

United States of America  
CUSTOMS SERVICE

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**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 (2000)** (USITC Publication 3249)  
(No supplements)
- **Title 19, Code of Federal Regulations** (19 CFR Parts 1 to 199) (April 2000, except 111) (Supplement Part 111 effective April 15, 2000).

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) Within how many days after arrival of an in-bond shipment at the port of destination must the delivering carrier surrender the in-bond manifest to the port director?
- A) No more than 2 working days after arrival of any portion of the in-bond shipment.
  - B) No more than 2 working days after the departure of the in-bond shipment.
  - C) No more than 5 working days after arrival.
  - D) No more than 30 working days after receipt by the forwarding carrier.
  - E) No more than 30 working days after arrival.
- 2) According to the Customs regulations, 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 violations of Customs laws?
- A) Insure that only high security padlocks are used on conveyances or compartments.
  - B) Use only trusted drivers who are known to the Traffic Manager.
  - C) Seal Compartments by using carriers blue in-bond seals.
  - D) Use high-security Customs seals.
  - E) Use high strength chains and locks to secure bonded merchandise.
- 3) Which one of the following classes of Customs warehouses exists for the purpose of cleaning, sorting, repacking, or otherwise changing in condition, but not manufacturing, imported merchandise, under Customs supervision and at the expense of the proprietor?
- A) Class 2
  - B) Class 3
  - C) Class 4
  - D) Class 5
  - E) Class 8

- 4) A consumption entry has not been liquidated by Customs, and the time for liquidation has not been extended or suspended. When will this entry be deemed liquidated by operation of law?
- A) 90 days from the date of importation.
  - B) 1 year from the date of entry.
  - C) 1 year from the date of importation.
  - D) 3 years from the date of entry.
  - E) 3 years from the date of importation.
- 5) 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
- 6) The *ad valorem* merchandise processing fee is assessed on which one of the following?
- A) Products of the insular possessions of the United States.
  - B) Goods originating in Mexico within the meaning of General Note 12, HTSUS, where such goods qualify to be marked as goods of Mexico pursuant to Annex 311 of the North American Free Trade Agreement and without regard to whether the goods are marked.
  - C) Merchandise imported by mail.
  - D) Articles exported from the United States, which are returned within 45 days after such exportation from the United States as undeliverable and which have not left the custody of the carrier or foreign customs service.
  - E) Merchandise originating in Germany that is released under a special permit for immediate delivery and then formally entered.

- 7) A shipment of strawberry jam from England is entered on March 1, 2000, and is valued at \$10,000.00. What is the amount of the *ad valorem* merchandise processing fee that will be due and payable upon the filing of the entry summary?
- A) \$ 0.00
  - B) \$ 12.50
  - C) \$ 21.00
  - D) \$ 25.00
  - E) \$485.00
- 8) For U.S. Customs country of origin purposes, fungible goods or fungible material means:
- A) Usable goods or materials which have been produced in a single country.
  - B) Commercial goods or materials which have been assembled and advanced in value.
  - C) Goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical.
  - D) Waste or scrap imported for the recovery of the essential raw materials.
  - E) Perishable goods or materials imported into the U.S. for consumption.
- 9) Which one of the following is **NOT** an example of a good “wholly obtained or produced in Canada” for NAFTA purposes?
- A) Furs obtained from trapping in Canada.
  - B) Hockey pucks produced exclusively in Canada from material imported from England.
  - C) Moon rocks collected by a Canadian astronaut on a lunar space mission.
  - D) Waste plastic material derived from plastic bottles collected in Canada, fit only for the recovery of raw materials.
  - E) Lobsters taken from the seabed by a vessel registered in Canada and flying the Canadian flag.

- 10) The licensed officer for DC Brokers Inc. resigns from the corporation. What is the maximum number of days in which DC Broker's Inc. must replace the licensed officer?
- A) 30 days
  - B) 60 days
  - C) 180 days
  - D) 120 days
  - E) 45 days
- 11) Each person who is required by law, regulation or specific instructions to post a bond to secure a customs transaction or multiple transactions must submit the bond on a Customs Form 301. What is the minimum bond amount for a Customs bond?
- A) \$ 1,000.00
  - B) \$ 500.00
  - C) \$ 100.00
  - D) \$10,000.00
  - E) \$50,000.00
- 12) The next status report (Triennial) and \_\_\_\_\_ fee are due \_\_\_\_\_.
- A) \$125.00; January 2003
  - B) \$100.00; January 2001
  - C) \$300.00; February 2001
  - D) \$100.00; February 2003
  - E) \$125.00; February 2003
- 13) Which one of the following types of merchandise **MAY NOT** be placed in a Customs bonded warehouse?
- A) Dynamite
  - B) Firearms
  - C) Firecrackers
  - D) Fuel Oil
  - E) Televisions

- 14) Which one of the following imported articles is **NOT** a J-list exception to the country of origin marking requirements?
- A) Livestock from Canada.
  - B) Buttons from China.
  - C) Works of Art from Russia.
  - D) Maple sugar from Finland.
  - E) Marble floor tile from Italy.
- 15) A broker's license is required for which one of the following transactions?
- A) Entering a \$200,000.00 necklace for one's own account.
  - B) Filing an application on a CF 216 for permission to manufacture merchandise in a foreign trade zone.
  - C) Clearing a vessel.
  - D) Filing a temporary importation bond (TIB) entry.
  - E) Entering merchandise for transportation in bond.
- 16) Customs makes an inquiry about the importation of merchandise by a certain importer through the port of Miami, Florida. The importer is instructed to meet with Customs in Miami. He chooses not to participate directly but wishes to have his agent, a Customs broker permitted only in Los Angeles, California represent him. The broker does not have a National Permit.

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

- A) The broker may not represent the importer in such matters because he is not permitted in Miami.
- B) The broker may represent the importer if he has a letter from the importer giving him authorization.
- C) The broker may represent the importer in such matters if he has a valid power of attorney.
- D) Only an attorney at law may be authorized to represent an importer in matters before Customs.
- E) The importer must appear in person in such matters.

- 17) Merchandise imported in excess of an *absolute quota* may be handled by any of the following methods **EXCEPT**:
- A) Placing it in a Foreign Trade Zone.
  - B) Entering it for warehouse.
  - C) Entering it for consumption on a contingency basis until the next quota period, provided that the importer does not sell it.
  - D) Destroying it under Customs supervision.
  - E) Exporting it.
- 18) Quota priority and status are determined by:
- A) Date and time of entry into a Foreign Trade Zone.
  - B) Date and time of presentation of entry summary or withdrawal for consumption in proper form.
  - C) Date and time of warehouse entry.
  - D) Date and time of presentation of visa and invoice.
  - E) Date and time of special permit for immediate delivery.
- 19) On 2/11/00, Colonial Enterprises of Ottawa, Canada, consigned 1,500 Canadian produced cellular phones to KJ Associates in Bangor, Maine. KJ Associates sell these phones to Cellular Two in Bangor. A review of your records indicates that Colonial Enterprises has previously consigned identical merchandise in similar quantities to unrelated buyers in the U.S. Also, Colonial Enterprises on 1/11/00 made an unrelated sale of identical Canadian produced cellular phones to Alexander's Telecom, in Green Bay, Wisconsin. Based upon the above facts, the method of appraisal of the above merchandise would be:
- A) Transaction Value.
  - B) Transaction Value of identical merchandise based upon Colonial Enterprise's previously consigned merchandise.
  - C) Transaction Value of identical merchandise based upon the unrelated sale of identical merchandise by Alexander Telecom.
  - D) Computed Value.
  - E) Deductive Value.

- 20) DLW Importers, Inc. recently imported backpacks manufactured in China. The backpacks were made of 100% cotton and were marked with a sewn-in label on the inside stating "CHINA." The backpacks were packaged inside a plastic wrap, which was labeled "OREGON QUALITY." They were imported through the Port of Portland, Oregon. Which one of the following statements is correct?
- A) The backpacks are appropriately marked because they were imported in Portland, Oregon.
  - B) The backpacks are appropriately marked because they have a sewn-in label stating the country of origin.
  - C) The backpacks are appropriately marked because they satisfy the cotton products marking requirements.
  - D) The backpacks are appropriately marked because Oregon is not a country.
  - E) The backpacks are not appropriately marked.
- 21) After merchandise is released under a special permit for immediate delivery, an entry summary with estimated duties attached must be filed within:
- A) 1 business day
  - B) 15 calendar days
  - C) 5 working days
  - D) 10 working days
  - E) 10 calendar days
- 22) Which one of the following is **NOT** an allowable addition to the price actually paid or payable for transaction value purposes?
- A) \$10,000.00 for tooling to produce bumpers for importation into the U.S., plus \$1000.00 transportation charges to send the tooling to the Canadian plant manufacturing the bumpers.
  - B) \$10.00/item remitted to the foreign seller after resale of the imported item in the U.S., per a contract between the exporter and the U.S. importer.
  - C) Detailed design drawings valued at \$10,000.00, produced by an exclusive U.S. engineering firm, and provided free of charge by the U.S. importer/buyer to the producer for the production of the imported merchandise.
  - D) A selling commission of \$10,000.00.
  - E) Packing charges of \$10.00/carton that are charged separately to the buyer by the seller, for special export packing.



- 23) Which one of the following types of merchandise **CANNOT** be entered under informal entry procedures?
- A) Household effects used abroad valued at \$8,000.00.
  - B) The third and last installment of a shipment of tulip bulbs, covered by a single order to one consignee, which arrives at the port of entry nine days after the first installment, and the total invoice price is \$3,300.00 and each installment is valued at \$1,100.00.
  - C) A commercial shipment of silver necklaces valued at \$2,000.00.
  - D) A U.S. made letter-sorting machine with a retail value of \$7,500.00, returned to the manufacturer for repair.
  - E) A commercial shipment of rubber bicycle tires valued at \$900.00.
- 24) A new broker becomes an ABI participant. After the first year, due to personnel turnover, he/she begins having problems with his/her 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 action to place him/her on probation, granting him/her 15 days to respond.
  - B) Notify the participant in writing of a 30-day suspension, granting him/her 30 days to respond.
  - C) Notify the participant electronically of any action to place him/her on probation, granting him/her 45 days to respond.
  - D) Notify the participant in writing of immediate suspension of ABI privileges, granting him/her 10 days to respond.
  - E) Notify the participant electronically that they will be placed on indefinite sanction, granting him/her 90 days to respond.

- 25) Which one of the following statements about foreign trade zones is **INCORRECT**?
- A) Foreign merchandise for which *privileged status* has been requested and granted is classifiable in its condition at the time the application for *privileged status* was filed in proper form.
  - B) Merchandise for which *zone-restricted status* is requested and granted is considered to be exported as of the time that a proper application for that status was filed.
  - C) Merchandise in *privileged foreign status* may not be entered for warehouse from a FTZ.
  - D) Foreign merchandise, in **either** *privileged or non-privileged status*, may be destroyed in a FTZ without a Customs permit for such destruction.
  - E) *Domestic status* may be granted to foreign merchandise, which was previously entered free of duty and tax.

- 26) Street Hockey Suppliers, an Orlando, Florida based company, contacts a Canadian company, Nous Sommes Hockey (NSH), to manufacture rolling hockey pucks. The invoice price agreed to is \$250,000.00 for the specialty pucks. The composition of the puck is critical to the product, and Street Hockey Suppliers decides to purchase an additive that will make the puck more sturdy. Street purchases the material from Resin, Inc., for \$20,000.00 and has Resin ship it directly to NSH from the Pittsburgh, Pennsylvania Plant at no charge to NSH. Transportation charges from Resin to NSH are \$2,320.00. No additional invoices are generated. Street Hockey plans for one shipment only. Which one of the following is a true statement about the appraisal of this merchandise?

- A) The appraised value should be \$250,000.00.
- B) The appraised value should be \$272,320.00.
- C) The appraised value should be \$270,000.00.
- D) The appraised value should be \$252,320.00.
- E) The appraised value cannot be determined.

- 27) A U.S. company, Far East Imports, wants to get into the woven furniture business, but the sole proprietor is not able to travel to the Far East on a buying trip. She hires Worldwide Trading, an established purchasing company, to travel to the Far East and make several designated purchases for her. The first shipment arrives and is invoiced as follows:

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Per contract 061475    23 Crates Furniture                    U.S. \$21,900.00

Includes: Rattan Chairs  
            Rattan Tables  
            Bamboo Stands

Ocean freight and marine insurance (\$2,000.00)  
Worldwide Trade 5% commission

All charges and commissions are included in the invoice price and payable via letter of credit, Bank of Hong Kong, to Worldwide Trading.

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The entry summary for this shipment should show which value?

- A) U.S. \$21,900.00, net.
  - B) U.S. \$21,900.00, less freight, insurance, and commission.
  - C) U.S. \$21,900.00, less freight and insurance only.
  - D) U.S. \$22,995.00.
  - E) U.S. \$21,900.00, less commission only.
- 28) Which one of the following situations would preclude the use of transaction value?
- A) The foreign seller imposes a restriction on the U.S. importer that limits the importer's resale of the goods to the West Coast.
  - B) The U.S. importer provides dyes valued at \$25,000.00 to the foreign seller to be used for the production of the imported merchandise.
  - C) The foreign seller will receive an agreed-upon percentage of the U.S. importer's proceeds when the merchandise is resold in the U.S.
  - D) The seller establishes the price of the imported merchandise on condition that the buyer also will buy other merchandise in specific quantities.
  - E) The U.S. importer is a subsidiary of the foreign seller and purchases merchandise at the same price afforded to non-related buyers.

- 29) Which one of the following is **NOT** an allowable deduction under Deductive Value?
- A) International transportation and insurance costs.
  - B) Federal taxes payable on the merchandise.
  - C) Export packing costs.
  - D) U.S. duty and brokerage.
  - E) Commission.
- 30) You have a shipment of ski boards at the Cargo Facility in Buffalo, New York. The ski boards are being imported by Saberstar Ski Resort, and were purchased from DC Skiboards, of Burlington, Ontario, Canada, and will be sold in the Saberstar Ski Resort. The ski boards are a new, unique, and expensive item, and the ski resort is not sure how successful the resales will be. They agree to a price of \$60.00 per board, plus an additional \$10.00 per board once the ski boards are resold. Because of the delicate nature of the boards, special export packing is required and Saberstar agrees to pay the additional packing of \$1.50 per board. Freight charges from the Cargo Facility to Saberstar are not included in the \$60.00 price, but are separately charged to Saberstar by the carrier for \$2.00 per board. The appraised value of the boards is:
- A) \$71.50/ board
  - B) \$70.00/ board
  - C) \$60.00/ board
  - D) \$73.50/ board
  - E) \$61.50/ board
- 31) The maximum monetary penalty that may be invoked by Customs against a person concerning a negligent violation under Sec 592, Tariff Act of 1930 where the circumstances of the violation were not disclosed, would be:
- A) \$5,000.00.
  - B) If there is no loss of duty, 20% of the dutiable value.
  - C) The loss of duty.
  - D) The lesser of the domestic value of the merchandise or 4 times the loss of duties.
  - E) The domestic value of the merchandise.

- 32) As a licensed broker you filed entry summaries on behalf of Eyes, Inc. for five shipments of binoculars invoiced at \$50,000.00 per shipment. Weeks later your client discovered that a computer error had generated incorrect invoices. The correct value of each shipment was actually \$150,000.00. Because the merchandise was duty-free, Eyes, Inc. decided it was not necessary to notify you or U.S. Customs. A year later Customs discovered the discrepancies through an audit. A penalty was assessed under 19 USC 1592 for gross negligence against the five shipments. The amount of the penalty assessed would have been:
- A) Zero, since there was no loss of duties involved.
  - B) \$ 80,000.00
  - C) \$150,000.00
  - D) \$300,000.00
  - E) \$750,000.00
- 33) With respect to record retention periods, which of the following is **NOT** a true statement?
- A) Records pertaining to articles that are admitted free of duty and tax pursuant to 19 U.S.C. 1321(a)(2) shall be kept for 5 years from the date of entry.
  - B) A consignee who is not the owner or purchaser and who appoints a Customs broker shall keep a record pertaining to merchandise covered by an informal entry for 2 years from the date of the informal entry.
  - C) A broker who files a duty-deferral entry for a client shall keep a record of the entry for 5 years from the date of the entry.
  - D) Any record relating to a drawback claim shall be kept until the third anniversary of the date of payment of the claim.
  - E) Carriers records pertaining to manifested cargo that is exempt from entry shall be retained for 2 years from the date of entry or other activity which required creation of the record.
- 34) When entry summary documents are not presented to Customs in a timely manner, liquidated damages can be assessed for failure to file an entry summary timely. By Customs 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.

35) Customs may liquidate or reliquidate to correct errors in appraisement, classification or any other element entering into the liquidation or reliquidation, including errors based on misconstruction of applicable law within \_\_\_\_\_ days from the date of notice of the original liquidation.

- A) 10 days
- B) 20 days
- C) 314 days
- D) 90 days
- E) 30 days

36) A protest may be amended at any time:

- A) Before Customs has acted on the protest.
- B) Within 30 days after the protest was filed.
- C) Prior to the expiration of the 90-day protest filing period.
- D) After the initial 90-day protest filing period.
- E) Within 90 days of initial denial of the protest at the port level.

37) Which one of the following is **NOT** a criterion for further review of a protest?

The decision against which the protest was filed:

- A) Is alleged to involve questions which Customs headquarters refused to consider in the form of a request for internal advice.
- B) Will allegedly cause the protestant substantial and irreparable harm.
- C) Is alleged to involve questions of law or fact, which have not been ruled upon by the Commissioner of Customs or his designee, or by the Customs courts.
- D) Is alleged to be inconsistent with a ruling of the Commissioner of Customs or his designee, or with a decision made at any port with respect to the same or substantially similar merchandise.
- E) Involves matters previously ruled upon by the Commissioner of Customs or his designee or by the Customs courts but facts are alleged or legal arguments presented which were not considered at the time of the original ruling.

- 38) Which one of the following decisions may **NOT** be protested under the provisions of section 514, Tariff Act of 1930, as amended?
- A) The appraised value of merchandise.
  - B) The classification and rate and amount of duties chargeable.
  - C) The exclusion of merchandise from entry or delivery under any provision of the customs laws.
  - D) The liquidation or reliquidation of an entry, or any modification thereof.
  - E) Denial of preferential treatment under NAFTA.
- 39) TelMex is planning to set up a telephone repair and production facility in Mexico. TelMex will return all the telephones repaired or produced directly to the U.S. The returning telephones are not entitled to duty-free entry as “originating goods” under NAFTA. Which TelMex operation(s) would **NOT** qualify as “repairs or alterations” entitling the returned telephones to duty-free treatment under 9802.00.50?
- A) Fully functional used telephones would be exported from the U.S. to Mexico, where they would be modified slightly by adding a “redial” capability.
  - B) Nonfunctional used telephones would be exported from the U.S. to Mexico, where they would be restored to their original condition.
  - C) Telephone subassemblies would be exported from the U.S. to Mexico for assembly into completed telephones.
  - D) Black and beige telephones would be exported from the U.S. to Mexico for repainting in more popular colors.
  - E) Telephones having defective or unacceptable ringer tones will be exported to Mexico from the U.S. to install an inexpensive, more pleasant and appealing sounding device.
- 40) John Smith of California and his brother-in-law Rob Doe of Mexico are co-owners of Importal, Inc. and have been involved in a successful NAFTA import and export business partnership for several years. John claims NAFTA duty free treatment on his importations. Which one of the following statements is **NOT** a true statement:<sup>67</sup> Under NAFTA, a related person means a person is related to another person on the basis that:
- A) They are legally recognized partners in business.
  - B) They are employer and employee.
  - C) They are officers or directors of one another’s businesses.
  - D) Any person directly or indirectly owns, controls, or holds 5 percent or more of the outstanding voting stock or shares of each of them.
  - E) They are members of the same family.

- 41) A NAFTA verification may **NOT** be conducted in which one of the following situations?
- A) Customs wishes to verify the NAFTA claim by means of a questionnaire.
  - B) The importer has made a post-liquidation claim.
  - C) The importer has not been able to provide a CF 434 to Customs.
  - D) Customs wishes to conduct a NAFTA verification visit to Canada or Mexico to verify the status of a material used in the production of a NAFTA good.
  - E) Customs wishes to verify the status of a NAFTA claim by conducting a verification visit to the producer of the good, who is located in Canada or Mexico.
- 42) All of the following are methods of claiming manufacturing drawback **EXCEPT**:
- A) Derived from.
  - B) Used in.
  - C) Abstract or schedule.
  - D) Appearing in.
  - E) Used in less valuable waste.
- 43) For substitution unused merchandise drawback, the claimant must have had possession of the exported or destroyed merchandise at some time during the \_\_\_\_\_ year period following the date of importation of the imported designated merchandise, and the merchandise to be exported or destroyed to qualify for drawback must be exported or destroyed before the close of the \_\_\_\_\_ year period beginning on the date of importation of the imported designated merchandise.
- A) 3; 5
  - B) 2; 5
  - C) 3; 3
  - D) 2; 5
  - E) 5; 5



- 44) Which one of the following is **NOT** a program providing special tariff treatment?
- A) Automotive Products Trade Act
  - B) International Human Rights and Tariff Reduction Act
  - C) Caribbean Basin Economic Recovery Act
  - D) Agreement on Trade in Civil Aircraft
  - E) Generalized System of Preferences
- 45) 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 HTS subheading, 6201.93.3511. This is correct based on which one of the following General Rules of Interpretation (GRI)?
- A) GRI 3 (a)
  - B) GRI 3 (b)
  - C) GRI 1
  - D) GRI 4
  - E) GRI 3 (c)
- 46) Which one of the following facts would exclude a product from GSP eligibility?
- A) A shipment of hydrogen is classified under 2804.10.0000, country of origin, Indonesia.
  - B) A shipment of stone monuments classified under 6802.99.0030, country of origin, India, is shipped from the Port of Montreal, Canada, and is shipped in-bond to the United States.
  - C) The cost of processing done on the above shipment of stone monuments in India was 40% of the appraised value at the time of its entry into the United States.
  - D) A shipment of jewelry classified under 7113.11.5000 from Thailand was shipped via air. The shipment was on a through bill of lading to the United States, but the plane landed in Rome, Italy. The merchandise did not leave the plane, nor enter the commerce of Italy. It then proceeded directly to the United States.
  - E) A shipment of carrots is classified under 0712.90.1000 from Chile.

- 47) Whenever in the tariff schedule goods are classified as a set in accordance with General Rules of Interpretation 3(b) or 3(c), the set is to be identified by placing what prefix in front of the statistical reporting numbers applicable to the set?
- A) "S"
  - B) "Z"
  - C) "X"
  - D) "SET"
  - E) "2"
- 48) Sunny Seed Associates are importing sunflower seeds. Sunny Seed also imports corn chips, pretzels and peanuts. The sunflower seeds have been shelled and salted and packaged in 3-ounce bags. Sunny Seed Associates sells all of their products to bars and cafes as snack foods. Which one of the following is the correct classification for the sunflower seeds?
- A) 1206.00.0090
  - B) 1206.00.0069
  - C) 1206.00.0061
  - D) 1206.00.0040
  - E) 1206.00.0020
- 49) What is the correct quota/visa category number for a woman's 60% polyester, 40% wool woven dress imported from Nepal?
- A) 636
  - B) no quota/visa category number
  - C) 436
  - D) 836
  - E) 336
- 50) Which one of the following is the correct classification of a shipment of canned imitation crabmeat (Alaskan Pollack)?
- A) 1604.11.2090
  - B) 1604.19.1000
  - C) 1604.19.3000
  - D) 1605.10.2090
  - E) 1605.10.6010

- 51) Correctly classify a pair of infants' 100% cotton woven ski mittens which will be worn by a child whose body height is 68 cms.
- A) 6111.20.6040
  - B) 6116.92.0800
  - C) 6216.00.3300
  - D) 6209.90.3040
  - E) 6209.20.5050
- 52) Metallurgy, Inc. imports base metal bracelets, which are inlaid with gold. Each bracelet has a value of 32 cents and is made of rope chain. What is the correct classification of the bracelets?
- A) 7117.19.9000
  - B) 7117.19.1500
  - C) 7113.20.1000
  - D) 7113.20.5000
  - E) 7113.20.2100
- 53) What is the correct classification for a pair of ladies slip-on shoes with soles of rubber and uppers 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
- 54) Nobell Newsome imports leather weight lifting gloves manufactured in Canada. What is the proper classification of the gloves, which are to be used specifically in the lifting of weights?
- A) 4203.21.8060
  - B) 4203.29.0800
  - C) 4203.29.1800
  - D) 9506.91.0030
  - E) 9506.99.6080

- 55) Pics Galore Photography Studio has purchased a variety of camera filters. The importation from Russia has arrived. What is the correct classification of the filters?
- A) 9002.11.9000
  - B) 9002.19.0000
  - C) 9002.20.4000
  - D) 9002.20.8000
  - E) 9006.91.0000
- 56) You are importing cement floor tiles from Mexico. You intend to use them in the construction of your home. What is the proper classification of the tiles?
- A) 6802.29.0000
  - B) 6802.10.0000
  - C) 6907.10.0000
  - D) 6810.19.1200
  - E) 6810.19.1400
- 57) Bill's of Beverly Hills imports various articles from Spain. Today a shipment of clothespins designed to revolutionize the clothespin industry valued at \$1.47 a gross was received. Bill especially likes these pins because they consist of a single solid piece of durable high grade polymers of vinyl chloride that repel the sun's harmful gamma rays. Bill's broker determines the correct classification of the clothespins is:
- A) 3926.90.7000
  - B) 3926.90.6520
  - C) 3926.90.6530
  - D) 3926.90.5000
  - E) 3916.20.0090

- 58) The correct classification, followed by a Chapter 1 through 97 classification number, for articles assembled abroad in whole or in part of fabricated components that are the product of the United States (U.S. formed and cut fabric) and eligible pursuant to bilateral textile agreements for entry under a Special Access Program and entered in compliance with procedures established by the Committee for the Implementation of Textile Agreements (CITA) is:
- A) 9802.00.8066
  - B) 9802.00.4020
  - C) 9802.00.5010
  - D) 9802.00.8015
  - E) 9802.00.9000
- 59) Which one of the following articles may **NOT** be admitted temporarily free of duty under bond?
- A) Automobiles when intended solely for show purposes.
  - B) Photographs for use in connection with experiments or for study.
  - C) Tools of trade imported by a nonresident traveling temporarily in the U.S. for his/her own use.
  - D) Samples solely for use in taking orders for merchandise.
  - E) Articles exhibited for sale at an exhibition.
- 60) A shipment of spruce, pine, and fir lumber has just arrived at the border in Lewiston, New York, from L'Arbre, a large mill in Timmons, Ontario, Canada. Upon examination, the inspector notes that the truck also includes birch and maple. The lumber is commingled on the truck and impossible to segregate without off-loading. A call to your client confirms the fact that the load is in fact a combination of spruce, pine, fir, maple, and birch, all cut at the L'Arbre Mill. The lumber is not treated or stained, but has been resawn and trimmed. The correct classification for this lumber is:
- A) 4407.10.0015
  - B) 4407.10.0093
  - C) 4407.99.0021
  - D) 4407.99.0050
  - E) 4407.99.0096

- 61) Which one of the following is the correct classification for a baseball?
- A) 9506.62.8060
  - B) 9506.69.2040
  - C) 9506.91.0030
  - D) 9506.99.1500
  - E) 9506.99.6080
- 62) Your client is importing 7,000 individual shelves to be used in making 1,000 glass bookcases. Each unit requires one shelf for the top, one for the bottom, one each for the sides, and three for shelves. The shelves each have small color-coded dots to identify each type for quick assembly. Self-adhesive brackets will be mounted in the U.S. The assembled bookcases will be sold in designer boutiques as finished units. How should you correctly classify the 7,000 shelves being imported?
- A) 9403.8060
  - B) 7020.0000
  - C) 9403.9080
  - D) 7006.0040
  - E) 9802.0080 /9403.9080
- 63) A shipment arrives at the port of Champlain, New York, destined for your client, Ice Jewels, located in Burlington, Vermont. The exporter is located in Ottawa, Canada. The merchandise is invoiced as unfinished jewelry boxes. Examination of the load reveals 1,000 boxes (without lids) that are lined with a red velvet fabric, 2,000 small steel hinges (2 per box), 1,000 carved wooden lids. You contact your client, who states that he ordered jewelry boxes from the Ottawa company, but had them shipped down unassembled, because of a rush order he received. The correct classification for this merchandise is:
- A) Wooden box bottoms-4420.90.80, carved lids-4421.90.94, hinges-8302.10.90.
  - B) Wooden box bottoms-4420.90.65, carved lids-4421.90.98, hinges-8302.10.90
  - C) Wooden bottoms and lids-4421.90.98, hinges-8302.10.90
  - D) Entire shipment-4420.90.65
  - E) Entire shipment-4202.39.20

- 64) What is the correct classification of rubber swimming caps from Denmark?
- A) 4015.90.0050
  - B) 4016.99.1500
  - C) 6506.91.0030
  - D) 3926.20.9059
  - E) 6506.99.0000
- 65) Furniture for Fun imports various types of home furnishings. Today a shipment of goods consisting of various candleholders in which candles have been poured has arrived, and the articles are entered and classified as candles. Which one of the following GRIs determines the classification?
- A) GRI 1
  - B) GRI 3 (b)
  - C) GRI 6
  - D) GRI 3 (a)
  - E) GRI 4
- 66) Toys Inc, imports toy guitars from China. Which one of the following tariff provisions is the correct choice?
- A) 9202.90.2000
  - B) 9202.90.4100
  - C) 9207.90.0040
  - D) 9503.50.0020
  - E) 9503.90.0030
- 67) Which one 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

- 68) Which one of the following items falls within quota/visa category 459?
- A) Nylon bags.
  - B) Cotton bed sheets.
  - C) Women's knitted woolen sweaters.
  - D) Knitted wool scarves.
  - E) Women's woven silk blouses.
- 69) Which one of the following is eligible for duty-free treatment under the Caribbean Basin Initiative (CBI)?
- A) Any agricultural product of Chapters 2 through 52, inclusive, that is subject to a tariff-rate quota, if entered in a quantity in excess of the in-quota quantity for such product.
  - B) A man's jacket (not leather wearing apparel) with wool content 21% by weight of all the component fibers.
  - C) Articles of beef however provided for in Chapter 2 or Chapter 16 and Heading 2301 that are products of Jamaica.
  - D) Luggage from a CBI beneficiary country not designated on August 5, 1983 as eligible for the Generalized System of Preferences.
  - E) Watches which are products of the Bahamas and contain some material taking column 2 rates of duty.
- 70) Where goods are initially detained by Customs as possibly piratical and the copyright owner fails to file demand for exclusion and a bond, the goods will then:
- A) Be seized as piratical.
  - B) Be released to the importer.
  - C) Be held pending determination as to infringement.
  - D) Be released for exportation only.
  - E) Be forfeited.
- 71) Which of the following is provided to the trademark owner where goods are detained as gray market?
- A) Name and address of manufacturer.
  - B) Name and address of importer.
  - C) Name and address of exporter.
  - D) Description of merchandise.
  - E) Value of goods.



- 72) A broker with a national permit may do all of the following **EXCEPT**:
- A) Place an employee in a client's facility that is located in a broker district where the broker does not have a district permit.
  - B) Make post-entry summary representations for a client in a district where the broker does not have a district permit.
  - C) File electronic drawback claims at a designated drawback office that is located in a geographical area for which the broker does not have a district permit.
  - D) File electronic protests in a port where the broker does not have a district permit from a remote location under NCAP.
  - E) File paper entries in a broker district where the broker does not have a district permit.
- 73) When a change of ownership results in the addition of a new principal to a corporate broker, Customs may conduct a background investigation of the new principal. A "principal" is defined as a person with at least a \_\_\_\_\_ capital, beneficiary or other direct or indirect interest in the business of a broker.
- A) 1 percent.
  - B) 5 percent.
  - C) 10 percent.
  - D) 50 percent.
  - E) 51 percent.

- 74) Dora Angelino imported 250 blouses and skirts under quota categories 341 and 342, respectively. They were manufactured in China, and arrived in the port of San Francisco, California on July 31, 2000. On July 31st, the two quota categories were full. Dora 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, on August 30<sup>th</sup>, Dora decided to sew the blouses and skirts together into dresses. The dresses were covered by quota category 336. This quota category was open. Could Dora withdraw the dresses from the bonded warehouse, and enter them into the commerce of the United States on August 30<sup>th</sup> while category 336 was open?

Considering the above scenario, choose the one correct statement.

- A) No, because there has been a change from one quota 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 quota category 636.
- 75) When computing the value of non-originating materials under NAFTA, include which one of the following freight costs:
- A) None beyond the factory producing the material.  
B) Those included in the price paid or payable.  
C) Those to the North American producer.  
D) Those to the FOB point in the country of origin.  
E) Those to the point of exportation.
- 76) A request for a waiver of the requirement that a Customs brokerage firm employ a licensed individual broker in the district where the firm holds a district permit to conduct Customs business is presented to the \_\_\_\_\_; the lowest level at which the requirement may be waived is the \_\_\_\_\_.
- A) Port Director; Port Director  
B) Port Director, Office of Field Operations, Headquarters  
C) CMC Director; Commissioner  
D) Director, Entry Procedures and Penalties Division; Commissioner  
E) Port Director; Director Entry Procedures and Penalties Division

- 77) Which one of the following is **NOT** a reason for denial of a Customs broker license?
- A) The applicant is a naturalized citizen.
  - B) There was a willful misstatement of pertinent facts in the application for a Customs broker license.
  - C) There is a failure to establish the business integrity and good character of an applicant.
  - D) The individual applicant was only 20 years old when he applied for a broker's license.
  - E) The applicant is a Canadian citizen.
- 78) In certain situations, a port director may temporarily or permanently delete an entry filers C-4 code without providing the participant with any justification and without prior notification, thereby revoking the filer's use of Line Release (BRASS). Those situations include all of the following **EXCEPT**:
- A) Cases of willfulness.
  - B) Public health.
  - C) Public interest.
  - D) Safety.
  - E) Marking violations.
- 79) Bonds including the application, if required by 19 CFR 113.12, and riders may be filed up to how many days prior to the effective date in order to provide adequate time for Customs administrative review and processing?
- A) 5 days
  - B) 30 days
  - C) 10 days
  - D) 60 days
  - E) 90 days
- 80) Which one of the following costs does **NOT** contribute toward GSP eligibility?
- A) Fringe benefits of production workers.
  - B) Maintenance of production machinery.
  - C) Electricity to power production machinery.
  - D) Taxes on building space related to the manufacturing process.
  - E) Salesperson's salaries.

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

## Answer Key for October 2000 Customs Broker Test

- 1 A 19 cfr 18.2(d)
- 2 D 19 cfr 18.4(a) (1)
- 3 E 19 cfr 19.1 (a) (8)
- 4 B 19 cfr 159.11
- 5 A 19 cfr 19.2 (e)
- 6 E 19 cfr 24.23 (a) & ( c)
- 7 D 19 cfr 24.23 (b) (1)
- 8 C 19 cfr Ch.1, Part 102, Subpart A, Rules of Origin, 102.1 (f) Definitions
- 9 B CR 102.1 (g)
- 10 D 19 cfr 111.45 (a)
- 11 C 19 cfr 113.13 (a)
- 12 D 19 CFR 111.30 (d)
- 13 A 19 cfr 144.1 (a)
- 14 E CFR 134.33
- 15 D 19 cfr 111.2 146.52
- 16 A 19 cfr 111.5 111.2 (b) (2) ( ) (D)
- 17 C 132.5(a)
- 18 B 132.11 (a)
- 19 C CR 152.101
- 20 E CFR 134.46
- 21 D 19 cfr 142.23
- 22 C CR 152.102 (a) and (b), 152.103 (b)
- 23 E 19 cfr 143.21
- 24 A 19 cfr 143.6 (a)
- 25 D 19 cfr 146.51 & 146.52
- 26 B CR 152.102 (a) ( ) (iii), CR 152.103 (d) (1)
- 27 C CR 152.102 (f), CR 152.103 (a), CR 152.103 (l).
- 28 D CR 152.103 (j) (1) and (2). CR 152.103 (k) (2) ( ).
- 29 C 152.105 (d)
- 30 A CR 152.102 (e) (f) CR 152.103 (b) ( ) and (v), and CR 152.103 ( ) (1) (ii).
- 31 B CR 162.73 (a) (3) (ii)
- 32 D CR 162.73 (a) (2) 171 b (D) (3) (b)
- 33 A 19 cfr 163.4
- 34 C 19 cfr 172.1 (a)
- 35 D 19 cfr 173.3 (a)
- 36 C 19 cfr 174.14 (a)
- 37 B 19 cfr 174.24
- 38 E 19 cfr 174.11
- 39 C 19 cfr 181.64 (a) and (b)
- 40 D 19 cfr Ch. 1, Subpart L, Rules of Origin, Appendix to Part 181,
- 41 C CR 181.71, 181.72
- 42 A 19 cfr 191.23
- 43 C 19 cfr 191.32 (d)
- 44 B General Note 3 ( c) (i)

45 E HTS GRI 3 ( c)  
46 D HTS GN 4(D)  
47 C General Statistical Note 3 (e)  
48 B For human use, Other  
49 C x  
50 B x  
51 E Chapter 62 note 4 (a) 4 (b)  
52 D Chapter Notes  
53 E x  
54 A EO Nominee  
55 C x  
56 E x  
57 A x  
58 D x  
59 E HTSUS Chapter 98  
60 D GRI 3 ( c) GRI 6, Chapter 44, Statistical Note 1, HTS (2000)  
61 B HTS 9506,  
62 A HTS GRI 2 (a)  
63 D GRI 2 (a)  
64 C HTS 6506  
65 B HTS GRI 3 (b)  
66 D HTSUS 9503.50.0020  
67 E HTS 9501  
68 D HTS 6117.10.1000  
69 C GN 7 (b) (iii) (CBI-7 (di)  
70 B 19 cfr 133.43 (d) (3)  
71 D 19 cfr 133.25 (b)  
72 E 111.2 (b) (2) ( )  
73 B 111.28 (d)  
74 A CFR 144.38 (f) (3)  
75 C CR 181 Appendix, Section 7, para 1 ( c)  
76 B CR 111.19 (d)  
77 A CR 111.16  
78 E 19 cfr 142.49 (a)  
79 B 19 cfr 113.26 (a)  
80 E 19 cfr 10.178 (b) (2)