amount is less than \$5.75
 - The dealer may keep any fees that have been collected
 - The excess fees go to California Tax and Fee Administration
 - A dealer cannot keep any excess DMV fees
12. Requirements for a dealer license is found in:
- Civil Code
 - The California Vehicle Code
 - Business and Professions Code
 - California Code of Regulations
13. After the sale of a vehicle the dealer is required to:
- Collect the fees to title and register the vehicle
 - Collect the appropriate Sales Tax due
 - Transfer title and registration to the purchaser
 - All the above
14. A dealer's license and special plates will be automatically canceled if:
- The sellers permit is suspended or revoked
 - The dealer fails to maintain the proper bond amount
 - The dealer abandons their established place of business
 - All of the above
15. Once you have been licensed by DMV you must maintain your location:
- Only for the inspection period
 - Only when you submit your application
 - The same as the day you were licensed
 - Not necessary to maintain the location
16. To transfer ownership of a vehicle, the basic transfer fee is:
- \$15.00
 - \$17.00
 - \$25.00
 - \$30.00
17. To sell a vehicle to the retail public, the selling dealer has to smog the vehicle:
- Within 7 days of delivery of the vehicle to the retail buyer
 - Omitted if the customer want to use his/her own smog shop
 - After the sale is completed
 - Before the vehicle can be put up for sale

18. A dealer's location must have all the following except:
- a. A display area large enough to accommodate the vehicles offered for sale
 - b. A sign on all vehicles indicating the main location address
 - c. An office used exclusively for the dealer
 - d. A sign indicating the name and address of the dealer
19. How many vehicles can you sell for profit without the benefit of a dealer license:
- a. 0
 - b. 3
 - c. 5
 - d. 10
20. Who at a dealership is required to have a Salespersons License to negotiate sales:
- a. General Sales Manager and Finance Manager
 - b. Finance Manager and Dealer
 - c. Salesperson and Finance Manager
 - d. Both A and C
21. If a dealer fails to renew the license by the expiration date, he/she has how many days Grace period with 100% penalty to pay their fees:
- a. 30 Days
 - b. 20 Days
 - c. 10 Days
 - d. 5 Days
22. Which of the following would be in violation of misuse of a dealer plate:
- a. Salesperson on a test drive
 - b. Lot boy taking a vehicle for detail or wash
 - c. The dealer driving to and from the golf course
 - d. Salesperson driving to visit a friend
23. If a dealer changes their established place of business, they must notify DMV:
- a. Immediately
 - b. Within 5 days
 - c. Within 15 days
 - d. Within 20 days
24. A dealer shall offer the purchaser of a used vehicle valued under 40 thousand dollars a contract cancellation and return the vehicle:
- a. Without cause for a flat fee of 1.5% of the purchase price
 - b. Without cause for a flat fee of 1.75% of the purchase price
 - c. Without cause for a fee based on the purchase price
 - d. Without cause for a flat fee of \$600
25. A dealer must notify the DMV within how many days of employment or termination of a Salesperson:
- a. 5 Days
 - b. 7 Days
 - c. 10 Days
 - d. 30 Days

26. A dealer must notify a prospective buyer if a vehicle was a:
- Taxi or rental vehicle
 - Law Enforcement Vehicle
 - Insurance Salvage Vehicle
 - All the Above
27. How many days does a dealer need to notify DMV of a Corporate or Ownership change:
- 50 Days
 - 30 Days
 - 10 Days
 - Notification is not required
28. A vehicle branded "Lemon Law Buyback" – the dealer shall provide a disclosure statement:
- Only if the customer ran a Car Fax
 - Not necessary to disclose
 - Prior to the customer taking delivery
 - Prior to the sale of the vehicle
29. Business records relating to vehicle transactions shall be retained by a dealer for:
- 1 Year
 - 5 Years
 - 2 Years
 - 3 Years
30. A retail dealer must have posted in clear view of the buying public
- Vehicle Advertisements
 - City business license, DMV license, Salespersons License
 - No Cooling Off sign, 3rd Party Inspection sign, Right to Spanish Contract
 - All the above
31. A dealer not under contractual agreement with DMV may charge how much for the document fee?
- \$25.00
 - \$30.00
 - \$70.00
 - \$65.00
32. How many days does a dealer have to pay ASF fees to DMV:
- 10 days
 - 30 days
 - 20 days
 - 5 days
33. According to Division 12, what safety items must a dealer comply with:
- Brakes
 - Lights
 - windshield Wipers
 - All the above
34. When the odometer passes 99,999 miles on a 5 digit odometer, a dealer must:
- Reset the odometer to reflect less miles
 - Mark the box on the odometer statement form (Reg 262) and notify the customer
 - No disclosure is required on the part of the dealer
 - Sacramento will notify the customer for you

35. How many days does a dealer have to post fees to DMV:
- a. 5 days
 - b. 15 days
 - c. 30 days
 - d. 45 days
36. What happens when a dealer learns a vehicle they purchased is stolen:
- a. The dealer keeps the vehicle as rightful owner
 - b. The vehicle goes back to the rightful owner
 - c. The dealer sells the vehicle back to the rightful owner
 - d. The dealer wholesales it to another dealer to recoup his loss
37. A dealer may conduct business:
- a. On the street corner
 - b. At a body or repair shop
 - c. At their licensed location
 - d. From another dealers lot
38. What type of action can the DMV take against your dealer license:
- a. Administrative
 - b. Civil
 - c. Criminal
 - d. All the above
39. A dealer may share a report of sale with:
- a. Another dealer who doesn't have access to them
 - b. An unlicensed person acting as a dealer
 - c. It is never legal to share your DMV supplies with anyone
 - d. None of the above
40. A retail dealer must maintain their surety bond or cash deposit in the amount of:
- a. 5,000
 - b. 10,000
 - c. 50,000
 - d. 25,000
41. An Autobroker is considered a dealer and must complete a written agreement with a customer:
- a. Prior to arranging a sale through another dealer
 - b. After arranging a sale through another dealer
 - c. Only if the customer follows through with the purchase
 - d. No written agreement is required