

United States of America
CUSTOMS SERVICE

Customs Broker Licensing Examination

DIRECTIONS TO THE COMPETITOR - READ CAREFULLY

This examination consists of 80 questions. A passing score 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 (1999) (USITC Publication 3138)
(No supplements)
- Title 19, Code of Federal Regulations (19 CFR Parts 1 to 199) Revised as of April 1, 1998

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.

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 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. On December 1, 1998, the New York Museum of Arts entered two famous paintings under subheading 9812 of the Harmonized Tariff Schedule of the USA (HTSUSA), exclusively for exhibition. Two months later the articles are to be transferred to The National Jersey Museum of Arts. Which of the following alternatives is correct to cover the transfer?
 - A) An application for transfer cannot be filed because the period expired.
 - B) An application for transfer cannot be filed because goods for exhibition cannot be transferred from the original institution.
 - C) An application for transfer can be filed describing the articles and a bond may be required.
 - D) An application for transfer can only be filed during the first 30 calendar days.
 - E) An application for transfer cannot be made for articles under subheading 9812.

2. Ken of North Dakota sends a shipment of wood to Guam where it is cut into boards. The boards are sent to Malaysia where they are sanded. From Malaysia the sanded boards are sent to the Virgin Islands where they are varnished and finished. From the Virgin Islands the finished boards are sent to Bruce in Puerto Rico. Bruce substantially transforms the boards into tables and sends the tables to Ken. Bruce asks Ken how the tables should be marked for country of origin purposes. Which one of the following is correct?
 - A) Country of origin Malaysia
 - B) No country of origin marking is required because the tables are products of the US
 - C) Country of origin Guam
 - D) No country of origin marking is required because the tables are products of Malaysia
 - E) Country of origin Virgin Islands

3. Tony imported magnesium ingots which he will be manufacturing into industrial rings. The ingots were imported on January 2, 1999 under a temporary importation bond. What is the maximum total amount of time (including any extensions) that Tony has to export the industrial rings manufactured from the imported ingots?
 - A) 3 years from the date of importation.
 - B) 4 years from the date of importation.
 - C) 5 years from the date of the initial request for extension.
 - D) 2 years from the date of the initial request for extension.
 - E) 1 year from the date of importation.

4. Ceramic Imports, Inc., imports a shipment of vases from a factory in France. The expenses associated with the transaction are as follows, on a per vase basis:

\$3.00 Ex-factory in Paris
\$.15 Foreign Inland freight from Paris to Bordeaux
\$.30 Ocean freight to the US
\$.10 Marine Insurance
\$.20 US Inland freight

What is the transaction value of each vase?

- A) \$3.00
B) \$3.20
C) \$3.60
D) \$3.15
E) \$3.55
5. Silk yarn is manufactured in Korea and then sent to China where it is woven into fabric. The fabric is purchased by an Italian scarf manufacturer, who sends the fabric to his factory in Malta, where the fabric is printed, cut to shape and hemmed. The scarves are then sent back to Italy, where they are inspected and packed. The scarves are then imported into the US directly from Italy, and correctly entered under heading 6214. What is the correct country of origin?
- A) USA
B) Italy
C) Malta
D) China
E) Korea
6. Sandra Jones passes the April 1999, broker's exam. She receives her license in August 1999. Sandra should file her first triennial status report by _____, and pay the accompanying status report fee of _____, to avoid having her licenses suspended:
- A) February 1, 2001; \$100.
B) February 1, 2000; \$200.
C) February 1, 2000; \$100.
D) March 31, 2000; \$100.
E) March 1, 2001; \$200.

7. As a general rule, dutiable merchandise is imported and afterwards exported. Even though duty may have been paid on the first importation, it is subject to duty on every subsequent importation into the Customs territory of the United States. All of the following are exception to this general rule except?
- A) Personal and household effects taken abroad by a resident of the United States and brought back on his return to this country.
 - B) Professional books, implements, instruments, and tools of trade, occupation, or employment taken abroad by an individual and brought back on his return to the country.
 - C) Automobiles and other vehicles taken abroad for noncommercial use and returned.
 - D) Articles exported under lease to a foreign manufacturer and returned.
 - E) Domestic animals taken abroad for temporary pasturage purposes and returned within one year.
8. A NAFTA post-importation claim for a refund of duties **MUST** contain which of the following items?
- A) A written statement indicating whether drawback has been paid.
 - B) A copy of the Certificate of Origin pertaining to the goods.
 - C) A copy of the entry.
 - D) A written statement from the ultimate consumer.
 - E) A written statement indicating whether or not the claimant has ever filed a post-importation claim.
9. The Walker Company, a major shoe importer, imported shoes on October 28th, and filed a CF-3461 on October 30th. The entry was processed on October 31st and merchandise was released on November 1st. The entry summary must be filed within _____ :
- A) 10 working days from the date of importation.
 - B) 10 calendar days from the date of entry.
 - C) 10 calendar days from the date of filing the CF-3461.
 - D) 10 calendar days from the date of processing.
 - E) 10 working days from the date of release.

10. Phil is importing 14 kt gold cuff links and asks his broker the country of origin marking law requirements for this article. Which one of the following is **NOT** a requirement for proper country of origin marking of the cuff links?
- A) The article must be marked in a conspicuous place.
 - B) The article must be indelibly marked.
 - C) The article must be marked using die stamping, cast-in-the-mold lettering, etching or engraving.
 - D) The article must be legibly marked.
 - E) The article must be marked as permanently as the nature of the article will permit.
11. Juno imported certain merchandise which has been placed in a bonded warehouse. The merchandise was imported on January 1st. The merchandise was withdrawn from the warehouse under 10 separate withdrawals. The first withdrawal was on March 15th and the final withdrawal will be on December 2nd. Which of the following is correct?
- A) The warehouse entry must be liquidated on or before January 1st of the following year.
 - B) The warehouse entry must be liquidated within one year of March 15th of the following year.
 - C) Liquidation will be extended until all merchandise covered by the entry is accounted for.
 - D) The warehouse entry must be liquidated within one year of December 2nd.
 - E) Liquidation will be suspended until all merchandise covered by the entry is accounted for.
12. A new broker becomes an ABI participant. After the first year, due to personnel turnover, he begins having problems with his ABI performance and is unable to maintain a high quality level of data transmission. After detecting this problem, the Director of Customs' User Support Services Division will do which one of the following?
- A) Notify the participant electronically and in writing of any actions to place them on probation, granting them 15 days to respond.
 - B) Notify the participant in writing of 30 day suspension, granting them 30 days to respond.
 - C) Notify the participant electronically of any action of probation, granting them 45 days to respond.
 - D) Notify the participant in writing of immediate suspension of ABI privileges, granting them 10 days to respond.
 - E) Notify the participant electronically that it will be placed on indefinite sanction, granting them 90 days to respond.
13. The maximum merchandise processing fee that can be collected for one automated formal entry or release is?
- A) \$425
 - B) \$485
 - C) \$455
 - D) \$495
 - E) \$475

14. On the absence of a request for accelerated disposition, which of the following issues requires the port director to act on a protest within 30 days from the date the protest was filed?
- A) Country of origin marking of imported merchandise
 - B) Valuation of merchandise
 - C) The exclusion of merchandise
 - D) Drawback of duties
 - E) Classification of merchandise
15. Quality Brokers Inc. has permits to conduct customs business in five customs broker districts. Quality Brokers, Inc., employs an individually licensed broker to exercise responsible supervision and control over the customs business transactions in one of their Customs brokers districts. The individually licensed broker suddenly dies. Quality Brokers Inc. offers special bonuses to try to get another licensed employee to move to that district to qualify the permit, but to no avail. Sixty days go by since the death of the licensed employee. How much longer can the position remain unfilled before Quality Broker Inc.'s permit in that district will be revoked by operation of law?
- A) 30 days.
 - B) 60 days.
 - C) 120 days.
 - D) 210 days.
 - E) 305 days.
16. John Jones is a client of Swift Brokers, Inc., a licensed broker. Mr. Jones pays the duties assessed on the merchandise he imports by checks made payable to the U.S. Customs Service. The broker delivers the checks to Customs. Two of Mr. Jones' checks have bounced in the preceding 12-month period. Mr. Jones will be required to do which one of the following?
- A) Stop importing merchandise for a 30-day period.
 - B) Use a credit card to pay for duties assessed on future transactions.
 - C) Make electronic payments through Automated Clearinghouse.
 - D) Pay a \$100 penalty.
 - E) Pay by certified check, money order or cash for each subsequent payment.
17. Which of the following is a duty or fee that is eligible for drawback?
- A) Antidumping duties.
 - B) Countervailing duties.
 - C) Liquidated damages.
 - D) Voluntary tenders of duties after liquidation.
 - E) Merchandise Processing Fees.

18. TNX Bonded warehouse has four final withdrawals dated December 1, 1998. Unless otherwise exempted, the warehouse proprietor must submit the permit file folders to Customs by to avoid issuance of liquidated damages?
- A) December 31, 1998
 - B) December 30, 1998
 - C) January 1, 1999
 - D) December 10, 1998
 - E) December 11, 1998
19. For purposes of Part 146, which one is the correct Customs Form (CF) which must be used in applying for foreign trade zone (FTZ) admission?
- A) CF 7501
 - B) CF 214
 - C) CF 3461
 - D) CF 7512
 - E) CF 216
20. An importer has been caught in a double invoicing scheme. The importer has his manufacturer provide him with two copies of every invoice. One invoice lists the actual quantity and price paid. The second invoice lists the actual quantity but a much lower value. What is the time frame in which Customs may reliquidate an entry involved in a fraud case?
- A) 2 years after the date of liquidation or the last reliquidation
 - B) 1 year after the date of liquidation or the last reliquidation
 - C) 5 years after the date of liquidation or the last reliquidation
 - D) 2 years after the date of discovery of the fraud
 - E) 1 year after the date of discovery of the fraud
21. When a protestant requests accelerated disposition of a protest, a protest is deemed denied if Customs fails to issue a decision within which time period?
- A) Within 30 days from the date of receipt of the request.
 - B) Within 90 days from the date of mailing of such request.
 - C) Within 30 days from the date of mailing of such request.
 - D) Within 60 days from the date of receipt of such request.
 - E) Within 90 days from the date of receipt of such request.

22. Fishy Bonded Warehouse went out of business two years ago. They are now importers incorporated under the name of Joe Fishy, Inc., but they still have twenty-five boxes of records pertaining to bonded merchandise from the old company. The president of Joe Fishy, Inc. asked his broker if he can get rid of all those files. The broker should tell his client that they must:
- A) Retain the files for five years after the date of the final withdrawal under the entry.
 - B) Retain the files for one year after the date of the final withdrawal under the entry.
 - C) Destroy the files because they are two years old.
 - D) Destroy the files because Customs has the permit file folders.
 - E) Destroy the files because entries are liquidated after the final withdrawal.
23. When appraising an importation using transaction value of identical or similar merchandise which one of the following is **FALSE**?
- A) The identical or similar merchandise must have been exported to the United States at or about the time that the merchandise being appraised was exported to the United States.
 - B) The identical or similar merchandise does not have to be imported as the result of a sale, e.g., the merchandise was imported on consignment or under lease.
 - C) Minor differences in appearance will not preclude otherwise conforming merchandise from being considered “identical”.
 - D) The quality of the merchandise, its reputation, and trademark will be factors considered in determining “similar” merchandise.
 - E) Adjustments for identical or similar merchandise because of different commercial levels or quantities can be made.
24. With respect to merchandise which is exported from Customs custody, without being entered or covered by an unliquidated consumption entry, or denied admission by the Government which of the following statements is **INCORRECT**?
- A) A bond on Customs Form 301 is required.
 - B) If the merchandise has been landed but not entered for consumption, an export declaration shall be filed.
 - C) If the merchandise was not landed, a representative of the exporting carrier shall certify that the merchandise was not discharged during the vessel’s stay in port.
 - D) The surety on any bond filed to guarantee direct exportation shall cause the merchandise to be exported and provide evidence of such exportation.
 - E) Explosive substances shall be transferred directly from the importing to the exporting vessel.

25. For purposes of claiming drawback under 19 U.S.C. 1313(a), what is the time limitation for claiming drawback?
- A) Within six years after importation of the merchandise identified to support the claim.
 - B) Within five years after importation of the merchandise identified to support the claim.
 - C) Within three years after importation of the merchandise identified to support the claim.
 - D) Within four years after importation of the merchandise identified to support the claim.
 - E) Within one year after importation of the merchandise identified to support the claim.
26. High Tech Equipment of France ships furnaces for manufacturing computer chips to its wholly owned subsidiary in the United States. All chips manufactured in this furnace will be shipped back to High Tech free of charge. This is the first time this type of furnace has ever been imported from France. In fact, High Tech is the only manufacturer of this type of furnace in France. Because of the nature of the equipment, the government of France prohibits any type of cost information from being released by the factory. A similar furnace is manufactured in Germany and imported into the United States. High Tech sells identical furnaces to an unrelated company in India. There is one factory in the United States that makes similar furnaces and sells them domestically. What is the correct basis of appraisal and which sale should be used?
- A) Transaction value of identical and similar merchandise, utilizing the price of the furnace manufactured in Germany and imported into the United States.
 - B) Transaction value of identical and similar merchandise, utilizing the price of the furnace manufactured by High Tech in France and sold to an unrelated company in India.
 - C) Transaction value of identical and similar merchandise, utilizing the price of the furnace manufactured in the United States and sold domestically.
 - D) Value, if other values cannot be determined or used, utilizing the price of the furnace manufactured in Germany and imported into the United States.
 - E) Value, if other values cannot be determined or used, utilizing the price of the furnace manufactured by High Tech and sold to an unrelated company in India.
27. Powers of attorney issued by a partnership shall be limited to a period not to exceed from the date of execution.
- A) One year
 - B) Five years
 - C) Two years
 - D) 120 days
 - E) 180 days

28. Whenever “no . . . v” appears in the “units of quantity” column (e.g., subheading 9106.10.1000) in the HTSUSA, the “v” means which of the following?
- A) both units of quantity must be reported for that article
 - B) only the unit of quantity with the “v” beside it must be reported for that article
 - C) only the unit of quantity without the “v” beside it must be reported for that article
 - D) the value of the article is to be reported with that quantity
 - E) the unit of quantity without the “v” beside it must have the value of the article reported with that quantity
29. A men’s reversible jacket is 100% knit polyester fleece on one side and 100% nylon woven fabric on the other side. The import specialist advises you to classify the jacket under subheading, HTSUSA 6201.93.3511. This is correct based on which one of the following General Rules of Interpretation (GRI’s)?
- A) GRI 3 (a)
 - B) GRI 3 (b)
 - C) GRI 1
 - D) GRI 4
 - E) GRI 3 (c)
30. What is the correct classification for fresh sweet corn?
- A) 0709.90.4500
 - B) 0710.40.0000
 - C) 0712.90.8050
 - D) 1005.10.0010
 - E) 1005.90.4060
31. A candle holder into which a candle has been poured is to be classified as a candle. An Import Specialist has determined that the candle imparts the essential character of the imported item. This is covered by which one of the following GRI’s?
- A) GRI 1
 - B) GRI 3 (a)
 - C) GRI 6
 - D) GRI 4
 - E) GRI 3 (b)

32. What is the correct classification for a pair of ladies slip-on shoes with soles of rubber and an upper of cotton canvas? The soles make up 75% of the weight of the shoes. Each pair of shoes has a value of \$5.00.
- A) 6402.99.3040
 - B) 6403.99.9070
 - C) 6404.19.2560
 - D) 6404.19.3560
 - E) 6404.19.6060
33. Gabriel intends to import into the United States an aspirin compound that will be manufactured into tablets. The aspirin in tablet form will then be exported. The tablets will not be sold in the United States. Gabriel does not want to file a consumption entry and claim drawback upon exportation because it would tie up his money. Thus, Gabriel instructs his broker to enter the merchandise under a temporary importation under bond. Under which tariff provision for temporary importation under bond should the aspirin compound be entered?
- A) 9813.00.20
 - B) 9813.00.30
 - C) 9813.00.55
 - D) 9813.00.25
 - E) 9813.00.05
34. Chopped dates wholly produced in Turkey are imported directly into the United States. The correct rate of duty for the dates is?
- A) 1.2 cents per kilo
 - B) 3.1 cents per kilo
 - C) 13.8 cents per kilo
 - D) 30.7%
 - E) Free
35. Wacky Productions intends to import self-adhesive plastic stickers with pictures of the characters from a recent animated movie printed on them. Which one of the following is the correct classification for the stickers?
- A) 4911.99.8000
 - B) 4911.91.4040
 - C) 3926.90.9880
 - D) 3926.10.0000
 - E) 3919.90.5060

36. Copper wire from Japan is exported to Germany where the wire goes through a coaxial insulating process. The wire is then imported into the United States by King Telecommunications Wire Co. where the cable is cut to length and connectors are attached. What is the correct classification of the product?
- A) 7413.00.5000
 - B) 7413.00.9000
 - C) 8544.20.0000
 - D) 8544.41.4000
 - E) 8544.60.4000
37. Mrs. Van Pelt an antique dealer has recently returned from a trip to France. During her trip, she purchased a Louis XIV mahogany table which is being shipped to her. Mrs. Van Pelt's broker entered the table under HTS 9706.00.0040. Once Mrs. Van Pelt receives the table, she discovers it is a fake (not more than 100 years old). She informs her broker of this situation prior to the filing of the entry summary. What is the correct course of action her broker should take?
- A) enter the table under HTS 9706 and pay nothing (free rate of duty)
 - B) enter the table under HTS 9706 and pay a duty of 6.6% ad valorem
 - C) enter the table under HTS 9403.60.80 and pay nothing (free rate of duty)
 - D) enter the table under HTS 9403.60.80 and pay a nothing (free rate of duty)
 - E) enter the table under HTS 9403.60.80 and nothing (free rate of duty)
38. AOK Company, a U.S. based telecommunications retailer, has a contract with a company in Taiwan where by AOK sends U.S. and foreign manufactured components and machinery used in the assembly of the telephone sets (an assist) to Taiwan where the components are assembled into telephone sets. Under the terms of the contract, once the assembly of the telephone sets is completed, the Taiwanese company will return the U.S. machinery to AOK Company in the U.S. The Taiwanese company goes bankrupt and closes down. AOK instructs their broker to arrange to have the U.S. components and machinery shipped back to the U.S. What is the classification of the U.S. machinery?
- A) 8517.11.00
 - B) 9801.00.10
 - C) 9802.00.50
 - D) 9802.00.80
 - E) 9813.00.05

39. Fresh cauliflower, which has not been reduced in size, is exported from Chile on May 12 and imported on June 1st. The broker files the entry on June 6th. What is the correct classification?
- A) 0704.10.4000
 - B) 0710.80.9730
 - C) 0710.80.7060
 - D) 0704.10.2000
 - E) 0712.90.8080
40. The U.S. military has received funding that is to be directed toward naval operations. It has been determined that new periscopic telescopes are needed for the submarine fleet. A foreign supplier has manufactured the telescopes to specifications and the importation has arrived. What is the proper classification of the periscopic telescopes?
- A) 9013.10
 - B) 9005.80
 - C) 9005.90
 - D) 8906.00
 - E) 9013.90
41. Jack's Photography Studio has purchased a variety of camera filters. The importation from Switzerland has arrived. How should the filters be classified?
- A) 9002.11.9000
 - B) 9002.19.0000
 - C) 9002.20.4000
 - D) 9002.20.8000
 - E) 9006.91.0000
42. Joe's Smoke Shop plans to import manufactured smoking tobacco. The tobacco will be imported in bales which will be repacked into smaller retail size tins. These will be marketed to the ultimate consumer as tobacco for making your own hand rolled cigarettes. What is the correct classification for the tobacco?
- A) 2401.20.3140
 - B) 2401.20.8390
 - C) 2401.30.2590
 - D) 2403.10.2040
 - E) 2403.10.3090

43. What is the correct classification of parings of raw hides or skins?
- A) 0511.99.2000
 - B) 4102.29.0060
 - C) 4103.90.0090
 - D) 4110.00.0000
 - E) 0511.99.4050
44. “Fix-It Tool Company” offers its customers a prepackaged starter set of tools. Combined together are twelve screwdrivers of various sizes, a large and small hammer, and three socket wrenches. All the tools are hand-operated and put up in sets for retail sale. What is the proper classification?
- A) 8205.40
 - B) 8205.20
 - C) 8205.90
 - D) 8206.00
 - E) 8204.20
45. Which of the following is the proper classification of a man’s woven suit that is 75% by weight of silk and 25% by weight of wool?
- A) 6103.19.10
 - B) 6203.11.10
 - C) 6203.19.50
 - D) 6103.12.10
 - E) 6103.19.60
46. Pencils were ordered by P&B Office Supply from their vendor in China. Once the pencils arrived, P & B found out they were subject to antidumping duty. They decided to export the pencils and exchange them for mechanical pencils (country of origin of the mechanical pencils is China). Mechanical pencils are not subject to antidumping duty. What is the correct rate of duty for the mechanical pencils?
- A) 6.6%
 - B) 4.3% & 14 cents per gross
 - C) 0.7%
 - D) Free
 - E) 0.1 cents per gross

47. What is the correct classification for base metal bracelets which are inlaid with gold? Please note that each bracelet has a value of 32 cents and is made of rope chain.
- A) 7117.19.9000
 - B) 7117.19.1500
 - C) 7113.20.1000
 - D) 7113.20.5000
 - E) 7113.20.2100
48. Ashley's Boutique will be importing ramie handbags from China. These handbags are made in part from braid. What is the correct quota category for the handbags?
- A) 359
 - B) 369
 - C) 670
 - D) 870
 - E) 871
49. BM Manufacturing produces molded plastic parts that are used with the apparatus of headings 8535, 8536 or 8537. What is the correct classification of those parts?
- A) 3926.90.8500
 - B) 3926.90.9880
 - C) 8536.90.8085
 - D) 8538.90.6000
 - E) 8708.99.8080
50. Gil's Army and Navy Store imports used World War II British Army men's uniform trousers from England. The men's trousers show visible signs of wear. Before shipping the uniforms, the seller had them cleaned and pressed, packed in individual plastic bags and then packed in boxes. The trousers are made from 100% wool woven fabric. How would you classify the trousers?
- A) 6204.61.9010
 - B) 6203.41.1510
 - C) 6309.00.0010
 - D) 6203.31.0010
 - E) 6309.00.0020

51. The local music store is importing violins from a manufacturer in Italy for the town's symphony orchestra. Included in the shipment are twenty-five of each of the following: violins, violin cases, and bows. The store will sell each violin, case, and bow as a unit. Which one of the following statements is correct:
- A) The cases shall be classified with the violins, but the bows must be separately classified
 - B) The violins, cases, and bows all must be separately classified.
 - C) The bows shall be classified with the violins, but the cases must be separately classified.
 - D) The cases and bows shall be classified with the violins.
 - E) The bows shall be classified with the cases, but the violins must be separately classified.
52. A quota category which has closed will be opened again shortly. It is anticipated that the quota will be filled at the opening of the quota period. If a preliminary review has not been submitted, what is the correct time frame for presenting the entry summaries or withdrawals for consumption?
- A) No earlier than 12:00 Noon Eastern Standard Time in all time zones
 - B) No earlier than 12:00 Noon Mountain Standard Time in all time zones
 - C) No earlier than 8:00 A.M. Eastern Standard Time in all time zones
 - D) No earlier than 8:00 A.M. Pacific Standard Time in all time zones
 - E) No earlier than 12:00 Noon Pacific Standard Time in all time zones
53. Sam Smith has had his broker's license revoked "with prejudice" for entering into a scheme with a client to smuggle merchandise into the United States. How long after the revocation must Sam wait before he can petition for authorization to accept employment with another licensed broker?
- A) No time at all, Sam can immediately file a petition.
 - B) 90 days.
 - C) Indefinitely, Sam can't work for another broker again.
 - D) One year.
 - E) Five years.
54. Cotton is grown in Egypt. It is sent to India where it is spun into yarn. The yarn is sent to Italy where it is woven into fabric. The fabric is dyed blue in Germany and is sent to England where it is made into shirts. The shirts are sold to a US buyer and are exported to Miami. What is the country of origin for the shipment of shirts imported into the US?
- A) Egypt
 - B) England
 - C) Italy
 - D) Germany
 - E) India

55. In which one of the following situations may the transaction value method of appraisal be used?
- A) Mirabel Designs, Inc., imports a shipment of bolts of cloth on consignment.
 - B) Ace Construction Company imports a specialized machine leased from a company in Canada.
 - C) Soaps Unlimited of Ireland lowers its price of luxury soaps for a major retail customer in the United States on the condition that the U.S. retail customer also contracts to purchase a specified quantity of a new line of bath products.
 - D) Chemie GmbH. of Germany sells chemicals to its sister company in Michigan for the same price that it charges its unrelated customers in the United States.
 - E) Art Italico sells calendars to a U.S. importer at a special discount but insists that because of the low price the calendars can only go on sale after the beginning of the new year.
56. Fleetwood Air Express is an express consignment operator and a licensed broker. Fleetwood Air Express is the nominal consignee of several different shipments of similar merchandise going to multiple ultimate consignees. Fleetwood wants to file one consolidated entry summary for these shipments. Which one of the following circumstances will **PRECLUDE** the broker from filing a consolidated entry summary?
- A) The shipments covered by the consolidated entry summary were imported on different days.
 - B) Each item on the consolidated entry summary is itemized as to each category of merchandise by HTSUSA, to the ten digit level.
 - C) The merchandise covered by the consolidated entry summary was released on the same day under special permits for immediate delivery.
 - D) The merchandise was delivered by different land carriers and the information pertaining to each carrier covering the shipments is shown in the consolidated entry summary.
 - E) A separate listing of each ultimate consignee's merchandise is included on the consolidated entry summary.
57. Peter Transport, Inc., a bonded cartman, is being audited by U.S. Customs for irregular deliveries incurred during Fiscal Year 97 and 98. During the process the auditors find out that Peter Transport has insufficient bond coverage. U.S. Customs sends written notice of the deficiency to the cartmen and requests additional bond coverage. How many days does Peter Transport, Inc. have to remedy the deficiency?
- A) 15 days from the date of notification
 - B) 30 days from the date of notification
 - C) 60 days from the date of notification
 - D) 15 days from the date of bond termination
 - E) 30 days from the date of bond termination

58. Customs has determined that Lucy fraudulently entered merchandise by misclassifying and under-valuing the goods. The merchandise was not subject to quota or visa and she did not make a prior disclosure. Which one of the following is the penalty that Customs will assess?
- A) The penalty will be the lesser of the domestic value of the merchandise or 4 times the loss of duties
 - B) The penalty will not exceed 4 times the loss of duties
 - C) The penalty will be the lesser of the domestic value of the merchandise or 2 times the loss of duties
 - D) The penalty will not exceed 2 times the loss of duties
 - E) The penalty will not exceed the domestic value of the merchandise
59. When entry summary documents are not presented to Customs in a timely manner, liquidated damages are assessed for late filing. By regulation, to whom is notification sent in writing of any liability for liquidated damages.
- A) The consignee and carrier
 - B) The manufacturer and consignee
 - C) The principal and surety
 - D) The broker and importer
 - E) The shipper and carrier
60. Which of the following is **NOT** a matter subject to protest?
- A) The appraised value of the merchandise.
 - B) The liquidation or reliquidation of an entry.
 - C) The refusal to pay drawback.
 - D) The inclusion of merchandise under a dumping order.
 - E) The exclusion of merchandise.
61. With proper authorization, in-transit merchandise may remain on the dock for a **MAXIMUM**, including extensions, period of:
- A) 5 days from date of importation.
 - B) 10 days from date of importation.
 - C) 3 months from date of importation.
 - D) 6 months from date of importation.
 - E) 1 year from the date of importation.

62. Bill filed a consumption entry and paid \$520 in estimated duties. A few weeks later, Bill realizes that he made a clerical error and as a result he should have only paid \$420 in estimated duties. Bill runs to the Customhouse and submits a written request for a refund of the overpayment. Which one of the following can Customs do?
- A) Nothing, Customs has to wait until the entry is liquidated and then reliquidate.
 - B) Prior to liquidation of an entry, Customs may take appropriate action to correct a clerical error that results in the deposit of excess duties.
 - C) Nothing because Bill should have filed a protest and requested a refund.
 - D) Prior to liquidation of an entry, Customs may take appropriate action to correct a mistake of law that results in the deposit of excess duties.
 - E) Nothing, Bill has to live with his mistake.
63. A person without a broker's license may perform all the following activities **EXCEPT** for which one of the following?
- A) File a vessel entry for another person.
 - B) File a formal consumption entry on his own account.
 - C) File a temporary importation under bond entry for another person.
 - D) File a transportation and exportation entry for another person.
 - E) File an informal entry for another person for a shipment of merchandise valued at \$200 or less.
64. A mold was provided free of charge to a Korean manufacturer by the US importer. This mold cost the importer \$75,000. The US importer paid freight costs of \$1,000 to send the mold to the Korean manufacturer. The Korean manufacturer paid the Korean import duty of \$500 for the mold. What is the total value of the assist?
- A) \$76,000
 - B) \$76,600
 - C) \$75,000
 - D) \$74,000
 - E) \$74,500
65. All **EXCEPT** which one of the following are basic importation and entry bond conditions?
- A) Agreement to produce documents and evidence.
 - B) Agreement to redeliver merchandise.
 - C) Agreement to rectify any non compliance with provisions of admission.
 - D) Agreement to pay duties, taxes, and charges.
 - E) Agreement to repay erroneous drawback payments.

66. An importer provides you with the following information so that you can determine if his product is eligible for Caribbean Basin Initiative (CBI) treatment. For purposes of this question assume that it is a product of a CBI country and is classified under a HTSUSA eligible provision.

(1) Material originating in CBI country	.50
(2) US material	1.00
(3) Material of another foreign country	2.00
(4) Manufacturing cost in CBI country	1.00
(5) Engineering costs	2.00
(6) Profit	2.50
(7) Administrative salaries	<u>1.00</u>
<i>Appraised value</i>	<i>10.00</i>

Which items contribute to CBI eligibility?

- A) (1) Material originating in CBI country, (2) US material, (4) Manufacturing cost in CBI country and (5) Engineering costs of US origin.
- B) (2) US material up to a total of 15% (5) Engineering costs of and (1) Material originating in CBI country, (4) Manufacturing cost in CBI country and (6) Profit
- C) (2) US material and (5) Engineering costs of US origin up to a total of 15% and (1) Material originating in CBI country and (4) Manufacturing cost in CBI country
- D) (1) Material originating in CBI country, (4) Manufacturing cost in CBI country, (6) Profit and (7) Administrative salaries
- E) (1) Material originating in CBI country, (4) Manufacturing cost in CBI country and (6) Profit if all profit accrues to CBI manufacturer

67. Mary, a returning resident, has been living overseas in Kenya for the past 2 years and wants to return to the United States. She wants to send her personal and household effects which were originally purchased in the United States back to the United States. The total value of these is \$20,000. She calls Wes of “Brokers ‘R’ Us” and asks if she needs to make entry for the goods since they won’t accompany her. Wes checks with the port director to see if entry has to be made. Wes would be correct in advising her of which one of the following?

- A) Her personal and household effects are subject to informal entry requirements.
- B) Her personal and household effects are subject to formal entry requirements.
- C) Her personal and household effects are subject to American Goods Returned.
- D) Her personal and household effects are subject to immediate delivery procedures.
- E) Her personal and household effects are subject to carnet requirements.

68. Quick Brokerage Services failed to file their status report timely. They receive a suspension notice from the Commissioner of Customs via certified mail. In order to avoid license revocation, which one of the following statements is the correct course of action?
- A) The broker must file the report within 30 days of the receipt of the notice, and pay a \$100 fee before license reinstatement.
 - B) The broker must file the report within 60 days of the receipt of the notice, and pay a \$100 fee before license reinstatement.
 - C) The broker must file the report within 10 days of the receipt of the notice, and pay a \$100 fee before license reinstatement.
 - D) The broker must file the report within 60 days of the receipt of the notice, and pay a \$125 fee before license reinstatement.
 - E) The broker must file the report within 30 days of the receipt of the notice, and pay a \$125 fee before license reinstatement.
69. The legal date of liquidation of an entry is?
- A) The date on which the importer receives the courtesy notice of liquidation.
 - B) The date on which Customs decides to liquidate an entry.
 - C) The date on which the importer tells Customs to liquidate the entry.
 - D) The date on which the filer receives electronic notice of liquidation.
 - E) The date on which the bulletin notice is posted in the customhouse.
70. Jennifer imports a table into the United States from England and pays \$25 in duties. Jennifer immediately exports the table to Ray in Mexico and Ray pays the equivalent of US\$10 in Mexican duties. Jennifer can file for a refund under NAFTA drawback for 99% of which one of the following?
- A) The \$10 paid in Mexican duties.
 - B) The \$25 paid in U.S. duties.
 - C) The \$15 difference between US and Mexican duties.
 - D) The duties paid in Mexico and the U.S. for a total of \$35.
 - E) Either the \$10 paid in Mexico or the \$25 paid in the U.S.
71. In requesting a binding ruling, which of the following items does **NOT** need to be provided?
- A) A description of the transaction involved.
 - B) A sample or descriptive literature of the merchandise involved.
 - C) A statement of all relevant facts.
 - D) The state of incorporation of the party requesting the ruling.
 - E) The names of all interested parties.

72. All of the following are valid deductions from the price of the merchandise concerned under the deductive value method of appraisal **EXCEPT** for which one of the following?
- A) Customs duties.
 - B) Actual transportation and insurance costs for the international shipment of the merchandise.
 - C) Packing costs.
 - D) Commissions paid in connection with sales in the United States of imported merchandise.
 - E) The value added by further processing of the merchandise after importation.
73. For purposes of a warehouse entry, when packages which are not uniform in content, quantity, value or rate of duty are grouped together as one item on an entry summary, which of the following items does **NOT** have to be included in the specifications list furnished with the entry summary?
- A) The quantity of each class of merchandise.
 - B) The date of importation of each class of merchandise.
 - C) The entered value of each class of merchandise.
 - D) The rate of duty for each class of merchandise.
 - E) The marks or number of packages for each class of merchandise.
74. A new business, Tide End Town, Inc., imports its first shipment of upscale yachting wear manufactured in England. The entry is secured by a single entry bond. Tide End Town, Inc., files the entry summary 12 working days after the time of entry, which was the date the merchandise was released by Customs. Customs issues a demand for liquidated damages for failure to file entry summary timely. The demand for liquidated damages will be issued in what amount?
- A) Two times the bond amount.
 - B) Three times the bond amount.
 - C) One times the bond amount.
 - D) Half the bond amount.
 - E) Five times the bond amount.
75. Tariff-rate quotas are not applicable to products imported from which one of the following countries?
- A) Armenia
 - B) Angola
 - C) Antigua
 - D) Albania
 - E) Afghanistan

76. Angela imported 250 blouses and skirts under quota categories 341 and 342, respectively. At the time of entry, the two quota categories were full. Angela placed the merchandise in a bonded warehouse waiting to see if the categories opened up again before the end of the year. One month later, Angela decided to sew the blouses and skirts permanently together into dresses. The dresses are covered by quota category 336. This quota category is open. Can Angela now withdraw the dresses from the bonded warehouse?
- A) No, because there has been a change from one textile category to another during the warehouse period.
 - B) Yes, because the new quota category is open.
 - C) Yes, but she must use the original quota categories.
 - D) No, because they have not remained in the warehouse for more than six months.
 - E) Yes, but she must withdraw the dresses under the new category.
77. A NAFTA Certificate of Origin for imports shall be accepted by U.S. Customs for which one of the following periods?
- A) Four years after the date on which it is presented to Customs.
 - B) Three years after the date on which the Certificate was signed by the exporter or producer
 - C) Four years after the date on which the Certificate was signed by the exporter or producer
 - D) Five years after the date on which the Certificate was signed by the exporter or producer
 - E) Five years after the date of exportation.
78. Adam Brown received his broker's license in 1995. He has been working as an employee of another broker since that time. He now feels ready to go out on his own. He decides to set up his new business as a corporation. He files the necessary paperwork with the State where his business will be located, empowers the corporation under its articles of incorporation to transact customs brokerage business, and files the necessary license application and accompanying fee with Customs. Under state law, his corporation must have three officers: a President, Secretary, and Treasurer. He designates himself as President, and decides to appoint his wife and brother to the other two roles. Before accepting, they want to know if they too must become licensed brokers. Adam would be correct in telling them which one of the following?
- A) Yes, a corporate customs brokerage firm must have at least 3 licensed officers.
 - B) No, a corporate customs brokerage firm needs one licensed employee but is not required to have any licensed officers.
 - C) No, a corporate brokerage firm is not required to have any licensed employees or officers.
 - D) Yes, either his wife or his brother will have to become licensed, because a corporate customs brokerage firm needs at least two licensed officers.
 - E) No, a corporate brokerage firm needs only one licensed officer.

79. Which one of the following is the time frame in which an importer has to make a written presentation rebutting a prepenalty notice (no extensions have been granted)?
- A) 30 days from the date of the mailing of the prepenalty notice
 - B) 30 days from the date of liquidation
 - C) 60 days from the date of the mailing of the prepenalty notice
 - D) 60 days before the date of the scheduled court appearance
 - E) 90 days from the date of the mailing of the prepenalty notice
80. Totally Toys, a large retail chain of toy stores, has a wholly owned factory in the Dominican Republic. They import wooden puzzles from the Dominican factory. The wooden puzzles are appraised under **computed value**. The factory submits the following cost sheets:

All figures are for one dozen puzzles.

Wood	\$6.00
Paint	2.00
Puzzle designs undertaken in the US	1.00
Labor	1.50
Profit & General Expenses	1.75
Packing	.60
Ocean Freight & Insurance	1.25

What is the appraised value?

- A) \$11.85 per dozen
- B) \$12.85 per dozen
- C) \$12.50 per dozen
- D) \$13.10 per dozen
- E) \$14.10 per dozen

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	19 CFR §10.49(c)
2	B	19 CFR §134.1(b)(e) & (f)
3	A	19 CFR §10.37
4	A	19 CFR §152.103
5	D	19 CFR §102.21(e)
6	C	19 CFR §111.30(d) & 111.96(d)
7	E	19 CFR §141.2
8	B	19 CFR §181.32(b)
9	E	19 CFR §142.12(b) & 141.68(a)(1)
10	C	19 CFR §134.11
11	E	19 CFR §159.52
12	A	19 CFR §143.6(a)
13	B	19 CFR §24.23(b)(1)(i)(B)
14	C	19 CFR §174.21(b)
15	C	19 CFR §111.45(b)
16	E	19 CFR §24.1(a)(3)(ii)
17	D	19 CFR §191.3
18	A	19 CFR §19.12(d)(4)(ii)
19	B	19 CFR §146.32
20	A	19 CFR §173.6
21	C	19 CFR §174.22(d)
22	A	19 CFR §19.4(b)(4)(B)
23	B	19 CFR §152.104
24	D	19 CFR §18.25
25	B	19 CFR §191.27(a)
26	D	19 CFR §152.107 & 108
27	C	19 CFR §141.34
28	D	GSN 4(b)
29	E	GRI 3(c)
30	A	HTS II, Chp 7, Chp 10, Note 2; GRI 1
31	E	GRI 3(b)
32	D	HTS XII, Chp 64
33	E	HTS XXII, U.S. Notes, 19 CFR 10.31
34	D	GN 4(b)(i) & (ii); HTS 0804.10.8000
35	B	HTS VII, Note 2
36	C	HTS XV, 8544.20.0000; GRI 1
37		VOID
38	B	HTS XXII, 9801.00.1010
39	D	HTS II, Chp 7; GRI 1; GN 19(a)
40	A	HTS XVIII, Chp 90, Chapter Note 4
41	C	HTS XVIII, Chp 90; GRI 3(b)
42	E	HTS IV, Additional U.S. Notes 5(e) & 6
43	A	HTS VIII, Chp 41, Note 1(a)
44	D	HTS XV, Chp 82; GRI 1
45	C	HTS XI, Chp 62
46	A	HTS XX, 9608
47	D	HTS XIII, Chp 71, Note 4(a) & 7
48	E	HTS VIII, 4202.22.4040
49	D	GRI 6; HTS 8538.90.6000
50	B	HTS XI, Chp 63, Note 3(b)(ii)

51	D	GRI 5(a); HTS XVIII, Ch 92, Note 2
52	A	19 CFR §132.12(a)
53	E	19 CFR §111.79
54	B	19 CFR §102.21(c)(3)(2)
55	D	19 CFR §152.103
56	A	19 CFR §142.17a
57	B	19 CFR §113.13
58	E	19 CFR §162.73(a)(1)
59	C	19 CFR §172.1(a)
60	D	19 CFR §174.11
61	E	19 CFR §18.24
62	B	19 CFR §173.4a
63	C	19 CFR §111.3 & 143.26
64	A	19 CFR §152.103
65	E	19 CFR §113.62 & 113.65
66	C	19 CFR §10.191
67	A	19 CFR §143.21(e), 148.31 & 148.52
68	B	19 CFR §111.30(d)
69	E	19 CFR §159.9(c)
70	B	19 CFR §181.45(b)
71	D	19 CFR §177.2(b)
72	C	19 CFR §152.105(d) & (f)
73	B	19 CFR §144.11(d)
74	C	19 CFR §142.15
75	E	19 CFR §132.6 & GN 3B
76	A	19 CFR §144.38(f)(3)
77	C	19 CFR §181.22(b)(4)
78	E	19 CFR §111.11(c)(2)
79	A	19 CFR §162.78
80	B	19 CFR §152.106