

Sample Exam Questions to help prepare for TICO's Education Standards
Travel Counsellor Exam

Answer Sheet

1. The phrase "to promote a fair and informed marketplace where consumers can be confident of their travel purchases" is the
 - a. mission statement of the Ministry of Consumer Services
 - b. mission statement of TICO
 - c. vision statement of TICO
 - d. purpose of the *Travel Industry Act, 2002*

2. The administration of the *Travel Industry Act, 2002* was delegated to TICO by the
 - a. federal government
 - b. travel industry
 - c. Ministry of Consumer and Corporate Affairs
 - d. Ontario provincial government

3. TICO works with which three groups to carry out its mandate
 - a. Consumers, travel retailers, the federal government
 - b. Travel retailers, travel wholesalers and consumers
 - c. The travel industry, the provincial government and consumers
 - d. Suppliers, travel agents and consumers

4. The best description of Ontario's *Travel Industry Act, 2002* is that it
 - a. outlines the rights of consumers
 - b. sets down the rules under which travel retailers and travel wholesalers must operate in Ontario
 - c. goes into detail to explain the content of the related regulations
 - d. provides guidelines to travel retailers and travel wholesalers about what must be included in vacation packages

5. TICO lays charges after discovering that a man has been selling travel services without being a registrant or an employee in a registrant's agency or office. When the man sees his name in the newspaper, he threatens to take legal action against TICO for violating his privacy. He will lose the case because
 - a. Ontario Regulation 26/05 provides that TICO's Registrar must make these details available to the public
 - b. the Ministry of Consumer Services lays charges against illegal sellers of travel, not TICO
 - c. no law says a person has to be registered to sell travel services in Ontario
 - d. Ontario Regulation 26/05 specifically states that no one can take legal action against TICO

6. Who is the Statutory Director appointed by?
 - a. the Registrar
 - b. the Minister
 - c. the TICO Board of Directors
 - d. the Premier

7. Before counselling or advising a client, a travel agent must
 - a. inform the client of any counselling fee charged
 - b. show a picture of the travel service being sold
 - c. advise the client of the need for a passport or visa
 - d. ask to make an imprint of the customer's credit card

8. In the *Travel Industry Act, 2002*, the term "representation" refers to
 - a. print advertisements only
 - b. print advertisements except for billboards
 - c. presentations of any type, including oral, print, and electronic
 - d. oral presentations only

9. According to the *Travel Industry Act, 2002*, a travel agent does NOT have to inform a client before booking
 - a. that conditions at the destination may be different from those in Canada
 - b. the total price of the travel services, including all taxes and service charges
 - c. that a counselling fee is applied by the agent
 - d. that some days can be cloudy, even in a sun destination

10. ABC Travel puts an advertisement in the newspaper that announces a package holiday "From \$999 and up." TICO would not consider this acceptable because
 - a. the price should have been shown as \$999.00 to prevent any confusion
 - b. registrants are required to include PST, GST and HST in the advertised price
 - c. the Regulation states that consumers must know the exact cost of all the travel services provided
 - d. the advertisement did not specifically state whether the price is in Canadian or U.S. dollars

11. A consumer selects a package tour from a tour wholesaler's brochure. The hotel included in the package is some distance from town, which appeals to the consumer who wants a quiet location for her holiday. When she arrives at the hotel, she is upset by the non-stop noise outside her room as the hotel starts construction of a new swimming pool. Who is to blame for this consumer's dissatisfaction?
 - a. The hotel, which should have cancelled all bookings during construction.
 - b. The travel wholesaler, which should have disclosed in its brochure information about construction or renovation of the property.
 - c. The woman, who should have more thoroughly researched the hotel before booking.
 - d. The construction company, which should have offered all its guests a set of ear plugs.

Sample Travel Counsellor Exam Answers

12. ABC, a wholesaler, has been selling XYZ Resort since the resort opened in 1965. ABC still puts a photograph of the resort from 1965 in the brochure to show off the location's beauty. In fact, the resort has NOT been upgraded or renovated since 1965 and has become run-down and outdated. Has ABC Travel done anything wrong in its brochure?
- No, as long as the company states in the brochure that the photograph was taken in 1965.
 - Yes, because the photograph does not accurately depict the current condition of the resort.
 - No, because the Regulation requires that a photograph be used in advertising, but leaves content to the discretion of the registrant.
 - Yes, because no photograph should be used in representations.
13. A couple gives their travel agent a deposit for a package tour. They obtain a receipt from her that says, "Balance of \$500.00 due on September 27, 2011." The agent has also added the comment, "As discussed, some charges are non-refundable." TICO would view this receipt as
- adequate because the receipt includes the amount due, the date on which it is due, and the fact that some charges are non-refundable
 - adequate because the travel agent has reminded the clients that the non-refundable charges were discussed during the sale of the package tour
 - inadequate because, by law, the travel agent should have said "as discussed on August 27, 2011, some charges are non-refundable"
 - inadequate because, by law, the travel agent must identify charges that are non-refundable
14. Betsy, the travel agent, concludes the sale with the clients and tells them to go to the Canadian Foreign Affairs website to find out what documents they need. She thinks that Canadians may need a visa for the chosen destination, but she does not have the website on hand. Betsy's advice is
- sufficient because a travel agent need only advise clients of where to find information on travel documentation
 - insufficient because a travel agent must advise clients about the specific travel documents needed
 - sufficient because the clients chose the destination, so it is up to them to research the details
 - insufficient because the travel agent must provide the clients with a website address if she does not have specific information about travel documentation on hand
15. A client buys a vacation package from ABC Tours on May 1. The departure date is June 15. ABC Tours pays the travel wholesaler on May 8. On which date must the travel wholesaler produce the tickets, vouchers, itinerary, and other related documents to the travel agent?
- June 1 (14 days before departure)
 - May 24 (21 days before departure)
 - June 8 (7 days before departure)
 - May 29 (14 days after payment is received)

Sample Travel Counsellor Exam Answers

16. Which one of the following circumstances would NOT result in the travel agent having to offer the client a full refund or comparable alternate travel services?.
- Where a contract permits a price increase, the cumulative increase is more than 7% of the total price (excluding increases caused by an increase in the PST, GST or HST)
 - Where a scheduled departure of any transportation is delayed or advanced by 12 hours or less.
 - Where the contract does not permit a price increase, and the total price of the travel services is increased, whatever the amount or reason
 - Where a different cruise ship has been substituted
17. When a client is offered the choice of a refund or comparable alternate travel services, the registrant is NOT required to
- Write to the Travel Industry Compensation Fund stating that no claim is pending
 - Note the date on which the information was communicated to the client
 - Note the method of communication used
 - Note the choice the client made
18. Which of the following is NOT part of the Travel Industry Compensation Fund?
- contributions from registrants
 - contributions from consumers
 - recoveries of money paid from the Compensation Fund
 - income earned on the money in the Compensation Fund
19. Which of the following could a client claim from the Travel Industry Compensation Fund?
- counselling fees paid to a travel agent
 - taxes paid on the travel services
 - insurance premiums
 - travel services that were to be received as a prize
20. If a consumer makes a claim against the Travel Industry Compensation Fund and the TICO Board accepts the claim, what is the maximum amount payable?
- \$5,000 per person
 - \$5,000 per claim
 - depends on the cost, value, or quality of the travel services purchased
 - a calculation of \$5 million evenly divided by the number of claims
21. Joe and Sally are originally from Sudbury, but now live in Windsor. They depart from Toronto for a round-trip vacation package to Europe. When the supplier declares bankruptcy, Joe and Sally are stranded overseas. Under the trip completion provision in Ontario Regulation 26/05, where can Joe and Sally be returned, assuming that costs for each destination are approximately the same?
- Toronto
 - Toronto or Windsor
 - Windsor
 - Sudbury

Sample Travel Counsellor Exam Answers

22. Joe Smith is a travel agent with ABC Travel. He went out of his way to ensure that all the travel arrangements for Dorothy and David Black were 'perfect'. The couple paid ABC Travel and then ABC Travel forwarded the funds to the travel wholesaler. When the travel wholesaler declared bankruptcy and the Blacks' trip was ruined, Joe Smith made a claim on the Travel Industry Compensation Fund for the \$75.00 service fee he charged as a destination specialist. TICO will
- accept the claim because Joe dealt with the suppliers in good faith and the service fee was part of the travel service package.
 - refuse the claim because the Compensation Fund does not cover service fees
 - accept the claim because the Compensation Fund covers service fees
 - refuse the claim because it was illegal for Joe to charge a service fee in the first place.
23. Sally Smith belongs to a travel program. She saves up her points for two years until she has enough for a vacation package at a sun destination. The travel wholesaler noted in the brochure that the trip was valued at \$2500.00. After Sally transfers the points to the travel wholesaler, the wholesaler declares bankruptcy. Sally files a claim on the Travel Industry Compensation Fund for \$2500.00. Would her claim be eligible for reimbursement?
- Yes, because it is based on the stated value of the trip
 - No, because Sally did not actually pay money for the trip
 - Yes, because air points are commonly used and have a monetary value
 - No, because travel wholesalers are not covered by the Compensation Fund.

24. Read the invoice below and explain how it needs to be corrected to comply with representation requirements in the legislation. (Hint: There are 7 problems with the invoice)

INVOICE
ABC TRAVEL
123 ANY STREET
ANYWHERE, ONTARIO
X0X 0X0
Telephone: (555) 555-5555
Fax: (555) 555-5557
E-mail: bookings@abctravel.ca

DATE: August 12, 2011
INVOICE #: A123
PAGE #: 1 of 1
BOOKING #: A11111111
AGENT: Booka Trip

CUSTOMER: Iwanna Travel
 Telephone: (555) 555-0005

DESCRIPTION	QTY	PRICE	TAXES	HST	GST	PST	TOTAL
VACATION PACKAGE TO ACAPULCO, MEXICO	1	\$1891.95	\$247.00	\$1.05	-	-	\$2140.00

Deposit of \$1000.00 paid in cash on August 12, 2011.

BALANCE OF \$1140.00 DUE ON SEPTEMBER 17, 2011.

Documentation Requirements: Proof of Canadian citizenship supported by government issued photo I.D. required for entry into Mexico. Canadian passports preferred as I.D. by Mexican immigration. Mexican tourist cards will be provided by ABC Tour Operator at airport check-in. Please note that entry to another country may be refused even if the required information and travel documents are complete.

Living standards and practices at the destination and standards and conditions there with respect to the provision of utilities, services and accommodation may differ from those found in Canada.

Invoice problems:

1. No customer address
2. No TICO Registration Number
3. Inadequate description of travel services – does not indicate travel dates or service providers
4. No indication whether amounts are refundable or not
5. No indication whether contract permits price increases and any limits on price increases if they are permitted
6. No indication whether customer purchased trip cancellation insurance
7. No indication whether customer purchased out-of-province health insurance

**Sample Exam Questions to help prepare for the Minimum Education Standards
Supervisor/ Manager Exam**

Answer Sheet

1. John is a student who has decided to create his own company to provide walking tours in his hometown of Thunder Bay. Some tourists book a tour, but because John has the flu, he does not show up. The tourists complain to TICO that their afternoon was ruined. Why is TICO unable to assist these consumers?
 - a. a tour guide is considered to be an end supplier and is therefore exempt from registering with TICO
 - b. John should have registered with TICO because he is providing a type of travel service
 - c. having the flu is considered to be a *force majeure*, so the tourists have no grounds for complaint
 - d. anyone selling guide or sightseeing services in Ontario is exempt from having to register with TICO

2. Ontario Regulation 26/05 states that a person who has not registered with TICO in the previous 12 months must provide a
 - a. refundable security deposit of \$10,000.00
 - b. non-refundable security deposit of \$10,000.00
 - c. promissory note, authorized by a lawyer, in the amount of \$10,000.00
 - d. refundable security deposit of \$25,000.00

3. A man has violated the *Travel Industry Act, 2002* by providing services as a travel agent without actually being registered. As a result of his conviction, the penalty could be
 - a. a fine of not more than \$50,000
 - b. imprisonment for a term of not more than two years less a day
 - c. a fine of not more than \$250,000
 - d. both a fine of not more than \$50,000 and imprisonment for a term of not more than two years less a day

4. The time limit for prosecuting offences under the Act is no more than _____ after the Director first becomes aware of the facts on which the proceeding is based. Fill in the blank with the correct answer from one of the following:
 - a. six months
 - b. one year
 - c. two years
 - d. five years

5. The landlord of the building where ABC Travel Agency is located, is planning a major renovation. ABC Travel is forced to find another location until the renovation is completed. What is ABC Travel's duty as far as TICO is concerned?
- the agency must inform TICO, in writing, at least five days before the move
 - the agency need not inform TICO, because the move is only a temporary one
 - the agency need not inform TICO as long as the agency changes its phone message and puts a note on the door of its main premises to alert customers of the temporary relocation
 - the agency must inform TICO within a reasonable time of the move, even though it is only a temporary move.
6. As defined in Ontario Regulation 26/05, a financial statement does NOT need to include
- a statement of sales in Ontario made during a specific period
 - a balance sheet or income statement
 - the individual invoices sent to customers during a specific period
 - a reconciliation of the trust account with customer deposits
7. A trust account may NOT be used to
- borrow funds to keep the travel agency profitable if a customer is late in paying for a package tour
 - pay a wholesaler for the package tour for which the travel agency has received the money
 - issue refunds to customers
 - transfer a registrant's commission to the general account after the travel wholesaler has been paid
8. The amount of working capital required by a travel agency is based on which of the following?
- The length of time the agency has been in business
 - the number of employees the agency has
 - the agency's sales in Ontario during the previous fiscal year
 - the number of bookings the agency made during the previous fiscal year
9. All agencies are required to maintain business records. Which of the following does NOT fall under the category of business records?
- accounting and banking files
 - brochures that identify destinations and accommodations
 - payment records
 - files containing client options regarding refund or alternative travel services

10. ABC Travel Agency has been in business for two years. The owner informs TICO that he plans to stop maintaining a trust account. Under Ontario Regulation 26/05, can he do this?
- a. no, he must operate a trust account
 - b. yes, as long as the general account contains the equivalent of sales from the past 12 months he can close the business's trust account
 - c. no, he must be in business for three fiscal years before he can choose not to operate a trust account
 - d. Yes, if he provides security in lieu of trust accounting.
11. When a consumer makes a complaint about a registrant to TICO, what will the Registrar do?
- a. attempt to mediate or resolve the complaint
 - b. call the police to investigate
 - c. close the agency until the matter is resolved
 - d. seize the registrant's documents and records
12. The manager of ABC Travel is on holiday. At 10:00 a.m., a TICO inspector arrives to inspect the financial records. While the agency's staff know where the records are kept, they refuse to open the files, telling the inspector that the manager will be back in two weeks and the inspector will have to wait. According to Ontario Regulation 26/05, this is
- a. a reasonable request and the inspector will have to return in two weeks
 - b. an unreasonable request because the staff are required to assist the inspector
 - c. a reasonable request because the inspector is supposed to provide 30 days' notice of his intent to inspect the agency records
 - d. an unreasonable request because an inspector can only enter the agency between 11:00 a.m. and 3:00 p.m.
13. A TICO investigator arrives at ABC Travel Agency and sees someone inside taking files from the cabinets and burning them in a pail. The investigator enters the agency and searches the premises, without a search warrant. Is the investigator allowed to do this?
- a. yes, as long as it is within the hours of 6:00 am and 9:00 pm
 - b. no, the investigator cannot enter the premises without the warrant
 - c. yes, exigent circumstances allow for the investigator to enter and search the premises
 - d. no, the investigator can enter only if accompanied by the police
14. If a person has defaulted on paying a fine for an offence, TICO can do which of the following?
- a. impose an additional fine of \$25,000 and a sentence of up to two years in jail
 - b. place a lien on real estate or personal property of the person in default
 - c. borrow the money from the Travel Industry Compensation Fund until the person pays
 - d. ban the person from ever working in a travel agency again.