

Quiz section 1-4

- 1) _____ (y/n) Must a conditional sales contract is in writing?
- 2) A contract cancellation display at each sales office and cubicle must have minimum dimensions of a) 4" x 4" b) 8" x 10" c) 24" x 24"
- 3) If a customer purchases a vehicle for \$5,000 and decides to purchase a contract cancellation option, the dealer may charge the customer up to a) \$276.00 b) \$75.00 c) \$128.75
- 4) If a customer purchases a vehicle for \$10,000 and decides to purchase a contract cancellation option, the dealer may charge the customer up to a) \$150.00 b) \$291.50 c) \$600.00
- 5) If a customer purchases a vehicle for \$30,000 and decides to purchase a contract cancellation option, the dealer may charge the customer up to a) \$333.33 b) \$444.44 c) \$250.00
- 6) If a customer purchases a vehicle price \$30,000 - \$39,999 and decides to purchase a contract cancellation option, the dealer may charge the customer up to a) 1% of the selling price b) \$1,500.00 c) \$825.00
- 7) If a customer purchases a vehicle for \$40,001, how much can the dealer charge the customer? A) as much as the dealer wants b) the dealer cannot charge the customer because the sale is not eligible for the contract cancellation option c) \$2,000
- 8) What is reg z? A) a tax code b) a fee you can lawfully charge the customer c) a law that states all terms and costs of financing must be disclosed to the buyer(s)
- 9) _____ (y/n) is the contract valid if only the buyer signs?
- 10) _____ (t/f) copies of the conditional sales contract do not have to be furnished to the buyer after a sale?
- 11) _____ (y/n) if a buyer pays cash for a vehicle does the dealer have to complete a conditional sales contract?
- 12) What is the maximum deposit a auto broker may accept from a customer? A) 2.5% of the selling price b) \$1,000.00 c) the entire selling price
- 13) What is consignment a) an arrangement under which a dealer allows the prospective customer to test drive vehicle for the weekend b) an arrangement under which a dealer agrees to accept possession of a vehicle from an owner of record for the purpose of selling the vehicle c) both the dealer and customer sign on the same line
- 14) If a dealer notices curbing, what agency should you file a complaint to a) dmv b) better business bureau c) local fire department
- 15) If a customer purchased a vehicle less than \$5,000 and a contract cancellation option contract and decides to return the vehicle within the time specified, the dealer can charge a maximum restocking fee of a) \$175 b) \$299 c) \$275
- 16) If a customer purchased a vehicle less than \$10,000 and a contract cancellation option contract and decides to return the vehicle within the time specified, the dealer can charge a maximum restocking fee of a) \$450 b) \$550 c) \$350
- 17) If a customer purchased a vehicle costing \$10,000 - \$39,999 and a contract cancellation option contract and decides to return the vehicle within the time specified, the dealer can charge a maximum restocking fee of a) \$500 b) \$600 c) \$700

- 18) Ab 68 states that if a customer purchases a contract cancellation option, the dealer only has to allow the customer to return the vehicle how many times in a 30 day period a) 1 b) 3 c) 7
- 19) If a customer purchases a contract cancellation option and decides to return the vehicle what does the dealer have to return a) nothing b) their trade-in c) a full refund d) b & c
- 20) _____ (t/f) if you do not disclose known material damage of the vehicle to the customer you can't be sued for a lot of money
- 21) _____ (t/f) former taxicabs, rental vehicles, law enforcement vehicles sold to customers do not have to be disclosed
- 22) Allowable interest rates for financing for auto finance companies and buy here pay here dealerships a) upto 10.0% b) upto federal reserve discount rates c) do not apply
- 23) What are the two permissible methods for computing interest rates for financing a) pre-computed b) amortized c) simple interest
- 24) (ab 68) dealer finance income is limited to _____ % for contracts of 60 months? A) 2.6 b) 2.4 c) 2.5
- 25) (ab 68) dealer finance income is limited to _____ % for contracts over 60 months? A) 1.9 b) 2.0 c) 2.1
- 26) What is the maximum a dealer can charge a customer for document preparation fee? A) \$35 b) \$45 c) \$55
- 27) _____ (y/n) if a dealer obtains a credit score from a credit reporting agency, must it be disclosed to the customer with a statutory notice explaining its context and meaning?
- 28) _____ (t/f) if a customer backs out of the deal before they sign a conditional sales contract the dealer does not have to refund any payments made
- 29) Repossession has five basic steps, what is the correct order? A) sell the vehicle, send buyer certified mail demand notice, accelerate balance due, repossess the vehicle, sue the buyer for any loss or deficiency b) sue the buyer for any loss or deficiency, repossess the vehicle, send buyer certified mail demand notice, accelerate balance due, sell the vehicle c) send buyer a 15-day notice certified, accelerate balance due, repossess the vehicle, sell the vehicle, sue the buyer for any loss or deficiency
- 30) Deficiency is? A) committing fraud against the customer b) the amount the buyer is behind in their payments to the dealer/financier c) breaking the law
- 31) _____ (t/f) only the legal owner or licensed repossession company can repossess vehicles
- 32) _____ (t/f) when deals are negotiated in Spanish, Chinese, Korean, tagalog, or Vietnamese, language contracts must be provided to the buyer
- 33) If a dealer carries own contract (buy here pay here) what must be complied with? Circle all correct answers a) criminal code b) provisions of the vehicle code c) family law d) reg z e) civil code concerning conditional sales contract
- 34) _____ (t/f) the dealer can represent the document preparation fee as a government fee?