

**United States of America  
CUSTOMS SERVICE**

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**Customs Broker Licensing Examination**

**DIRECTIONS TO THE COMPETITOR - READ CAREFULLY**

This examination consists of 100 questions worth one point each. Passing is 75. You are to choose the correct answer to each question from among the five alternatives (A, B, C, D, or E) presented. Then, record your answer on the separate answer sheet by darkening the answer space which corresponds to the letter of the alternative you chose.

You may refer **ONLY** to the following:

- **Harmonized Tariff Schedule of the United States (1997)**
- **Title 19, Code of Federal Regulations (19 CFR Parts 1 to 199) Revised as of April 1, 1996**

Applicants are responsible for having current references. Although you may also use the Customs Regulations received by subscription or privately printed reprints of the two specified references, Customs does not guarantee that they are up to date, and their use is at the applicant's risk.

You may use a silent battery-operated calculator.

Scores on this test are based on the number of questions answered correctly. There is no penalty for guessing. Therefore, it is to your advantage to answer every question that you can, even if you are not sure of the correct answer.

The examination lasts 4-1/2 hours. When you finish, give this booklet and your answer sheet to the test administrator.

**DO NOT TURN THIS PAGE UNTIL TOLD TO DO SO BY THE EXAMINER.**



1. Which of the following does NOT qualify as an assist for the purposes of valuation of merchandise?
  - A) merchandise consumed in the production of the imported merchandise
  - B) tools and dies
  - C) artwork performed by an individual domiciled within the United States
  - D) components incorporated in the imported merchandise
  - E) molds
  
2. Which of the following is included in the Customs territory of the United States?
  - A) U.S. flag vessels on the high seas
  - B) foreign trade zones
  - C) the Panama Canal Zone
  - D) Puerto Rico
  - E) insular possessions
  
3. When is direct identification drawback provided?
  - A) upon the exportation of articles manufactured in the United States with the use of imported merchandise
  - B) upon the exportation of articles not used in the United States
  - C) upon the destruction of articles manufactured in the United States with the use of imported merchandise
  - D) upon the destruction of articles not used in the United States
  - E) upon the exportation of fungible articles manufactured in the United States with the use of imported merchandise
  
4. An article composed of two different base metals is classified based on which of the following?
  - A) the metal component that imparts the essential character of the article
  - B) the metal that predominates by weight
  - C) the metal that possesses the chief value
  - D) the metal that contributes the most toward marketing the article
  - E) the metal that is referenced last (in numerical order) in the Harmonized Tariff Schedule
  
5. Which of the following headings does NOT involve the principal-use concept?
  - A) tableware and kitchenware of porcelain (Heading 6911)
  - B) household articles of iron or steel (Heading 7323)
  - C) articles for use by religious, educational, scientific, and other institutions (Heading 9810)
  - D) glass jars of a kind used for packing and conveying merchandise (Heading 7010)
  - E) vegetable materials of a kind used in animal feeds (Heading 2308)

6. Which of these procedures constitutes an "assembly" operation for purposes of classification under 9802.00.80, the provision for foreign articles assembled with U.S. components?
- A) painting
  - B) gluing
  - C) mixing ingredients in a soup
  - D) smelting
  - E) inspecting and packing fruit
7. Under 9802.00.80, the classification that allows duty-exemption for U.S. components assembled with foreign articles, operations that are  incidental to assembly  do not preclude the application of that classification. Which of the following operations is  incidental to assembly  and, therefore, permissible under 9802.00.80?
- A) trimming small amounts of excess materials
  - B) cutting button holes in the components of a garment
  - C) heat treating
  - D) painting the sheet-metal body of a car prior to assembly
  - E) threading of pipe fittings prior to their assembly
8. Which status may only be requested for merchandise entered for warehousing and transferred to a foreign trade zone for exportation?
- A) non-privileged domestic
  - B) privileged foreign
  - C) non-privileged foreign
  - D) privileged diplomat
  - E) zone-restricted
9. A broker is permitted to conduct Customs business in the ports of Houston and Los Angeles. The licensed individual who qualified the Houston permit leaves the brokerage. What is the time frame in which the brokerage must replace that individual?
- A) 60 days
  - B) 90 days
  - C) 120 days
  - D) 150 days
  - E) 180 days

10. If an importer submits duties and fees to a broker for payment to Customs after the monies are due, the broker must do which of the following?
- A) submit the monies to Customs the same day
  - B) submit the monies to Customs within 5 working days of receipt from the importer
  - C) submit the monies within 5 calendar days of receipt from the importer
  - D) submit the monies within 10 calendar days of receipt from the importer
  - E) use his own funds to pay the duties and then reimburse himself with the importer's funds
11. Which of the following is correct about records a Customs broker is required by 19 CFR 111 to keep, pertaining to the business of the clients serviced by the broker?
- A) The records are considered public information and may be disclosed to anyone who requests the information in writing.
  - B) The records shall be considered confidential and can be disclosed only to the client. No one else can be authorized to receive them.
  - C) The records shall be considered confidential, and the broker shall not disclose their contents to any persons other than those authorized by regulation.
  - D) The records can be disclosed freely to any duly licensed Customs broker, as long as the request is received in writing.
  - E) The records shall be considered public information but a notice must be published in the Federal Register at least 30 days prior to their release.
12. A transaction value between related parties is acceptable for appraisement if which of the following statements is true?
- A) The circumstances of the sale indicate that the relationship influenced the price.
  - B) The transaction value closely approximates that of identical merchandise sold to unrelated buyers in the United States.
  - C) Evidence of sales of identical or similar merchandise cannot be found.
  - D) Sales at similar prices are made for export to countries other than the United States.
  - E) Similar prices are charged to unrelated buyers in the country of export.
13. When two or more Harmonized Tariff Schedule headings describe mixtures or composite goods, they shall be classified as if they consisted of the material providing which of the following?
- A) the chief weight
  - B) the chief value
  - C) the greatest surface area
  - D) the essential character
  - E) the greatest number of parts

14. References to finished articles in the Harmonized Tariff Schedule shall also apply to which of the following?
- A) Unfinished articles that contain more than 50 percent of the parts necessary to form the completed article.
  - B) Unfinished articles that have the essential character of the complete or finished product.
  - C) Unfinished articles that are metal products or machinery only.
  - D) Unfinished articles that weigh at least 50 percent of the final weight of the finished product.
  - E) Unfinished articles that comprise at least 50 percent of the value of the finished product.
15. How should ordinary packing material and containers entered with merchandise be classified?
- A) with the goods, if they are of a kind normally used for packing such goods
  - B) always under separate Harmonized Tariff Schedule provisions for packing and containers
  - C) as goods not requiring entry according to Harmonized Tariff Schedule General Note 16
  - D) almost always free of duty as instruments of international traffic
  - E) under any Harmonized Tariff Schedule provision that generally describes them
16. Which of the following is true about a Harmonized Tariff Schedule classification provision for parts of an article?
- A) The provision covers any replacement part that is sold to maintain the article.
  - B) The provision takes precedence over a specific provision that describes the part.
  - C) The provision may be used if it offers a lower rate than a specific provision for the item.
  - D) The provision may be used to group various items with specific provisions, if the aggregate value does not exceed \$1,250.
  - E) The provision does not prevail over a specific provision for the part in question.
17. Generally, merchandise shall be entered within how many working days after entry of the importing aircraft?
- A) 1
  - B) 2
  - C) 3
  - D) 5
  - E) 10

18. Which one of the following does NOT satisfy the bond requirements for merchandise to be released from Customs custody?
- A) single entry bond
  - B) promissory note from the importer
  - C) cash deposit
  - D) continuous bond
  - E) obligations of the United States
19. A U.S. importer purchased 1,000 radios from an unrelated foreign manufacturer. The merchandise is invoiced as \$24,000 CIF, duty paid and delivered to the importer's Boston warehouse. Entry documents include two bills showing the actual transportation costs associated with the importation. One is an airway bill showing a charge of \$2,200 for air freight and insurance, the other is from a Boston delivery service showing a charge of \$837.50 for local delivery. The correct duty rate is 7.5 percent ad valorem. What is the correct entered value of the merchandise?
- A) \$19,162.50
  - B) \$19,390.32
  - C) \$19,500.00
  - D) \$20,962.50
  - E) \$21,800.00
20. A U.S. importer provided molds free of charge to a foreign manufacturer to be used exclusively in the production of merchandise for the U.S. importer. The U.S. importer purchased some of the molds from a related U.S. company and leased others from an unrelated foreign company. Which of the following statements is correct in determining the value of the molds that are to be treated as an assist in determining the entered value of the merchandise?
- A) The value of the molds includes the cost of transporting the molds to the foreign manufacturer's place of production.
  - B) The value of the molds acquired by the U.S. importer from a related U.S. company is the cost of producing the molds.
  - C) The value of the molds leased from the unrelated foreign company is the cost of the lease.
  - D) The value of the molds leased from the unrelated foreign company is the cost of producing the molds.
  - E) The value of the molds does not include the cost of any modifications performed by the foreign manufacturer that increased the number of units produced from the molds.

21. Which of the following is the correct heading for ball bearings imported to be used in a Corvette automobile engine?
- A) 8408 (Internal Combustion Engines)
  - B) 8482 (Ball Bearings)
  - C) 8485 (Machinery Parts, not specified elsewhere)
  - D) 8703 (Motor Vehicles)
  - E) 8708 (Parts of Motor Vehicles)
22. A U.S. buyer purchased merchandise from an unrelated foreign manufacturer. The terms of the sale were ex-factory, packed. The U.S. buyer paid the foreign manufacturer \$52,500, which included a charge of \$2,500 for packing. The U.S. buyer paid \$4,500 to a freight forwarder to cover expenses for inland freight (\$500) and ocean freight (\$4,000). The U.S. buyer also paid a commission of \$1,500 to a buying agent who facilitated purchase of the merchandise. What is the correct entered value of the imported merchandise?
- A) \$45,500
  - B) \$49,500
  - C) \$50,000
  - D) \$52,500
  - E) \$54,000
23. For which one of the following importations could transaction value be used as the basis of appraisalment?
- A) A U.S. buyer imports merchandise manufactured by a foreign seller under a 10-year lease arrangement.
  - B) A U.S. buyer purchases merchandise from a related foreign seller. As a result of the relationship, the foreign seller prices the merchandise lower than in sales to unrelated U.S. buyers.
  - C) A U.S. buyer purchases merchandise while in transit to the United States. The U.S. buyer agrees to purchase the goods from the original U.S. buyer at 10 percent above the purchase price paid by the original U.S. buyer to the foreign manufacturer.
  - D) A U.S. buyer imports merchandise manufactured by a foreign seller on a consignment basis. Payment will be made upon resale of the merchandise.
  - E) A U.S. buyer purchases merchandise from a foreign seller and receives a more favorable price than other U.S. buyers, based on the U.S. buyer's agreement to purchase other merchandise manufactured by the foreign seller.



24. A U.S. buyer ordered a shipment of packaged action figures and their toy armaments. The action figures measure approximately 3 inches in height, are comprised of injected, molded plastic, and are set in motifs to represent various space creatures. Each retail package contains two action figures and several small accessories (various weapons) that are fitted for the action figures' hands. Which of the following is the correct classification of the merchandise?
- A) 9502.10.0020
  - B) 9502.10.0040
  - C) 9503.41.0030
  - D) 9503.41.0040
  - E) 9503.49.0020
25. A U.S. company imports a unisex woven cotton jacket with a water resistant polyurethane coating on the outer shell. The jacket contains a full frontal opening with buttons closing in the left over right direction, a corduroy collar, and large side pockets. Which one of the following sections should be applied to the classification of this item?
- A) 6201.92.1500
  - B) 6201.93.3000
  - C) 6202.12.2010
  - D) 6202.92.1500
  - E) 6202.93.4500
26. A broker must notify, in writing, each client for whom funds were received from the Government within *how many* days of receipt?
- A) 10
  - B) 14
  - C) 30
  - D) 45
  - E) 60
27. One condition of the basic importation and entry bond is that an importer of record will redeliver merchandise if so ordered by Customs. If an importer of record fails to redeliver a shipment of restricted merchandise, the importer of record is subject to liquidated damages in which of the following amounts?
- A) double duty
  - B) value plus duty
  - C) three times the value
  - D) 110 percent of the duty
  - E) 2.5 to 4 times the loss of revenue

28. Which of the following circumstances need NOT be disclosed when a party makes a valid prior disclosure of a violation of 19 USC 1592?
- A) the class or kind of merchandise involved in the violation
  - B) the importation, identified by entry number or by port, and the approximate date of entry
  - C) the material false statement or material omission
  - D) the true and accurate information or data that should have been provided
  - E) the name of a responsible employee of the exporter, who has knowledge or who can readily obtain knowledge of the transaction
29. A Customs broker received money from her client for the payment of Customs duties. Instead of filing the appropriate entry summary on time with duties attached, the broker filed the entry summary on time, but kept the duties in satisfaction of a debt owed by the client to the broker. Did the Customs broker fulfill her responsibilities under the Customs Regulations?
- A) Yes, because the broker filed the entry summary on time.
  - B) Yes, because the broker exercised responsible supervision and control.
  - C) No, because the broker failed to exercise due diligence in turning over the duties to Customs.
  - D) No, because the broker failed to attach an explanation to the entry summary for why the duties were not presented.
  - E) No, because the broker failed to notify the client that the duties were being used to offset a prior debt.
30. A client has requested that a Customs broker act as his agent in the clearance of goods that he recently purchased in Canada, with the intent of importing the goods into the United States. Because the goods were purchased in Canada, the client would like the broker to claim tariff preference treatment under NAFTA.
- Which of the following allow the broker to file a claim for tariff preference treatment under NAFTA?
- A) The goods were purchased in Canada.
  - B) The client requested tariff preference treatment under NAFTA.
  - C) The broker is familiar with the supplier, and the supplier's goods have qualified for tariff preference treatment under NAFTA in the past.
  - D) The client informed the broker that he has a complete and properly executed copy of a Certificate of Origin in his possession covering the imported goods.
  - E) The goods were manufactured in Canada.

31. In January 1997, Dessins du Monde, a clothing design company, imported into Canada \$30,000 worth of wool knit designer dresses (classified at 6104.41.0010) for the purpose of using them to gather information on other clothing design companies. The dresses were previously imported duty-paid from France into the United States by a related company, Dessins USA, in November 1996. Dessins du Monde decided not to use the dresses and sent them back in their original condition to Dessins USA in February 1997. Which of the following is the correct classification of the dresses returning to the United States?
- A) 6104.41.0010
  - B) 9801.00.1098
  - C) 9801.00.2500
  - D) 9801.00.40
  - E) 9801.00.60
32. When do formal entries liquidate?
- A) on the date specified in the CF 4333-A
  - B) on the date of release in the case of duty-free entries
  - C) on the date posted in the bulletin notice of liquidation
  - D) on the date specified in the automated broker interface
  - E) 1 year after the date of importation, by operation of law
33. Barring an extension by the Fines, Penalties, and Forfeitures Officer, brokers shall file petitions for relief from liquidated damages within what time frame?
- A) 60 days from the date of receipt of the notice of the liability for liquidated damages
  - B) 60 days from the date of mailing of the notice of the liability for liquidated damages
  - C) 60 days from the notification of the principal's failure to pay the liquidated damages
  - D) 10 days after the expiration of the principal's 60-day petitioning period
  - E) 120 days after the date of entry
34. An importer presented a Chinese visa issued under category 338 to clear a shipment of textile goods originating in China. At the time of entry, Customs informed the importer that the absolute quota had filled for category 338 out of China. As a result, importation for consumption into the United States was denied.
- Which option is NOT available to the importer?
- A) The goods may be placed in a foreign trade zone until the reopening of the next quota period.
  - B) The goods may be exported.
  - C) The goods may be destroyed under Customs supervision.
  - D) The goods may be placed in a bonded warehouse until the reopening of the next quota period.
  - E) The goods may be entered at a higher rate of duty.

35. An importer purchased sweaters from a factory in China. The manufacturing processes were as follows: the knit-to-shape sweater panels (approximately 70 percent of the exterior surface area) were knit to the shape in the Philippines; the goods were transported to China for assembly of the major components; the goods were transported to Hong Kong for embroidery work, applications of front pockets, quality control, trimming, finishing, and packaging; the completed sweaters were exported from Hong Kong, destined for the United States.

Which of the following is the correct country of origin for the knit-to-shape sweaters?

- A) China
  - B) Philippines
  - C) Hong Kong
  - D) United States
  - E) Taiwan
36. A Customs broker files a "same condition drawback" entry on behalf of an importer who has never filed a drawback claim before. When can the merchandise be exported?
- A) 5 working days prior to filing the entry, provided that the broker has requested accelerated drawback
  - B) any time after the entry is filed
  - C) any time after the third working day subsequent to the filing of the entry, provided the broker has heard nothing from Customs
  - D) broker must wait for instructions from Customs in any circumstance
  - E) broker must wait for the merchandise to be examined, regardless of how long it takes, because examinations are required on all first-time drawback claims
37. A proprietor of a bonded warehouse may be required to furnish a new bond on Customs Form 301 within *how many* days notice from the port director?
- A) 10
  - B) 15
  - C) 20
  - D) 30
  - E) 60
38. When the final withdrawal of merchandise relating to a specific warehouse entry, general order, or seizure occurs, the proprietor shall do which of the following?
- A) review the permit file folder; then mark closed
  - B) retain the file folder for 5 years
  - C) file the permit file folder with Customs within 30 business days after final withdrawal
  - D) file the permit file folder with Customs within 10 business days after final withdrawal
  - E) remove the permit file folder to another location marked closed

39. When may the importer NOT recall the entry and entry summary documentation?
- A) after the entry summary is filed in proper form, with estimated duties attached
  - B) after the entry summary documentation is filed in proper form, without estimated duties attached
  - C) before merchandise is released under the immediate delivery procedure
  - D) before the entry summary is filed in proper form, without estimated duties attached
  - E) after merchandise is released under the immediate delivery procedure
40. Duties and the liability for their payment accrue upon imported merchandise at which time?
- A) on the filing of the entry summary in proper form, with estimated duties attached
  - B) on the arrival of the importing vessel within a Customs port with the intent to unlade
  - C) on the filing of the entry documentation
  - D) on the release of merchandise from Customs custody
  - E) on the filing of the special immediate permit for immediate delivery
41. A commercial invoice is NOT required to contain which of the following?
- A) the appropriate rate of duty for the merchandise
  - B) the appropriate eight digit subheading from the Harmonized Tariff Schedule
  - C) the value of the merchandise
  - D) a description of the merchandise
  - E) the quantities of the merchandise
42. Merchandise may NOT remain in a bonded warehouse beyond which time?
- A) 5 years from the date of entry
  - B) 5 years from the date of importation
  - C) 3 years from the date of importation
  - D) 1 year from the date of entry
  - E) 1 year from the date of importation
43. Merchandise may NOT be entered for warehousing if which of the following is true?
- A) The merchandise is subject to duty
  - B) The merchandise is subject to a column 2 duty rate.
  - C) The merchandise is an explosive substance.
  - D) The merchandise is an article from a NAFTA country.
  - E) The merchandise is a nonperishable item.

44. *Which of the following statements best completes the sentence?* Liquidation of an entry may be extended
- A) if information is needed by Customs for the appraisement of the merchandise
  - B) for 5 years after the date of entry, if information is needed by Customs for the classification of the merchandise
  - C) by statute or court order
  - D) for 90 days after the date of protest upon request of the importer
  - E) for any time period Customs deems appropriate
45. When a broker is discharged of responsibility for retaining records by an importer, which of the following are the broker's responsibility regarding retention of records?
- A) The broker cannot accept discharge by the importer of the responsibility to keep records.
  - B) The broker has no responsibility to retain any records pertaining to the importer.
  - C) The broker must hold all records in his possession an additional five years from the date of discharge.
  - D) The broker shall retain all records for deliveries, entries, or entry summaries filed for that importer prior to the discharge.
  - E) The broker must keep these records in the manner prescribed by CR 111.30.
46. Who must file the status report (triennial report)?
- A) only persons licensed as Customs brokers
  - B) only those licensed brokers actively engaged in transacting Customs business
  - C) only individual brokers, but not corporations, partnerships, or associations holding a Customs broker's license
  - D) only those licensed brokers who have been issued a permit to transact Customs business in a broker district
  - E) only licensed brokers who have had a change of business address since the last status report was filed
47. A broker who has been granted a permit will have the permit revoked by operation of law and be subjected to any other sanction, if she FAILS to do which of the following?
- A) employ, for any continuous period of 120 days, at least one officer of the company who is validly licensed, unless a waiver was granted
  - B) notify Customs within 10 days after a new employee has been hired
  - C) transact Customs business for any continuous period of 180 days in the district in which the permit was issued
  - D) retain Customs records for more than 6 years from the date of entry
  - E) employ for any continuous period of 180 days, at least one individual who is licensed within the district for which the permit was issued, unless a waiver was granted

48. Julie Jones is a Customs broker in Texas. She lives on the north side of town and commutes 20 minutes to work everyday. Her cousin, Jack, is employed by her. He is a U.S. citizen and is studying to become a Customs broker. Jack saves money by residing in Mexico. He commutes 30 minutes to work. Julie has authorized Jack to sign Customs documents in her absence. She has executed a power of attorney for this reason. In this situation, Jack may do which of the following?
- A) sign any Customs documents when Julie is not in the office
  - B) sign documents related only to the payment of Customs duties
  - C) sign Customs documents only when Julie is in the office to watch him
  - D) not sign any Customs documents because he is not a resident of the United States
  - E) sign Customs documents with the approval of the port director
49. What is the maximum period of validity from the date of issue for an A.T.A. carnet?
- A) 6 months
  - B) 1 year
  - C) 2 years
  - D) 5 years
  - E) some are valid indefinitely
50. Mike is employed full time by Oceanside Inc., a Customs broker in Los Angeles. He does not have a broker's license. Mike also owns a small toy store at a local mall and imports toys from China. Abel Toy Store, a store independent from Mike's, wishes to hire Oceanside as their Customs broker on the west coast to handle all of their toy importations.
- The paragraph supports the statement that, the Customs regulations*
- A) require Oceanside to decline Abel's offer, because Mike is an importer of toys
  - B) do not require Oceanside to tell Abel anything since Mike does not have a Customs broker's license
  - C) allow Oceanside to transact Customs business on Abel's behalf as long as Mike does not sign the Customs documents
  - D) require Oceanside to disclose to Abel that their employee, Mike, imports toys as well
  - E) do not place any restrictions on a broker whose employee imports merchandise
51. Robert is a licensed Customs broker. His business is booming so he decides to hire another employee. His friend, Joe, is looking for a job. Joe is a good worker. Robert knows that Joe has not been in trouble since he was convicted of a felony 15 years ago. May Robert hire Joe?
- A) Yes, but only with the written approval of the Commissioner of Customs.
  - B) Yes, since the statute of limitations of 10 years has expired.
  - C) No, a convicted felon is prohibited from working for a Customs broker.
  - D) Yes, but Joe cannot sign Customs documents for Robert.
  - E) Yes, but he must list Joe as a convicted felon on the next status report (triennial) submitted.

52. Which of the following is the term that describes the ability necessary to ensure that an employee provides the same quality of service in handling Customs transactions that the licensed broker is required to provide?
- A) reasonable care
  - B) voluntary compliance
  - C) informed compliance
  - D) shared responsibility
  - E) responsible supervision and control
53. Solely for their own account, Alien Importers of California wishes to import widgets made in France and valued at \$3.00 a piece. Their first shipment arrives with a total of 23,000 widgets. Alien is operating on a tight budget and wishes to save money by presenting a formal entry to Customs. Which of the following statements is true?
- A) Alien must hire a Customs broker to file the entry.
  - B) Alien can file the entry, but, because it is for their own use, it will be an informal entry.
  - C) Alien can file the formal entry themselves, because they are importing the goods on their own behalf.
  - D) Alien can file the formal entry, but only if they are ABI approved.
  - E) Alien can file the entry, but only if they have a Customs broker's license.
54. With respect to any imported article appearing to violate the transportation and marketing of prison-labor products under Section 1761 or 1762, Title 18, U.S. Code, which of the following actions are appropriate?
- A) The port director shall detain the article and report the facts to the appropriate U.S. Attorney.
  - B) The port director shall conditionally release the article, pending an Import Specialist review.
  - C) The article shall be seized and the Office of Investigations, Customs, notified.
  - D) The article shall be detained, pending review by an appropriate officer of the Court of International Trade.
  - E) The article shall be released because Title 18 is not under Customs' purview.
55. Imprimerie des Boîtes in Montreal, Quebec, Canada, manufactures cigarette packs for a cigarette manufacturer in North Carolina. The manufacturer in North Carolina will fill the packs with cigarettes made in the USA. How should the cigarette packs and their outermost cartons be marked?
- A) Cigarette packs and outermost cartons shall be marked "Made in Canada."
  - B) Cigarette packs and outermost cartons shall be marked "Made in North America."
  - C) Cigarette packs and outermost cartons shall be marked "Made in USA."
  - D) Cigarette packs and outermost cartons need not be marked with country of origin.
  - E) Cigarette packs need not be marked; outermost cartons shall be marked "Made in Canada."



56. When a short shipment of merchandise is discovered by Customs, the demand for the return of the merchandise to Customs custody shall be made no later than *how many* days after the shortage is discovered by Customs?
- A) 30
  - B) 45
  - C) 60
  - D) 90
  - E) 120
57. What security measures must be taken for merchandise being transported in bond, where a Customs officer has determined that it is necessary to protect the revenue and prevent Customs violations?
- A) Insure that only high security padlocks are used on conveyance or compartment.
  - B) Use only trusted drivers who are known to the Traffic Manager.
  - C) Seal compartment by using carriers blue in-bond seals.
  - D) Use Customs high-security seals.
  - E) Use high strength chains and locks to secure bonded merchandise.
58. Joe, who was recently issued a Customs broker license, states his intention to conduct Customs business in Los Angeles, where he submitted his application. To secure a permit, Joe must do which of the following?
- A) Present payment of a prorated annual user fee based upon the months left in the calendar year.
  - B) File with the port director Customs form 3124, altered to indicate it is being used as an application for a permit and include the fee of \$100.
  - C) Pay the prorated annual user fee and the prorated permit fee.
  - D) Promise to work within the Customs district for a minimum of 3 years.
  - E) Pay the annual user fee of \$125.00; the permit fee is not required.
59. Which of the following is the correct classification for a shipment of pineapple slices preserved in sugar in 16 ounce jars?
- A) 0804.30.2000
  - B) 0804.30.4000
  - C) 0804.30.6000
  - D) 2006.00.4000
  - E) 2008.20.0090

60. Which of the following is used to classify a shipment of fresh cherry tomatoes entered on February 29?
- A) 0702.00.2030
  - B) 0702.00.2090
  - C) 0702.00.4030
  - D) 0702.00.4090
  - E) 0702.00.6030
61. Which of the following is the correct classification of potatoes, cooked by boiling in water, frozen, and packaged in airtight 32 ounce plastic bags?
- A) 0701.90.5040
  - B) 0710.10.0000
  - C) 2004.10.4000
  - D) 2004.10.8040
  - E) 2005.20.0000
62. Which of the following is the Harmonized Tariff Schedule provision for ground, decaffeinated, roasted coffee?
- A) 0901.12.0000
  - B) 0901.21.0030
  - C) 0901.21.0060
  - D) 0901.22.0030
  - E) 0901.22.0060
63. Which of the following is the correct classification of a shipment of chocolate-covered wafers packaged in 12 ounce metal tins?
- A) 1806.31.0040
  - B) 1806.90.9010
  - C) 1806.90.9090
  - D) 1905.30.0040
  - E) 1905.90.1090
64. Which of the following is the correct classification of a shipment of cut okra and crowder peas, mixed and frozen, entered on October 30?
- A) 0710.21.2000
  - B) 0710.21.4000
  - C) 0710.80.9300
  - D) 0710.80.9750
  - E) 0710.90.9000

65. Which of the following is the correct classification of a shipment of canned imitation crabmeat (Alaskan pollock)?
- A) 1604.10.0510
  - B) 1604.19.1000
  - C) 1604.19.3000
  - D) 1605.10.2040
  - E) 1605.10.6010
66. When an entry is presented and merchandise that is NOT legally marked is examined by the Customs, the importer has which of the following options?
- A) export the noncompliant goods from the Customs territory
  - B) pay the 10 percent additional marking duties on the noncompliant goods
  - C) pay liquidated damages on the value of the noncompliant goods
  - D) relinquish responsibility by selling the noncompliant goods
  - E) destroy the noncompliant goods and seek a refund in accordance with 19 CFR 173.4
67. Chateauguay Glove Importers, Chateauguay, NY, obtained gloves from a Canadian glove dealer in Lachine, Quebec. The gloves were originally made in China of 60 percent ramie/40 percent cotton with fourchettes and waterproofed with 40 percent by weight of plastics. Which of the following is the correct classification of the gloves entered into the United States?
- A) 3926.20.4050
  - B) 6216.00.1720
  - C) 6216.00.2410
  - D) 6216.00.2910
  - E) 6216.00.3100

68. On August 8, 1996, a Customs broker filed an entry summary with Customs and paid \$110,734 in duties on a shipment of smoking pipes classified under Harmonized Tariff Schedule 9614.90.4000 at 7.2 percent. The entry summary was liquidated as a "no change" liquidation on November 8, 1996. When the importer received the bill from the Customs broker, the importer complained that the Customs broker had classified the merchandise incorrectly. The importer felt that the proper classification should have been Harmonized Tariff Schedule 9614.90.8090 at 3.0 percent and 0.5 cents each. When the Customs broker called the import specialist to discuss the situation, the import specialist insisted that the pipes were classified properly as originally entered.

The Customs broker should seek a refund of duties under which of the following?

- A) 19 CFR 173.3
  - B) 19 CFR 173.4
  - C) 19 CFR 173.4a
  - D) 19 CFR 174.12
  - E) 19 CFR 174.16
69. Which of the following decisions made by the port director may NOT be protested?
- A) the liquidation of an entry
  - B) the exclusion of merchandise from entry by the Food & Drug Administration
  - C) the appraised value of the merchandise
  - D) the classification of the merchandise
  - E) the exclusion of merchandise from entry under Customs laws
70. Which of the following is the proper regulation for determining the country of origin marking for golf clubs imported from Japan?
- A) 19 CFR 102.11
  - B) 19 CFR 102.20
  - C) 19 CFR 102.21
  - D) 19 CFR 134.11
  - E) 19 CFR 134.25
71. Which of the following is the proper regulation for determining the country of origin marking for girls' cotton, knitted dresses imported from Mexico?
- A) 19 CFR 102.11
  - B) 19 CFR 102.20
  - C) 19 CFR 102.21
  - D) 19 CFR 134.11
  - E) 19 CFR 134.25

72. The licensed individual qualifying a corporation's broker license leaves the corporation. What is the time frame in which the corporation must replace the licensed individual?
- A) 60 days
  - B) 90 days
  - C) 120 days
  - D) 150 days
  - E) 180 days
73. Which of the following foreign trade zone status merchandise is NOT allowed to be transferred for entry into a Customs bonded warehouse?
- A) non-privileged domestic
  - B) zone-restricted
  - C) privileged foreign
  - D) non-privileged foreign
  - E) privileged domestic
74. Claims for liquidated damages may be assessed against the principal of a custodial bond for breach of bond conditions. For defaults involving merchandise, the claim amount is equal to the value of the merchandise, or *how many* times the value if the merchandise is restricted?
- A) 6
  - B) 5
  - C) 4
  - D) 3
  - E) 2
75. Customs requires that records pertaining to the importation of merchandise into the Customs territory be retained for a period of *how many* years from the date of entry of the merchandise?
- A) 1
  - B) 2
  - C) 3
  - D) 4
  - E) 5

76. How long must an ex-broker whose license has been revoked or canceled with prejudice wait before accepting employment with another licensed broker?
- A) Petition for employment can be made at any time for consideration by the port director, with final approval being given by the Commissioner.
  - B) automatically after 5 years
  - C) After 5 years, request can be made to Commissioner for approval to accept employment.
  - D) after 7 years, because of the statute of limitations
  - E) after 10 years, because of the statute of limitations
77. A licensed Customs broker contacted Customs via the Customs fraud hotline at 1-800-BE ALERT to furnish original information concerning an importer who recently submitted, to Customs, an invoice that falsely undervalued imported merchandise. Customs investigated the alleged violation, and subsequently recovered over \$1,000,000 in lost duties. The broker, who filed a claim for compensation, may receive up to *what percent* of the net recovery to the Government?
- A) 5
  - B) 10
  - C) 15
  - D) 20
  - E) 25
78. When may a port director reliquidate an entry?
- A) within 3 years after the date of liquidation due to fraud in any entry
  - B) within 2 years after the date of liquidation to correct a clerical error in any entry
  - C) within 2 years after the date of liquidation to correct an inadvertence in any entry
  - D) within 1 year after the date of liquidation to correct a mistake of fact in any entry
  - E) within 1 year after the date of liquidation to correct an error in the construction of a law
79. Commercial cargo loaded on or unloaded from a commercial vessel is subject to a port use fee (harbor maintenance fee) of what amount?
- A) 0.125 percent of its value, if the loading or unloading occurs at a port where applicable
  - B) 0.250 percent of its value, if the loading or unloading occurs at all ports
  - C) 0.525 percent of its value, if the loading or unloading occurs at a U.S. port
  - D) 1.125 percent of its value, if the loading or unloading occurs at a port where applicable
  - E) 1.500 percent of its value, if the loading or unloading occurs outside of a U.S. port

80. Application for an appraisal entry may be made for all the following merchandise EXCEPT for which of the following?
- A) tools of trade
  - B) merchandise damaged after importation
  - C) secondhand articles
  - D) overages or dock accumulations
  - E) personal effects of U.S. citizens who have died in a foreign country
81. Which of the following statements defines "quota-class merchandise"?
- A) merchandise that has no quantitative restrictions for importation
  - B) banned import as determined by the Department of Commerce
  - C) imported merchandise subject to limitations under an absolute or tariff-rate quota
  - D) merchandise where a duty is imposed on a draw-down basis
  - E) merchandise for which entry into the United States is restricted or prohibited
82. Which of the following is an INCORRECT statement regarding time of entry?
- A) When entry documentation is filed without an entry summary, the time of entry is the time the appropriate Customs officer authorizes release.
  - B) When entry documentation is filed without an entry summary, the time of entry is the time entry documentation is filed, if requested by the importer and the merchandise has arrived within the port limits.
  - C) When entry summary serves as both entry and entry summary, the time of entry shall be the time the entry summary is filed in proper form with estimated duties attached.
  - D) When entry summary for quota-class merchandise is made, the time of entry is the time of acceptance of the quota by Customs.
  - E) When merchandise is released under the immediate delivery procedure, the time of entry shall be the time the entry summary is filed.
83. When statement processing is used, entry/entry summaries and entry summaries must be designated for statement processing within which of the following time frames?
- A) 12 working days after the date of entry
  - B) 10 calendar days after the date of entry
  - C) 10 working days after the date of entry
  - D) 5 calendar days after the date of entry
  - E) 5 working days after the date of entry

84. Upon request by an importer, and prior to liquidation of an entry, the port director may correct which of the following?
- A) a clerical error that resulted in the payment of excess duties
  - B) a mistake of fact that resulted in the payment of excess duties
  - C) an entry in which fraud is suspected
  - D) an inadvertence that resulted in the payment of excess fees
  - E) an inadvertence that resulted in the payment of excess duties
85. A Customs broker is preparing an entry on a shipment of 500 violins, priced at \$100 each, made in Vietnam, and 700 violin cases, priced at \$40 each, made in China. The total value is \$78,000. The shipment was exported from Vietnam. Vietnam is a Column-2 country; China is a Column-1 country. The Harmonized Tariff Schedule contains the following provisions:
- |         |            |             |             |
|---------|------------|-------------|-------------|
| violins | 9202.10.00 | col-1=3.9%; | col-2=37.5% |
| cases   | 4202.92.50 | col-1=4.6%; | col-2=50%   |
- How much duty should be paid?
- A)  $(37.5\% \times \$78,000)$
  - B)  $(37.5\% \times \$70,000; 4.6\% \times \$8,000)$
  - C)  $(37.5\% \times \$50,000; 4.6\% \times \$28,000)$
  - D)  $(37.5\% \times \$50,000; 3.9\% \times \$20,000; 4.6\% \times \$8,000)$
  - E)  $(37.5\% \times \$70,000; 50\% \times \$8,000)$
86. Which of the following is true about the 9th and 10th digits in the 11-digit tariff numbers?
- A) The digits constitute the two-digit statistical suffix.
  - B) The digits are optional on all formal and informal entry summaries.
  - C) The digits affect the duty rate applicable to the entered merchandise.
  - D) The digits are governed by international rules under the Harmonized System and cannot be changed without the unanimous consent of all signatory countries of the Harmonized System.
  - E) Inaccuracies in the digits would never justify the rejection of an entry summary by a Customs import specialist.



87. To evaluate the effectiveness of new technology or operational procedures regarding the processing of passengers, vessels, or merchandise, the Commissioner of Customs may impose requirements different from those specified in the Customs Regulations. Whenever a test program allows for deviation from any regulatory requirement, notice of a test program must be provided to the public through which of the following sources?
- A) newspaper
  - B) Harmonized Tariff Schedule of the United States
  - C) official posting at the Customshouse
  - D) Customs regulations
  - E) The Federal Register
88. Which of the following groups can designate a place referred to as a port of entry?
- A) the President, Secretary of the Treasury, or Congress
  - B) the Secretary of the Treasury, Congress, or the Commissioner of Customs
  - C) the President, Congress, or the Commissioner of Customs
  - D) the Secretary of the Treasury, Commissioner of Customs, or District Director
  - E) the President, Secretary of the Treasury, or the Commissioner of Customs
89. A client informs a Customs broker that she would like to export certain goods to Canada and Mexico for repairs or alterations, some pursuant to warranty agreements with suppliers located in both countries and some which are not subject to warranty agreements. The client has heard that, under the North American Free Trade Agreement (NAFTA), goods sent to Canada and Mexico for repairs or alterations provided for in the subheadings of the Harmonized Tariff Schedule, 9802.00.40 and 9802.00.50, are free of duty. The client would like the broker to confirm this prior to commencing the export operation.

Based on the above paragraph, which of the following statements is correct?

- A) Goods returned after having been repaired or altered in Mexico and Canada, whether or not pursuant to a warranty, are eligible for duty-free treatment.
- B) Goods returned after having been repaired or altered in Canada, whether or not pursuant to a warranty, are eligible for duty-free treatment.
- C) Goods returned after having been repaired or altered in Mexico, whether or not pursuant to a warranty, are eligible for duty-free treatment.
- D) Goods returned after having been repaired or altered in Mexico, whether or not pursuant to a warranty, are eligible for duty-free treatment; from Canada, only repairs or alterations pursuant to a warranty are eligible for duty-free treatment.
- E) Goods returned after having been repaired or altered in Canada, whether or not pursuant to a warranty, are eligible for duty-free treatment; from Mexico, only repairs or alterations pursuant to a warranty are eligible for duty-free treatment.

90. Which of the following is the correct classification of a shipment of seats for children's tricycles?
- A) 8712.00.5000
  - B) 8714.95.0000
  - C) 8714.99.8000
  - D) 9501.00.2000
  - E) 9501.00.4000
91. Which of the following is the correct classification of sports leather gloves used for weight lifting?
- A) 4203.21.8060
  - B) 4203.29.0800
  - C) 4203.29.1800
  - D) 9506.91.0030
  - E) 9506.99.6080
92. The textile fiber breakdown, by weight, for a shipment of 5,000 woven tablecloths is 50 percent polyester and 50 percent cotton. Which of the following is the correct classification of the tablecloths?
- A) 6302.40.2020
  - B) 6302.51.2000
  - C) 6302.51.3000
  - D) 6302.53.0020
  - E) 6302.59.0020
93. Which of the following is the correct classification for 1.5 liter bottles of 86.4 proof scotch whiskey?
- A) 2207.10.3000
  - B) 2207.20.0000
  - C) 2208.30.3030
  - D) 2208.30.3060
  - E) 2208.30.6085

94. The Flexible Door Company imports into the United States from Germany 10 feet x 12 feet sheets of plastic to be used in the manufacturing of flexible hanging doors for large drive-in coolers. The sheets are composed of a layer (by weight) of woven 25 percent cotton/23 percent linen/52 percent polyester scrim weighing □ pound per square yard; sandwiched between two layers of non-cellular poly vinyl chloride sheet; weighing 6.2 pounds per square yard. What is the proper classification of the above sheets as imported?
- A) 3920.42.5000
  - B) 3921.12.1100
  - C) 3921.90.1100
  - D) 3921.90.1910
  - E) 3921.90.2510
95. In a particular shipment there are 100 10-inch and 7□-inch decorative porcelain plates. The plates are packed in retail sets of one 10-inch plate and one 7□-inch plate per set. Each set is valued at \$375. Which of the following is the correct classification of these plates?
- A) 6911.10.2500
  - B) 6911.10.3850
  - C) 6911.10.5200
  - D) 6913.10.5000
  - E) 6914.10.8000
96. Which of the following is the correct classification of a ladies two-piece leather skirt and jacket ensemble?
- A) 4203.10.4060
  - B) 4203.10.4095
  - C) 4203.40.6000
  - D) 6204.20.4032
  - E) 6204.29.4020
97. Boys □ 50 percent leather and 50 percent rayon sweaters are imported from Canada. Which of the following is the correct classification and visa category?
- A) 6110.30.1010 / 645
  - B) 6110.30.1010 / 659
  - C) 6110.30.1020 / 646
  - D) 6110.30.1030 / 659
  - E) 6110.30.1050 / 638

98. Which of the following is the correct classification of a shipment of women's golf shoes, made wholly of leather and valued at \$18 a pair, that are designed for the attachment of metal spikes, but are being imported without the spikes?

- A) 6402.19.9060
- B) 6402.30.9000
- C) 6403.19.5060
- D) 6403.19.5090
- E) 6403.59.9045

99. The following merchandise was exported from Hong Kong to the United States:

A ceramic wall clock case with a jewel quartz clock movement 40 millimeters in width and 6 millimeters in thickness. The ceramic case was made in Germany and the movement was assembled in China from Swiss parts. The final assembly of the movement to the clock case was done in Taiwan.

Which of the following is the correct classification of the clock?

- A) 9103.1020
- B) 9103.1040
- C) 9105.2140
- D) 9105.2180
- E) 9105.9180

100. A watch contains a 6 jewel quartz movement in an 18-carat gold case with a stainless steel case back and an 18-carat gold band. The bezel ring is of solid gold, the hands are of solid silver, and the dial is marked with a diamond at the 12-o'clock position. Which of the following is the proper classification of the watch?

- A) 9101.11.40
- B) 9101.91.40
- C) 9102.11.25
- D) 9102.11.50
- E) 9102.11.95

**STOP.**  
**THIS IS THE END OF THE TEST.**  
**You may use the remaining time to go back and check your answers.**

QUESTION	ANSWER	CITATION
1	C	CR 152.102
2	D	"GN 2, HTSUS"
3	A	CR 191.4
4	B	"LEGAL NOTE 5, SECTION XV, HTSUS"
5	C	"U.S. RULE 1(a) AND 1(b), HTSUS"
6	B	CR 10.16
7	A	CR 10.16
8	E	CR 146.44(d)
9	E	CR 111.45(b)
10	B	CR 111.29(a)
11	C	CR 111.24
12	B	CR 152.103 j2
13	D	HTS GRI 3b
14	B	HTS GRI 2a
15	A	HTS GRI 5b
16	E	US RULE 1c
17	D	CR 142.2a
18	B	CR 142.4a
19	C	CR 152.102(f)
20	A	CR 152.103(d) (2)
21	B	US RULE 1c
22	D	CR 152.103(b) (1)
23	C	CR 152.103(b) (1)
24	E	HTS XX 9503.49
25	A	GRI 1
26	E	CR 111.29(a)
27	C	CR 113.62(k) (1)
28	E	"CR 162.74(a) (1), CR 162.71(e) "
29	C	CR 111.29(a)
30	D	CR 181.21
31	A	XX11 SPECIAL CLASS PROVISIONS
32	C	CR 159
33	B	CR 172.12(b)
34	E	CR 132.5
35	B	CR 102.21(c) (b)
36	C	CR 191.141(b) (3)
37	A	CR 19.2(e)
38	C & B	CR 19.12(4) (iii)
39	A	CR 141.67
40	B	CR 141.1(a)
41	A	CR 142.6(a)
42	B	CR 144.5
43	C	CR 144.1
44	A	CR 159.12(a) (i)
45	D	CR 143.37(b)
46	A	CR 111.30(d)
47	E	CR 111.45(b)
48	D	CR 111.3(b) (1)
49	B	CR 114.23(a)
50	D	CR 111.31(c)
51	A	CR 111.53(e)

52 E CR 111.11(d)  
53 C "CR 111.3(a), CR 145.12(a)(2)"  
54 A CR 12.45  
55 E & D CR 134.24(c)(1)  
56 A CR 18.6(b)  
57 D CR 18.4(a)(1)  
58 E CR 111.19(a)  
59 D HTS IV  
60 E HTS II  
61 B HTS II  
62 E HTS II  
63 D HTS IV  
64 E HTS II  
65 B HTS IV  
66 A CR 134  
67 E HTS XI  
68 D CR 174.12  
69 B CR 174.11  
70 D CR 134.11  
71 C CR 102.21  
72 C CR 111.45(a)  
73 C CR 146.64  
74 D CR 113.63(h)  
75 E CR 162.1c  
76 C CR 111.79  
77 E CR 161.13(a)  
78 D CR 173.4  
79 A CR 24.24(a)  
80 B CR 143.11  
81 C CR 132.3(3)(e)  
82 D CR 141.68  
83 C CR 24.25(e)  
84 A CR 173.4a  
85 B GRI 5(a)  
86 A "HTSUS, GENERAL STATISTICAL NOTES"  
87 E CR 101.9(a)(2)  
88 A CR 101.1  
89 D CR 181.64(a) 6N3(c)(i)  
90 E HTS XX  
91 A HTS VIII  
92 D HTS XI  
93 C HTS IV  
94 E HTS VII  
95 D HTS XIII  
96 B HTS VIII  
97 A HTS XI CHAPTER 61  
98 C HTS XII  
99 VOID HTS XVIII  
100 E HTS XVIII CHAPTER 91