

United States of America
CUSTOMS SERVICE

Customs Broker Licensure 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 (2001)** (USITC Publication 3378) (No supplements)
- **Title 19, Code of Federal Regulations** (19 CFR Parts 1 to 199) Revised as of 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) Which **ONE** of the following statements correctly defines “quota-class merchandise”?
- A) Merchandise that has no quantitative restrictions for importation.
 - B) Banned import as determined by the U.S. Department of Commerce.
 - C) Imported merchandise subject to limitations under an absolute or tariff-rate quota.
 - D) Merchandise that is conditionally free or at a reduced rate.
 - E) Merchandise for which entry into the United States is restricted or prohibited.
- 2) Which **ONE** of the following is **NOT** an option, which may be used when an absolute quota is filled?
- A) Export the merchandise.
 - B) Pay a higher rate of duty.
 - C) Enter the merchandise into a bonded warehouse.
 - D) Enter the merchandise into a foreign trade zone.
 - E) Destroy the merchandise.
- 3) In applying the rules of origin when determining which one of two or more materials imparts the essential character of a good, various factors may be examined depending upon the type of good involved. Which **ONE** of the following **WOULD NOT** be a factor to consider?
- A) Color
 - B) Bulk
 - C) Quantity
 - D) Weight
 - E) Value

- 4) Dan works for a broker and sees how hard many of his colleagues must study in order to pass the Customs Broker Licensure Examination. Dan is not a licensed broker, but he decides that he is having none of that. He decides to go out on his own and to advertise his services as a “Customs Consultant”. Dan offers the same services as his former employer, the broker, to the extent that he advises his clients on classification and appraisement issues and prepares entry documents. He does, however, ask his clients to file the entry documents with Customs, explaining that this is the reason why his services are so much cheaper than “other” brokers. Dan’s former employer finds out about his activities and notifies Customs. Customs investigates and discovers that Dan has indeed completed 10 separate transactions for which a license was required. What is the **MAXIMUM** penalty that Customs can assess against Dan?
- A) \$ 500.00
 - B) \$ 1,000.00
 - C) \$ 10,000.00
 - D) \$ 30,000.00
 - E) \$100,000.00
- 5) Lopez Food Stores imports a shipment of black cherries which is released under a special permit for immediate delivery. The U.S. Department of Agriculture then refuses to allow this shipment of black cherries to proceed and Customs demands redelivery. The importer elects to destroy the cherries under Customs supervision.

Choose the **ONE** correct answer, which will correctly complete the following sentence: An entry/entry summary with deposit of estimated duties _____.

- A) Is not required if the cherries are destroyed within 30 days after release.
- B) Is not required if the cherries are destroyed within 10 working days after release.
- C) Is not required regardless of when destroyed, if destruction is under Customs supervision.
- D) Is required for the shipment in its original condition regardless of the disposition of the cherries.
- E) Is required for the ruined remains of the cherries even if they have no value.

- 6) ABC Brokerage has decided that it would like to start transmitting data electronically. Which one of the following statements is **NOT** a requirement when filing an Automated Broker Interface (ABI) Letter of Intent?
- A) A description of the computer hardware, communications and entry processing equipment to be used.
 - B) The participant's entry filer code.
 - C) The name of the software vendor and contact person.
 - D) The software costs.
 - E) The average number of entries filed monthly.
- 7) To be eligible for filing electronic immediate delivery and electronic entry, the filer must be which **ONE** of the following?
- A) Qualified to use the Automated Broker Interface (ABI), a feature of the Automated Commercial Systems (ACS).
 - B) Authorized to use the Automated Clearinghouse (ACH) statement processing.
 - C) Qualified to file electronic export entries via the Automated Export Systems (AES).
 - D) Authorized to use the Customs Electronic Bulletin Board.
 - E) Authorized to file electronic protests.
- 8) Which **ONE** of the following statements is **FALSE**?
- A) Merchandise not entitled to temporary importation under bond shall **NOT** be imported under cover of an A.T.A. carnet.
 - B) Carnets shall not be accepted for importations by mail.
 - C) An A.T.A. carnet's period of validity can be extended a total of one additional year.
 - D) A.T.A. carnets may be accepted for unaccompanied samples.
 - E) The A.T.A. carnet is an international customs document that serves simultaneously as a Customs entry document and bond.

9) When merchandise is withdrawn from a bonded warehouse for transportation to another port of entry, the Customs Form 7501/7512 does **NOT** need to show which one of the following?

- A) The estimated duties, if any.
- B) The name of the consignee at the port of destination.
- C) The original entry number.
- D) The entered value of the merchandise.
- E) The date of liquidation of the entry.

10) The Literary Company, a major book importer, imported books on October 28th, and filed a CF-3461 entry on October 30th. The entry was processed on October 31st and the merchandise was released on Nov 1st.

Choose the **ONE** correct answer, which correctly completes the following sentence:
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.

11) Which **ONE** of the following statements signifies the legal evidence of liquidation for formal entries?

- A) When the Import Specialist makes the final computation of duty.
- B) When the courtesy notice of liquidation is mailed.
- C) When the courtesy notice of liquidation is received.
- D) When the bulletin notice of liquidation is posted or lodged in the Customhouse.
- E) 120 days from the date of the bulletin notice of liquidation.

12) With the exception of powers of attorney, brokers must retain their records for a specific period of time. Which **ONE** of the following is the correct time frame for which such records must be retained by a broker?

- A) 7 years from date of entry.
- B) 5 years from date of entry.
- C) 7 years from date of importation.
- D) 5 years from date of liquidation.
- E) 3 years from date of importation.

13) The failure of a broker that is licensed as a corporation, association, or partnership to have, during any continuous period of _____, at least one officer of the corporation, or association or at least one member of the partnership validly licensed, may result in the revocation by operation of law of its license and any permits issued to the corporation, association, or partnership.

Choose the **ONE** correct answer to fill in the blank found directly above.

- A) 90 days
- B) 60 days
- C) 120 days
- D) 180 days
- E) 30 days

14) Which **ONE** of the following **CANNOT** be protested under the provisions of section 514, Tariff Act of 1930, as amended?

- A) The refusal to pay drawback.
- 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 appraised value of merchandise.
- E) Post importation claim of preferential treatment under NAFTA.

15) A protest shall contain all of the following information **EXCEPT** _____.

Choose **ONE** of the following answers, which will correctly fill in the blank found directly above.

- A) A copy of the bill of lading.
- B) A specific description of the merchandise affected by the decision as to which protest is made.
- C) The importer number of the protestant. If the protestant is represented by an agent having power of attorney, the importer number of the agent should also be shown.
- D) The name and address of the protestant, i.e., the importer of record or consignee, and the name and address of his agent or attorney if signed by one of these.
- E) The number and date of entry.

16) Which **ONE** of the following choices is **NOT** indicative of a factor indicating a lack of responsible supervision and control by a Customs broker?

- A) A high rate of entry rejections when compared with other brokers in the permitted district.
- B) Employing a licensed individual for a minimal number of days each 120- or 180-day period so as to avoid violation of the statute.
- C) A high number of missing document cases when compared with other brokers in the permitted district.
- D) Failure to settle (including petitioning) liquidated damages claims in a timely manner.
- E) A high rate of employee turnaround.

17) Viewfinders Inc. recently imported a shipment of instant print photographic cameras from Taiwan. The shipment consisted of 10,000 auto-focused cameras valued at \$100,000.00. You were asked to classify the shipment. What is the correct classification of the cameras?

- A) 9006.10.0000
- B) 9006.40.4000
- C) 9006.40.6000
- D) 9006.40.9000
- E) 9006.52.6000

18) Specialty Homes Inc. is a builder of custom designed homes in Williamsburg, Virginia. Specialty Homes imports worked roofing slate through the Port of Norfolk, Virginia. What is the proper classification of the roofing slate imported from France?

- A) 6802.29.0000
- B) 6802.92.0000
- C) 6803.00.1000
- D) 6810.19.5000
- E) 6815.99.4000

19) Boa, Inc. imports high fashion snakeskin men's anoraks from China. What is the proper classification of the anoraks?

- A) 4203.10.2000
- B) 4203.10.4010
- C) 4203.10.4030
- D) 6101.90.9060
- E) 6201.99.9060

20) The term "fancy" as applied to leather, in the HTSUS, means _____?

Choose **ONE** of the following to correctly fill in the blank found directly above.

- A) Incredible leather.
- B) Decorated leather.
- C) Italian Grade A leather.
- D) Composition leather.
- E) Dehaired leather.

21) Throughout the HTSUS, the term "base metals" means all of the following **EXCEPT?**

- A) Zirconium
- B) Copper
- C) Tin
- D) Palladium
- E) Rhenium

22) Mushroom Logic, Inc., imports frozen mushrooms from Mexico. What is the correct classification of the Mexican mushrooms entered in Nogales?

- A) 0709.51.0010
- B) 0709.51.0090
- C) 0710.80.2000
- D) 0712.30.1000
- E) 2003.10.0053

23) Papaya Power Juice Bar is an importer in San Diego, California. Papaya Power imports papayas and asks you, the broker, to provide a correct classification of the imported fresh papayas used to make papaya juice. What correct classification do you provide to Papaya Power?

- A) 0807.19.7000
- B) 0807.20.0000
- C) 0813.40.1000
- D) 0805.90.0000
- E) 2001.90.6000

24) When 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) "X"
- B) "S"
- C) "SET"
- D) "2"
- E) "Z"

- 25) Upon importation, which **ONE** of the following containers is classified separately from its contents?
- A) A plain glass bottle containing wine subject to a specific rate of duty.
 - B) A Waterford cut crystal decanter containing Cognac.
 - C) A \$50.00 fitted leather case for a musical instrument.
 - D) An elaborate retail packing, provided that the packing is more valuable than the Contents.
 - E) A musical instrument case specifically provided for under heading 4202.
- 26) Correctly classify a nonworking, plastic model steamboat without a motor and made to scale at a ratio of 1 to 60.
- A) 8906.00.9090
 - B) 9503.80.0025
 - C) 9503.80.0050
 - D) 9503.90.0045
 - E) 9023.00.0000
- 27) Which **ONE** of the following is the correct classification for dyed warp knitted fabric weighing more than 100 grams per square meter, consisting of 85% cotton and 15% manmade fibers, and is 60 centimeters wide?
- A) 5208.32.30
 - B) 5408.23.19
 - C) 6002.20.30
 - D) 6002.49.00
 - E) 6002.42.00
- 28) Which **ONE** of the following is the correct classification of a shipment of chocolate-covered wafers packaged in 12-ounce metal tins?
- A) 1806.31.0080
 - B) 1806.90.9090
 - C) 1806.90.9019
 - D) 1905.30.0049
 - E) 1905.90.1090

29) Tim's Home Fashions is importing woven tablecloths from Bangladesh. The textile fiber breakdown, by weight, is 50 percent polyester and 50 percent cotton. Which **ONE** of the following is the correct classification of the tablecloths?

- A) 6302.53.0020
- B) 6302.51.2000
- C) 6302.51.3000
- D) 6302.40.2020
- E) 6302.59.0020

30) Joe's Polos buys fabric made in Korea, cuts the fabric into shirt components in the United States, then exports the cut components to Honduras for assembly. Which **ONE** is the correct classification of the completed polo shirts?

- A) 9802.00.5060
- B) 9802.00.8015
- C) 9802.00.8055
- D) 9802.00.8066
- E) 9802.00.9000

31) Edna's Bicycle Shop is not selling enough bicycles to stay in business. Edna sees every kid in town riding a scooter and wants to get in on the action. She gets a great deal on a shipment of children's scooters from China. What is the correct classification for Edna's scooters?

- A) 8712.00.4800
- B) 8712.00.5000
- C) 9501.00.4000
- D) 8716.80.5090
- E) 9503.90.0045

- 32) Water Street Fishhouses is importing a beer from Mexico to sell at their eating establishments in Texas. The beer is made from malt with an alcoholic strength by volume of 0.4 percent. It is shipped in 1 liter glass bottles. What is the correct classification of the beer?
- A) 2202.90.9010
 - B) 2203.00.0060
 - C) 2203.00.0030
 - D) 2203.00.0090
 - E) 2202.90.9090
- 33) Which **ONE** of the following is the correct classification of a shipment of women's golf shoes, made wholly of leather and valued at \$18.00 a pair, that are designed for the attachment of metal spikes, but are being imported without the spikes?
- A) 6402.19.9060
 - B) 6402.30.9000
 - C) 6403.19.5061
 - D) 6403.19.5090
 - E) 6403.59.9045
- 34) Silk yarn is manufactured in Korea and then sent to Japan where it is woven into fabric. The fabric is purchased by an Italian shawl manufacturer, who sends the fabric to his factory in Malta, where the fabric is printed, cut to shape and sewn. The shawls are then sent back to Italy, where they are inspected and packed. The shawls are then imported into the United States directly from Italy, and correctly entered under heading 6214. What is the correct country of origin of the shawls?
- A) United States
 - B) Italy
 - C) Malta
 - D) Japan
 - E) Korea

- 35) Automobiles entered under classification 9813.00.75, which are intended solely for show purposes, admitted free under Temporary Importation under Bond can only remain in the United States for a maximum period of _____ including extension without violating the conditions of the bond.

Choose the correct answer to fill in the blank found directly above.

- A) 1 year
 - B) 6 months
 - C) 3 years
 - D) 5 years
 - E) 3 months
- 36) Products from many countries are eligible for special tariff treatment provided for by special trade programs. To identify such special tariff treatment, a corresponding symbol is indicated in the “Special” subcolumn of the HTSUS. Which **ONE** of the following is **NOT** a correct symbol, or program, for such use?
- A) K; Agreement on Trade in Pharmaceutical Products.
 - B) M; Macedonian Recovery Act of 2000.
 - C) B; Automotive Products Trade Act.
 - D) J; Andean trade Preference Act.
 - E) E; Caribbean Basin Economic Recovery Act.
- 37) The United States military has received funding that has 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 specification and the importation has arrived. What is the proper classification of the periscopic telescopes?
- A) 9013.90
 - B) 9015.10
 - C) 9005.90
 - D) 9005.80
 - E) 9013.10

- 38) What is the correct classification of reinforced vulcanized rubber brake hoses with fittings for use in station wagons?
- A) 3917.40.0010
 - B) 3917.39.0010
 - C) 4009.50.0020
 - D) 8708.39.5050
 - E) 8708.99.8005
- 39) Which **ONE** of the following is **NOT** required in order for an item to qualify for statutory provision 9802.00.80 HTSUS for articles assembled abroad?
- A) The components must be of United States origin, excluding textile articles.
 - B) The assembly process is done in the United States.
 - C) The components must have been exported from the United States in condition ready for assembly.
 - D) The components have not lost their physical identity.
 - E) The components are not advanced in value or improved in condition abroad except by being assembled.
- 40) When using statutory provision 9802.00.8066 HTSUS, the General Rate of Duty will be which **ONE** of the following?
- A) Unconditionally Free.
 - B) The duty rate assessed on the full value of the imported article derived from CH 1-97.
 - C) The duty rate assessed on the full value of the imported article, less the cost of the United States components at the time of last purchase.
 - D) 10 percent of the full value of the imported article.
 - E) An average of the duty rates for all components used in the assembly process.

- 41) Seven Chinese components classified under HTSUS 8481.90 are assembled in Germany to make a finished product classified under HTSUS 8481.10. The finished product is exported to Mexico where it is used for three years. No further processing is done in Mexico. After its use in Mexico, the finished product is exported to the United States. What is the country of origin?
- A) Germany
 - B) China
 - C) Mexico
 - D) United States
 - E) Cannot be determined because we do not know which component imparts the essential character of the finished product.
- 42) TANO Corp. in the United States exports alternators to Canada to be repaired. Upon importation back into the U.S. TANO Corp. decides to claim 9802.00.50. US Customs requests proof of exportation for the alternators from the United States. Which **ONE** of the following is **NOT** an acceptable proof of export?
- A) Foreign Customs Invoice.
 - B) Bill of Lading.
 - C) Certificate of origin.
 - D) Foreign landing certificate.
 - E) Foreign Customs Entry.
- 43) Peteco would like to set up a shelter operation in Malaysia for the assembly of newspaper vending machines. Pete, the owner and CEO of Peteco, meets with his United States broker and would like to take advantage of the 9802.00.80 assembly provision upon importation into the United States. All components used will be of United States origin and are exported to Malaysia ready for assembly. Which **ONE** of the following operations performed in Malaysia will preclude the application of such exemption for the newspaper vending machines when re-imported into the United States?
- A) Application of preservative paint or coating.
 - B) Painting primarily intended to enhance the appearance.
 - C) Trimming, filing, or cutting off of small amounts of excess materials.
 - D) Cleaning.
 - E) Testing.

- 44) A Gallinae is described as a class of live game animals and birds admitted free of duty for stocking purposes under the provisions of subheading 9817.00.70. What type of live game is a Gallinae commonly known as?
- A) Deer
 - B) Elk
 - C) Turkeys, grouse, pheasants, partridges and quail
 - D) Ducks and geese
 - E) Rabbit
- 45) If a complete or finished article to be entered is unassembled or disassembled, how should it be classified using the HTSUS?
- A) Classify the article under the HTS number under which the finished or complete article would be classified.
 - B) Classify each part separately under its own HTS number.
 - C) Classify all the parts under the HTS number for the part with the greatest value.
 - D) Classify all the parts under the HTS number for the part which gives the article its essential character.
 - E) Classify the article in Heading 9802 as articles assembled abroad.
- 46) In which **ONE** of the following situations may Customs issue a ruling letter?
- A) Hypothetical importation.
 - B) Oral Request.
 - C) Completed transaction.
 - D) Pending case before the Court of International Trade.
 - E) Prospective transaction.

- 47) Intentional removal, defacement, destruction, or alteration of a marking of the country of origin in order to conceal this information may result in criminal penalties of up to_____.

Choose the **ONE** answer that correctly fills in the blank found directly above.

- A) \$ 10,000.00 and 5 years in jail.
- B) \$100,000.00 and 20 years in jail.
- C) \$ 5,000.00 and 10 years in jail.
- D) \$ 5,000.00 and 1 year in jail
- E) 10 times the value of the shipment and 6 months in jail.

- 48) Which **ONE** of the following imported articles is **NOT** a J-list exception to the country of origin marking requirements?

- A) Playing Cards from Canada.
- B) Livestock from Mexico.
- C) Firewood from Canada.
- D) Christmas trees from Canada.
- E) Barbed wire from Mexico.

- 49) In calculating Total Cost for NAFTA purposes, which **ONE** of the following is **NOT** included?

- A) Value of direct labor.
- B) Value of materials.
- C) Value of direct overhead.
- D) Profit earned by the producer.
- E) Period costs.

- 50) A Post NAFTA Claim 520(d) may be denied for all of the following reasons **EXCEPT?**
- A) Failure to file timely.
 - B) Failure to submit the claim on a CF19.
 - C) Failure to provide a certificate of origin pertaining to the good.
 - D) Failure for the imported goods to qualify as an originating good following initiation of an origin verification by the Port Director.
 - E) Failure to submit three written statements indicating:
 1. Whether or not the importer of the good provided a copy of the entry summary or equivalent documentation to any other person.
 2. Whether or not the importer of the good is aware of any claim for refund, waiver or reduction of duties relating to the good within the meaning of Article 303 of the NAFTA.
 3. Whether or not any person has filed a protest or a petition or request for reliquidation relating to the good under any provision of law.
- 51) For NAFTA purposes, in order for a Certificate of Origin to be valid, it must be signed by which **ONE** of the following?
- A) Importer.
 - B) Customs Broker having a valid power of attorney from the importer.
 - C) Exporter or exporter's authorized agent having knowledge of the facts.
 - D) Port Director of the port where the importation will take place.
 - E) The Certificate of Origin does not have to be signed by anyone to be valid.
- 52) Which **ONE** of the following is **NOT** included when determining computed value?
- A) Cost of materials.
 - B) Overhead/General expense.
 - C) Labor/Fabrication expense.
 - D) Customs Duties paid.
 - E) Profit.

- 53) The application to record a trademark with the U.S. Customs Service should be in writing and must include all of the following **EXCEPT**?
- A) The name, complete business address, and citizenship of the trademark owner or owners.
 - B) The U.S. Ports where the goods bearing the recorded trademark may be imported.
 - C) The places of manufacture of goods bearing the recorded trademark.
 - D) The name and principal business address of each foreign person or business entity authorized or licensed to use the trademark and a statement as to the use authorized.
 - E) The identity of any parent or subsidiary company or other foreign company under common ownership or control which uses the trademark abroad.
- 54) Who Knows & Co. owns a trademark that is registered with the U.S. Patent & Trademark Office and recorded with the U.S. Customs Service. Copycat Trades has attempted to import jeans bearing marks that are counterfeit of Who Knows & Co's trademark for the fourth time in three years. In addition to any other penalty or remedy as authorized by law, the U.S. Customs Service may impose a civil fine on Copycat Trades of not more than _____ the value of the merchandise as if it had been genuine, based on the manufacturer's suggested retail price of the merchandise at the time of seizure.

Which **ONE** of the following choices correctly fills in the blank found directly above?

- A) Two times
- B) One times
- C) Three times
- D) Five times
- E) Ten times

- 55) Which **ONE** of the following is **NOT** considered an assist when supplied free of charge by the importer to the manufacturer for the production of the merchandise being imported?
- A) Materials, components, or parts incorporated into the imported merchandise.
 - B) Tools, dies, and molds used in the production of the imported merchandise.
 - C) Engineering, development, artwork, design work, and plans undertaken by an employee of the importer domiciled in the United States and incidental to other engineering, development, artwork, design work, and plans undertaken within the United States.
 - D) Merchandise consumed in the production of the imported merchandise.
 - E) Heavy-duty machinery used in the production of the imported merchandise.
- 56) 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 under Customs supervision, before the close of the _____ year period beginning on the date of importation of the imported designated merchandise.

Select the **ONE** answer that correctly fills in the blanks found directly above.

- A) 3; 5
 - B) 3; 3
 - C) 2; 5
 - D) 2; 3
 - E) 1; 5
- 57) You prepare a drawback claim for your client. Assuming the claim has merit and the documentation is correctly prepared and filed, drawback of Customs duty will be allowed if the articles are shipped to which **ONE** of the following places?
- A) U.S. Virgin Islands
 - B) Puerto Rico
 - C) Guam
 - D) Guantanamo Bay Naval Station
 - E) American Samoa

- 58) Class ____ warehouses are used for selling, for use outside the Customs territory, conditionally duty-free merchandise owned or sold by the proprietor and delivered from the warehouse to an airport or other exit point for exportation by, or on behalf of, individuals departing from the Customs territory for destinations other than foreign trade zones.

Choose the **ONE** answer that correctly fills in the blank found directly above.

- A) 1
- B) 2
- C) 3
- D) 6
- E) 9

- 59) Records pertaining to articles that are admitted free of duty and tax pursuant to 19 U.S.C. 1321(a)(2) and 19 CFR 10.151 through 10.153 shall be kept for _____ from the date of entry.

Choose the **ONE** answer that correctly fills in the blank found directly above.

- A) 60 calendar days
- B) 5 years
- C) 2 years
- D) 1 year
- E) 90 calendar days

- 60) Arrow Brokers receives a written demand from Customs for the production of certain entry records. The demand is not being made in connection with a determination regarding the admissibility or release of merchandise. Arrow Brokers must produce the entry records within _____ calendar days of receipt of the demand.

Choose the **ONE** answer that correctly fills in the blank found directly above.

- A) 30
- B) 10
- C) 5
- D) 60
- E) 90

- 61) An importer who fails to comply with a lawful demand for entry records can avoid penalties if s/he can show that the records are unavailable for any of the following reasons **EXCEPT** _____.

Choose **ONE** of the following answers, which will correctly fill in the blank found directly above:

- A) That the loss of the demanded record was the result of an act of God or other natural casualty or disaster beyond the fault of such person or an agent of the person.
- B) That he has been certified as a participant in the Recordkeeping Compliance Program, that he is generally in compliance with the appropriate procedures and requirements of that program, and that the violation in question is his first violation and was a non-willful violation.
- C) He thought that his Customs broker was responsible for maintaining his records.
- D) That the record demanded was presented to and retained by Customs at the time of entry or submitted in response to an earlier demand.
- E) On the basis of other evidence satisfactory to Customs, that the demand was substantially complied with. On the basis of other evidence satisfactory to Customs, that the demand was substantially complied with.

- 62) Waste recovered from any manipulation or manufacture of privileged foreign merchandise in a Foreign Trade Zone _____.

Which **ONE** of the following choices correctly completes the sentence found directly above:

- A) Is, by extension, also considered privileged foreign merchandise.
- B) Is considered non-privileged foreign merchandise.
- C) Requires a separate application for Status Designation on CF 214.
- D) Cannot enter the Customs territory of the United States.
- E) Has zone-restricted status.

- 63) Which **ONE** of the following represents the correct duration of powers of attorney issued by a partnership?

- A) A period not to exceed 2 year from the date of execution.
- B) A period not to exceed 1 years from the date of execution.
- C) A period not to exceed 3 years from the date of execution.
- D) A period not to exceed 5 years from the date of execution.
- E) Partnership powers of attorney are valid until revoked.

64) Unless by special authority of the Commissioner of Customs, merchandise in bulk in a bonded warehouse shall not be withdrawn in quantities less than _____.

Which **ONE** of the following choices most accurately completes the sentence found directly above?

- A) 30 kg in weight.
- B) 5 tons in weight, or the entire quantity imported, whichever is smaller.
- C) 1 ton in weight or the entire quantity imported, whichever is larger.
- D) 5 tons in weight, or the entire quantity imported, whichever is larger.
- E) 1 ton in weight or the entire quantity imported, whichever is smaller.

65) Subject to exceptions relating to surcharges and to aggregation, the *ad valorem* merchandise processing fee assessed on merchandise that is formally entered or released shall not exceed _____ and shall not be less than _____.

Choose the **ONE** answer that correctly fills in the blanks found directly above.

- A) \$ 9.00; \$ 2.00.
- B) \$ 425.00; \$50.00.
- C) \$ 425.00; \$25.00.
- D) \$ 485.00; 25.
- E) \$1,000.00; 10.

66) What is the current fee, which an applicant must pay when submitting an Application for Customs Broker License (CF 3124)?

- A) \$ 25.00.
- B) \$100.00.
- C) \$200.00.
- D) \$300.00.
- E) \$400.00.

- 67) A+ Brokers, Inc., prides itself on the high quality of service it provides to its clients. It offers regular training to its employees in a continuing effort to remain one of the best in the business. In one of its training sessions, the trainer enumerates the actions that will place its broker license in jeopardy. Which **ONE** of the following is **NOT** an action that places the broker license in jeopardy?
- A) The broker knowingly employed a person with a record of felony embezzlement without first obtaining written permission from Customs for the employment.
 - B) The broker has been without a licensed permit qualifier in one of the broker districts in which it maintains an office for 125 days.
 - C) The broker made a false statement with respect to a material fact in its license application.
 - D) The broker counseled a client to conceal assist costs, with the understanding that the client would share the duties saved with the broker.
 - E) The broker has been convicted of a misdemeanor embezzlement charge six years after receiving its license.
- 68) Many types of entries and withdrawals may legally be made for merchandise to be transported in bond. Which **ONE** of the following is **NOT** one of these types of withdrawals or entries?
- A) Entry for exportation.
 - B) Entry for immediate transportation without appraisement.
 - C) Warehouse or rewarehouse withdrawal for exportation or for transportation and exportation.
 - D) Entry for temporary importation under bond.
 - E) Entry for transportation and exportation.

- 69) Any protestant, whose protest has been denied, in whole or in part, may contest the denial by filing a civil action. Which **ONE** of the following is **NOT** a correct statement?
- A) File a civil action within 90 days after the date of mailing of notice of denial, in whole or in part, of a protest.
 - B) File a civil action within 180 days after the date of mailing of notice of denial, in whole or in part, of a protest.
 - C) File a civil action within 180 days after the date a protest, for which accelerated disposition was requested, is deemed to have been denied in accordance with 174.22(d).
 - D) File a civil action within 180 days after the date that a protest is deemed denied in accordance with 174.21(b) or 151.16(g).
 - E) File a civil action in the United States Court of International Trade in accordance with 28 U.S.C. 2632.
- 70) Which **ONE** of the following countries is **NOT** listed in the Customs Regulations, as one of the currency conversion countries certified for the quarterly rate of exchange?
- A) Canada
 - B) Mexico
 - C) Syria
 - D) Austria
 - E) Sweden
- 71) Which **ONE** of the following **CANNOT** be accepted on a bond rider?
- A) Name change of principal.
 - B) Address change of principal.
 - C) Addition of a witness.
 - D) Addition of a trade name.
 - E) Deletion of a trade name.

- 72) What type of bond contains a condition whereby the bond principal agrees to keep safe any merchandise placed in its custody including, when approved by Customs, repacking and transferring such merchandise when necessary for its safety or preservation?
- A) Basic Custodial Bond.
 - B) Basic Importation and Entry Bond.
 - C) International Carrier Bond.
 - D) Repayment of Erroneous Drawback Payment Bond.
 - E) Commercial gauger and Commercial Laboratory Bond.
- 73) A demand for the return of merchandise to Customs custody shall not be made in which **ONE** of the following situations?
- A) Prior to liquidation of the entry.
 - B) Prior to collection processing.
 - C) After the filing of the entry summary.
 - D) After liquidation of the entry.
 - E) After statement processing.
- 74) Line Release (currently known as BRASS) is an automated system designed to release and track repetitive, high volume shipments. After an application for Line Release has been approved for final processing, the entry filer shall preprint invoices or print labels with the C-4 code in bar code and alpha-numeric format. Bar codes will be printed according to the specifications stated in which **ONE** of the following publications?
- A) Federal Register.
 - B) Customs Bulletin.
 - C) Customs Publications 561.
 - D) United States Code.
 - E) Customs Regulations.

75) After an applicant passes the Customs Broker Licensure Examination, within what time frame must the applicant submit an Application for Customs Broker License if the applicant desires a license?

- A) 2 years
- B) 5 years
- C) 30 days
- D) 1 year
- E) 3 years

76) Which **ONE** of the following situations will preclude the use of transaction value?

- A) The United States buyer furnishes the foreign manufacturer with \$5000.00 worth of material to be used in the production of the imported merchandise.
- B) The United States importer is a wholly-owned subsidiary of the foreign manufacturer and purchases merchandise at the same price as non-related buyers.
- C) The United States importer forwards a percentage of the resale price back to the foreign manufacturer.
- D) The merchandise is sold to the United States importer from an unrelated foreign shipper, at a price that is dependent on the resale of the product and on the purchase of additional units of related merchandise.
- E) The United States importer pays an additional fee for special export packing.

77) Which **ONE** of the following facts about test values and related parties is true?

- A) If the related party value does not closely approximate the test value, then the test value will be used for transaction value of the instant shipment.
- B) Test values must be previously established in the country of production.
- C) A test value may only be used for comparison purposes.
- D) Even if an importer can establish that the related price closely approximates the test value, he must also furnish evidence that the related price is sufficient to recover all costs, plus a profit equal to a firm's overall profit over a representative period of time.
- E) No allowances in pricing may be made in comparing test values.

78) CIT Electronics Corporation is a small, newly formed electronics company located in Kitchener, Ontario. The owners are young electronic game designers and this company is their first business venture. They plan to concentrate in the design and production phase of the company and hire a sales consultant, Tom Black, to market and sell their products to retail establishments. The first game is Corpo Man, and their consultant is very successful in his efforts to market and sell the product. The game is priced at \$49.95. You are reviewing the invoices to Tina's Electronic Treasures in Dunkirk, New York, to determine the correct entered value. In addition to the price of \$49.95, there is a separate invoice for a 10 percent commission payable to Tom Black. Both of these invoices show Tina's as the buyer. Which **ONE** of the following statements pertaining to the appraisal of this importation is correct?

- A) Appraisal should be at \$49.95 each. The 10 percent is a separate payment and cannot be added to the price paid or payable.
- B) Appraisal should be at \$49.95 each. The 10 percent represents a buying commission that cannot be added to the invoice price.
- C) Appraisal should be at \$49.95 each, less 10 percent.
- D) Appraisal should be at \$49.95 each, plus 10 percent selling commission.
- E) Appraisal is not possible because this is a new product.

79) Which **ONE** of the following may **NOT** be included in a calculation of Transaction Value?

- A) Selling commissions relating to the importation.
- B) Assists related to the imported merchandise.
- C) Labor costs of packing that are incurred by the buyer with respect to the imported merchandise.
- D) Royalties that the buyer is required to pay as a condition of the sale.
- E) Profit costs that are usual in the industry.

80) Which **ONE** of the following choices describes an assist?

- A) Yankee Superheroes of New York is importing plastic action figures from a Taiwanese toy maker. The importer is very concerned that the figures look as accurate as possible, so it has the molds made in its own facility, and then sells them at full cost to the Taiwanese manufacturer.
- B) Buffalo Mugs, a United States importer, designs a new non-tip coffee mug, and contracts with a Canadian firm, MugMakers in Thorold, Ontario for the production. Buffalo Mugs supplies MugMakers with detailed drawings for the production.
- C) A major United States luggage importer and retailer arranges for the manufacture of small rolling duffel bags with a Mexican manufacturer. They specify in the contract that the Mexican firm must source the wheel mechanism from an unrelated Canadian manufacturer.
- D) GrindCo, a United States machinery manufacturer, arranges to purchase grinding wheel from an English producer, Abrasives Limited. Abrasives runs into a production quality problem with the glue for the abrasives. Grindco has had this problem previously, and has identified the best glue for their needs. They purchase it from an unrelated supplier in England, and arrange to have it delivered immediately, at no cost to Abrasives Limited.
- E) A beanbag chair manufacturer in Monterey, Mexico has contracted to produce toddler chairs for a United States importer, Little Ones. Little Ones furnished detailed drawings to the Monterey company; however, during the first production run, a minor glitch in the design has been uncovered. Little Ones dispatches one of its Laredo-based designers, who was involved in the original design to go to Monterey for an afternoon to help explain the original design.

STOP.

THIS IS THE END OF THE TEST.

You may use the remaining time to go back and check your answers.

Answer Key for the October 2001 Customs Broker Licensure Exam

- 1) C 19 CFR 132.1
- 2) B 19 CFR 132.5(c)
- 3) A 19 CFR 102.18(a)(2)(i)
- 4) D 19 CFR 111.91(b)
- 5) B 19 CFR 142.23 & 142.28(a)(1)
- 6) D 19 CFR 143.2(a)(b)(c)(d)(e) & (f)
- 7) A 19 CFR 143.33
- 8) C 19 CFR 114.31, 114.32, 114.23(a)
- 9) E 19 CFR 144.36(d)
- 10) E 19 CFR 142.12(b) & 141.68(a)
- 11) D 19 CFR 159.9(c)
- 12) B 19 CFR 111.23(a)(2)
- 13) C 19 CFR 111.45(a) & (b)
- 14) E 19 CFR 174.11 19 CFR 181.31
- 15) A 19 CFR 174.13
- 16) E 19 CFR 111.1 & Part 171, App. C
- 17) C eo nominee
- 18) C eo nominee
- 19) A eo nominee
- 20) B Chapter 41 Additional U.S. Note VIII
- 21) D Section XV, Note 3
- 22) C eo nominee
- 23) B eo nominee
- 24) A General Statistical Note 3(e)
- 25) B GRI 5(a)
- 26) D HTS Chapter 95
- 27) E HTS Chapter 60
- 28) D Chapter 18 Note 1
- 29) A HTS Chapter 63, GRI 3(c)
- 30) D HTS Chapter 98 - 19 CFR 10.25
- 31) C HTS Chapter 95, Note 1(o) Chapter 87, Note 4
- 32) A HTS Chapter 22 Note 3
- 33) C Chapter 64 notes
- 34) D 19 CFR 102.21(e)
- 35) B US Note (I)(a), Chap 98
- 36) B General Note 3(c)
- 37) E Chapter 90 Note 4 Sec. XVIII
- 38) C (Section VII, CH. 40, Section XVII Note 2(a))
- 39) B (HTSUS 9802.00.80)
- 40) C (HTSUS 9802.00.8066)

- 41) A 19 CFR 102.11(a)(3), 102.20 & 102.1(o)
- 42) C 19 CFR 10.8(b))
- 43) B 19 CFR 10.16(b) & (c))
- 44) C 19 CFR 10.76(a)
- 45) A GRI 2(a)
- 46) E 19 CFR 177.1 & 177.7
- 47) D 19 CFR 134.4
- 48) E 19 CFR 134.33
- 49) D 19 CFR 181, App Section 2(1) & (6)(a)&(c)
- 50) B 19 CFR 181.33(d) & 181.32
- 51) C 19 CFR 181.22(b)(2)
- 52) D 19 CFR 152.106(a)(1) & (2)
- 53) B 19 CFR 133.2
- 54) A 19 CFR 133.27(b)
- 55) C 19 CFR 152.102(a)
- 56) B 19 CFR 191.32(d)
- 57) D 19 CFR 191.5
- 58) E 19 CFR 19.1(a)
- 59) C 19 CFR 163.4(b)(4)
- 60) A 19 CFR 163.6
- 61) C 19 CFR 163.6(b)(3)
- 62) B 19 CFR 146.42(b)
- 63) A 19 CFR 141.34
- 64) E 19 CFR 144.33
- 65) D 19 CFR 24.23(b)(1)(i)(B)
- 66) C 19 CFR 111.12(a) & 111.96(a)
- 67) B 19 CFR 111.53
- 68) D 19 CFR 18.10
- 69) A 19 CFR 174.31
- 70) C 19 CFR 159.34
- 71) C 19 CFR 113.24(a)(1)(4)
- 72) A 19 CFR 113.63(b)(2)
- 73) D 19 CFR 141.113(g)
- 74) C 19 CFR 142.45
- 75) E 19 CFR 111.12(a)
- 76) D 19 CFR 152.103(j)
- 77) C 19 CFR 152.103(j)(2)
- 78) D 19 CFR 152.103 (b)
- 79) E 19 CFR 152.103(b)
- 80) D 19 CFR 152.102(a)