

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 (2000)** (USITC Publication 3249)
(No supplements)
- **Title 19, Code of Federal Regulations** (19 CFR Parts 1 to 199) Revised as of April 1, 1999

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 is **FALSE**?
- A) Venezuela is a designated beneficiary country of the Andean Trade Preference Act.
 - B) Puerto Rico is a Beneficiary Country under the Caribbean Basin Economic Recovery Act for purposes of determining the 35% value added requirement under that program.
 - C) Goods originating in Indonesia that enter the commerce of Singapore for repacking and are then shipped to the United States may qualify for benefits under the Generalized System of Preferences.
 - D) Croatia is a designated beneficiary of the Generalized System of Preferences.
 - E) Gibraltar is a beneficiary of the Generalized System of Preferences.
2. Under 19 CFR Part 102, Rules of Origin, which one of the following statements is **NOT** true in regard to identifying the material that imparts the essential character to a good?
- A) Only materials that do not satisfy the applicable change in tariff classification rule or other requirements applicable to the good may be considered.
 - B) The bulk, quantity, weight, or value of materials are factors that may be considered.
 - C) No essential character for the good can be determined if only one material fails to satisfy the applicable change in tariff classification rule or other requirements applicable to the good.
 - D) Materials produced by the producer of the good and incorporated in the good may be considered, assuming the materials do not satisfy the applicable change in tariff classification rule or other requirements applicable to the good.
 - E) The role of each material in relation to the use of the good is a factor which may be examined.
3. Newly licensed Customs broker B&H Brokerage has a permit in the Port of Los Angeles. They intend to conduct Customs business in the Port of Buffalo. To secure a permit in Buffalo, B&H Brokerage must do which one of the following?
- A) File with the Buffalo port director a completed application (CF 3124), including all appropriate information, the \$100 permit application fee, and the \$125 annual permit user fee.
 - B) File with the Buffalo port director a completed application (CF 3124), including all appropriate information, a prorated permit application fee, and a prorated annual permit user fee.
 - C) File with the Buffalo port director a completed application (CF 3124), and the \$100 permit application fee.
 - D) File with the Buffalo port director a copy of the license, and the \$125 annual permit user fee.
 - E) File with the Buffalo port director a completed application, with a prorated permit application fee.

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4. Which one of the following is the Customs Form used to merchandise entered temporarily under bond?
- A) CF 7533

- B) CF 3173
 - C) CF 3171
 - D) CF 3153
 - E) CF 301
5. A person establishes an ultimate consignee number with Customs by filing a properly executed:
- A) CF 3461
 - B) Power of Attorney
 - C) CF 19
 - D) CF 5106
 - E) IRS 1099
6. Which one of the following documents contains a list of corporations authorized to act as sureties on Customs bonds, with the amount in which each bond may be accepted?
- A) Customs Service Decision.
 - B) Treasury Department Circular 570.
 - C) Customs Regulations.
 - D) Treasury Decision.
 - E) Customs Directive.
7. A shipment of merchandise arrives in Baltimore on December 22, and is unloaded on December 23. The broker advises her client to take advantage of the immediate delivery procedures to secure the lower duty rate which will be effective January 1. The client agrees, and the merchandise is released under a special permit for immediate delivery on December 28. An entry summary is filed on January 3, with estimated duties attached. What is the date of entry for this shipment?
- A) December 22.
 - B) December 23.
 - C) January 1.
 - D) December 28.
 - E) January 3.
8. The port director may wave the requirement for surety or cash deposit on a basic importation bond if all of the following conditions exist **EXCEPT**:
- A) The value of the merchandise that the bond secures does not exceed \$5000.00.
 - B) The entry summary documentation is filed and estimated duties, if any, are deposited prior to release of the merchandise.

- C) The value of the merchandise that the bond secures does not exceed \$2500.00.
 - D) The importer has not been delinquent in any transaction with Customs.
 - E) The importer has not been remiss in any transaction with Customs.
9. A warehouse proprietor shall maintain the inventory control and record keeping system and retain all records pertaining to bonded merchandise for how long after the date of final withdrawal under a specific entry?
- A) One year.
 - B) Ten years.
 - C) Five years.
 - D) Six months.
 - E) Eight years.
10. Which is **NOT** a program providing special tariff treatment?
- A) Automotive Products Trade Act.
 - B) Eastern Bloc Human Rights and Tariff Reduction Act.
 - C) Caribbean Basin Economic Recovery Act.
 - D) Agreement on Trade in Civil Aircraft.
 - E) Generalized System of Preferences.
11. Merchandise received in a Customs bonded warehouse shall be stored in a manner directly identifying the merchandise. Which one of the following is **NOT** a correct way of identifying bonded merchandise in a warehouse?
- A) First-In-First Out (FIFO) basis or a unique identifier for inventory categories composed of fungible merchandise accounted for using another approved alternative inventory method.
 - B) Entry Number.
 - C) General Order.
 - D) Seizure Number.
 - E) Importer Number.

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12. Smith intends to import granite blocks from South Africa into Canada where they will be unloaded and stored in a Canadian Customs bonded warehouse pending sale to a Canadian or a U.S. customer. Smith is the South African producer's sales agent. The original bill of lading and other documents accompanying the shipment do **NOT** show the U.S. as the final destination. Those granite blocks that are sold to a U.S. customer at wholesale while in the bonded warehouse are then loaded onto a truck and transported inbond through Canada to the U.S. Assuming the granite blocks are classifiable under a GSP-eligible provision and satisfy the GSP "*product of*"

and 35% value-content requirements for receiving duty-free treatment, the blocks will/or will not satisfy the “*imported directly*” requirement because _____.

- A) will; they remained under the control of Canadian Customs, did not enter into the commerce of Canada, and were not subjected to operations other than loading or unloading.
- B) will not; the entry documents do not show the U.S. as the final destination.
- C) will; Canada is a GSP beneficiary developing country.
- D) will not; they were sold while they were in the Canadian bonded warehouse.
- E) will not; the transportation of the granite blocks to the U.S. via truck will cause the granite to enter into the commerce of Canada.

13. Which of the following is **NOT** acceptable for the payment of Customs duties?

- A) United States currency.
- B) A Canadian travelers check.
- C) Credit cards authorized by the Commissioner of Customs.
- D) The importer’s personal check drawn on a U.S. bank.
- E) A United States postal money order.

14. Real Thing importers has asked their broker to assist with the classification of a shipment containing six types of parts/components for a ballpoint pen. The parts consist of 2,000 barrels, 2,400 caps, 2,200 clips, 1,900 push buttons (all plastic), 2,300 plastic ink reservoirs tipped with metal ball point stems, and 2,100 helical springs of wire having a cross-sectional dimension of 1 mm. The merchandise will be added to the existing inventories of previously entered parts for the ongoing assembly operations. What is the correct classification?

- A) 9608.10.0000
- B) 9608.99.4000
- C) 9608.99.4000 and 7320.20.5060
- D) 9608.39.0000 and 7320.20.5060
- E) 9608.50.0000

15. Except as otherwise provided, under 19CFR 102, Rules of Origin, foreign materials that do **NOT** undergo the applicable change in tariff classification, or satisfy the other applicable requirements when incorporated into a textile or apparel product covered by that section shall be disregarded in determining the country of origin of the good if:

- A) The value of the materials is no more than 7 percent of the value of the good.
- B) The value of the materials is 10 percent of the total value of the good.
- C) The value of the materials is less than 10 percent of the total value of the good.

- D) The value of the good is 10 percent of the value of a good of Chapter 22 of the Harmonized Tariff System.
- E) The total weight of the components or materials is not more than 7 percent of the total weight of the good.
16. An importer presents a payment for duties and fees to Consolidated Broker for payment to Customs after the monies are due. The broker must do which one of the following?
- A) Present monies to Customs within 5 working days of receipt from the importer.
- B) Present monies to Customs within 10 calendar days of receipt from the importer.
- C) The broker must submit his own funds to pay the duties and then reimburse his funds with the importer's funds.
- D) Present monies to Customs within 5 calendar days of receipt from the importer.
- E) Present the monies to Customs within 15 days of receipt from importer.
17. Jones has an individual Customs broker license, and has operated as a sole proprietor in the El Paso Customs broker district for several years. He has just incorporated his broker business as Borderline Customs Brokers, Inc., with himself as President and Chief Executive Officer, and will continue to run the Customs operations. Before Borderline Customs Brokers, Inc. can begin conducting Customs business in the El Paso Customs broker district, which one of the following must be done?
- A) Borderline Customs Brokers, Inc. must only obtain a new permit before conducting Customs business.
- B) Jones must hire at least 5 employees.
- C) Borderline Customs Brokers, Inc. must obtain a corporate brokerage license and a permit to conduct Customs business in the El Paso Customs broker district.
- D) Jones must only obtain permission from the state government of Texas to use the fictitious name "Borderline Customs Brokers, Inc." as a "d.b.a." (doing business as).
- E) Jones must hire a licensed employee to provide the required level of supervision and control over the daily operations of the new firm.
18. Bill Johnson is a Customs Broker residing in North Dakota and commutes 15 minutes to work each day. His relative is a U.S. citizen and is preparing to take the upcoming Customs Broker exam in Canada and commutes 5 minutes to work each day. Bill Johnson is preparing documents on his behalf and has executed a power of attorney for his relative. **GO ON TO THE NEXT PAGE.**
- A) John may sign any Customs document with the port director's approval.
- B) John may not sign any Customs documents because he is not a resident of the United States.
- C) John may sign any Customs documents because there is a power of attorney.
- D) John may sign all documents related to the payment of customs duties.
- E) John may sign documents only when Bill is present.
19. What is the maximum monetary penalty for transacting Customs business without a license?

- A) An aggregate of \$30,000, and \$10,000 for each violation.
 - B) An aggregate of \$30,000 for all violations, and \$5,000 for each violation.
 - C) An aggregate of \$15,000 for all violations, and \$1,000 for each violation.
 - D) \$30,000 for each violation.
 - E) An aggregate of \$100,000 for all violations, and \$10,000 for each violation.
20. Which one of the following is **NOT** a basic custodial bond condition?
- A) Receipt of Merchandise.
 - B) Agreement to Redeliver Merchandise to Customs.
 - C) Disposition of Merchandise.
 - D) Agreement for Examination of Merchandise.
 - E) Carriage and Safekeeping of Merchandise.
21. Ms. Brown, the licensed qualifying officer for a corporate broker, is also the licensed individual qualifying the permit. When interviewing Mr. Smith, a possible new employee, Ms. Brown finds out Mr. Smith was convicted of a felony. Mr. Smith otherwise seems an excellent candidate and has a spotless record since the conviction 15 years ago. If allowed, how could Ms. Jones hire Mr. Smith?
- A) Unfortunately for both Brown and Smith, a licensed broker cannot employ a convicted felon.
 - B) Obtain permission from the Resident Agent in Charge from the Office of Investigation to hire a convicted felon.
 - C) Obtain written permission from the Commissioner of Customs via the Port Director to hire the convicted felon.
 - D) Notify the Port Director that the brokerage is hiring a convicted felon.
 - E) Obtain permission from the Assistant Secretary of the Treasury for Enforcement to hire the convicted felon.
22. Customs detains an imported article bearing a copying or simulating trademark. The importer has 30 days to establish the existence of certain qualifying circumstances that would allow the article to be entered. Which one of the following is **NOT** a qualifying circumstance?
- A) The merchandise is imported by the recordant of the trademark or trade name or his/her designate.
 - B) The articles of foreign manufacturer bear a recorded trademark and the one-item personal exemption is claimed and allowed under CFR 148.55 of the Customs regulations.
 - C) The objectionable mark is removed or obliterated by grinding off the imprinted trademarks.
 - D) The recordant gives written consent to the importation, and such consent is furnished to Customs.
 - E) The importer establishes that he/she had no knowledge of the existence of the copying or simulating trademark prior to the article's importation.

23. A shipment of shirts manufactured in Taiwan and subject to absolute quota arrives in the U.S. You find that the quota for this merchandise from Taiwan is closed, but the quota for Mexico is open. Which of the following describes the appropriate action for the importer?
- A) Export the merchandise to Mexico and re-import into the U.S. as a product of Mexico.
 - B) Make a warehouse entry.
 - C) Request a visa waiver from the Taiwanese embassy.
 - D) Request quota priority status.
 - E) Make a consumption entry and pay column 2 rates.
24. A quota category that 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.
25. Mike is importing plastic imitation jewelry, not resembling Native Thailand into the Port of Seattle. He asks his broker what the requirements are for the earrings. Which one of the following country of origin marking of the imitation jewelry? **GO TO THE NEXT PAGE.**
- A) The article must be marked in a conspicuous place.
 - B) The article must be marked with the English name of the country of origin.
 - 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.
26. Country of origin marking is excepted for many articles imported into the United States. Which one of the following is **NOT** an exception?
- A) Articles imported for use by the importer and not intended for sale.
 - B) Articles which are crude substances.
 - C) Articles that are incapable of being marked.
 - D) Articles imported by a corporation intended for wholesale.

- E) Products of possessions of the United States.
27. All of the following classes of merchandise are eligible for release under a special permit for immediate delivery **EXCEPT**:
- A) Fresh fruit from Mexico.
 - B) Merchandise consigned to the account of an agency of the U.S. Government.
 - C) Perishable absolute quota merchandise.
 - D) Articles for a trade fair.
 - E) Merchandise consigned to the account of a state or local government agency.
28. The exemption from entry for undeliverable articles under General Note 16(e) of the HTSUS is subject to all of the following conditions **EXCEPT**:
- A) The merchandise was intended to be exported to a foreign country.
 - B) The merchandise is being returned within 60 days of departure from the United States.
 - C) The merchandise did not leave the custody of the carrier or foreign customs.
 - D) The merchandise is being returned to the United States because it was undeliverable to the foreign consignee.
 - E) The merchandise was not sent abroad to receive benefit from, or fulfill obligations to, the United States as a result of exportation.
29. Your client asks that you transfer her merchandise from a bonded warehouse to a foreign trade zone for destruction. What will be the status of the merchandise in the foreign trade zone?
- A) Domestic.
 - B) Privileged foreign.
 - C) Destruction-restricted.
 - D) Non-privileged foreign.
 - E) Zone-restricted.
30. A shipment valued at \$175 arrives by a commercial carrier. The shipment qualifies for informal entry and meets the requirements of sections 10.151 and 10.152 of the Customs regulations. The bill of lading representing the entry must contain all of the following **EXCEPT**:
- A) Country of origin of the merchandise.
 - B) Shipper name, address and country.
 - C) Harmonized tariff number.
 - D) Quantity.
 - E) Value.
31. Which one of the following types of merchandise may **NOT** be entered by appraisalment entry?

- A) Personal effects of a citizen of the United States who has died abroad.
 - B) Household effects imported for sale in the United States.
 - C) Tools of trade of a person arriving in the United States.
 - D) Goods damaged by accidental fire on the voyage of importation.
 - E) Merchandise recovered from a wrecked or stranded vessel.
32. According to the Customs Regulations which of the following is an **INCORRECT** statement regarding warehouse withdrawals for exportation?
- A) Merchandise in bulk, and packaged articles which are customarily bought and sold by weight, gauge, or measure may not be withdrawn for exportation or transportation.
 - B) Merchandise withdrawn for indirect exportation (transportation and exportation) shall be forwarded to the port of exportation, in accordance with general provisions for transportation in bond.
 - C) Merchandise may be withdrawn from warehouse for exportation by mail in accordance with the provisions of subpart F of 19 CFR 145.
 - D) Merchandise withdrawn from warehouse and admitted into a foreign trade zone in zone restricted status is considered to be exported.
 - E) If any part of a shipment is not exported or if a shipment is divided at the port of exportation, extracts in duplicate from the manifest on file in the Customhouse shall be made on Customs Form 7512 for each portion.
33. For purposes of a warehouse entry, when packages which are grouped together as one item on a summary, values or rates of duty are grouped together as one item on a summary, which of the following items does **NOT** have to be included in the summary? **GO TO THE NEXT PAGE.**
- 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 numbers of each package.
34. Your client has imported an expensive set of make-up brushes consisting of six brushes in varying sizes. Each brush has a mahogany handle and is manufactured with muskrat bristles. The brushes were hand-made in China and packaged for sale in a specially fitted mahogany container that is suitable for long-term use. The case is classified:
- A) With the make-up brushes because the brushes impart the essential character in accordance with GRI 3(b).
 - B) As an article of luggage.
 - C) Separately from the brushes as a different article of commerce.
 - D) With the make-up brushes as a set under the provision for the case.
 - E) With the make-up brushes under the provisions of GRI 5(a).

35. Juan, a broker, has a client who asks him to make entry on a shipment of tufted textile carpets for cars. Juan is not sure how to classify such an item, so he references the General Rules of Interpretation (GRI) listed in the HTSUSA. Which one of the following GRIs did Juan use to correctly determine that these carpets should be classified in heading 5703 and **NOT** in 8708?
- A) GRI 3 (a)
 - B) GRI 3 (b)
 - C) GRI 3 (c)
 - D) GRI 2 (a)
 - E) GRI 2 (b)
36. Which one of the following is **NOT** legally binding when classifying goods?
- A) Terms of headings.
 - B) Section notes.
 - C) Titles of chapters and sub-chapters.
 - D) Chapter notes.
 - E) General Rules of Interpretation.
37. A bulletin board that is 36" by 24" consists of a 10 mm wide aluminum frame and a 1 mm thick piece of softwood fiberboard covered by a 1 mm thick cork facesheet. The fiberboard provides the primary structure of the bulletin board and a soft material into which tacks and pins can be pushed for hanging photos, notes, etc. The cork provides the appearance of an ordinary bulletin board. The aluminum frame provides decoration. No tariff provision explicitly covers bulletin boards. This item is correctly classified:
- A) In Chapter 44 as an article of wood, GRI 1.
 - B) In Chapter 76 as an article of aluminum, per GRI 3(b).
 - C) In Chapter 45 as an article of cork, per GRI 1.
 - D) In Chapter 45 as an article of cork, GRI 3(c).
 - E) In Chapter 44 as an article of wood, per GRI 3(b).
38. An "X" appearing in the column for units of quantity in the HTSUS means which one of the following?
- A) Quantity unknown.
 - B) Quantity is to be reported directly to the Department of Commerce.
 - C) Quantity should be reported on a reconciliation entry only.
 - D) No quantity is to be reported other than the gross weight.
 - E) No quantity is to be reported unless the article is imported from a column 2 country.
39. JoJo Jackson from Tucson regularly imports lead crystal glassware manufactured in one of several countries, including Poland, Afghanistan, and Germany. On March 1, 1999, he imported into San Diego a shipment manufactured wholly in Afghanistan classified at 7013.91.1000. Which one of the following is the correct duty rate for JoJo's shipment?

- A) 20%
 - B) 60%
 - C) FREE
 - D) 10.6%
 - E) 100%
40. A Russian distributor assembles a gift pack that contains soap beads, moisturizing cream, a hairbrush, and an embroidered hand towel. In applying the principles of classification under the General Rules of Interpretation, which one of the following concepts is the most pertinent to the classification of this merchandise?
- A) Composite Goods.
 - B) De Minimus.
 - C) Eo Nominee.
 - D) Commingled Goods.
 - E) Sets.
41. Which of the following is the correct classification of potato GO TO THE NEXT PAGE.
frozen, and packaged in airtight 32-ounce plastic bags?
- A) 0701.90.5040
 - B) 0710.10.0000
 - C) 2004.10.4000
 - D) 2004.10.8040
 - E) 2005.20.0000
42. Tea Time Corp. imports black pekoe tea from China. The tea is packaged in individual 1.5 kg. bags that will be used by the hotel industry for placement in hotel rooms. Which one of the following is the correct classification?
- A) 0901.90.2000
 - B) 0902.10.9000
 - C) 0902.30.0010
 - D) 0902.30.0090
 - E) 0903.00.0000
43. Which one of the following is the correct classification for a shipment of fresh cherry tomatoes entered on March 2?
- A) 0702.00.2035
 - B) 0702.00.2095
 - C) 0702.00.4030
 - D) 0702.00.4090
 - E) 0702.00.6035

44. Chocolate Imposters imports chocolate-covered wafers packaged in 12 ounce metal tins from Finland. What is the correct classification of this importation?
- A) 1806.31.0080
 - B) 1806.90.9011
 - C) 1806.90.9090
 - D) 1905.30.0049
 - E) 1905.90.9090
45. An importer plans to import ladies knit cardigans. The cardigans are 65% silk and 35% cotton. The construction of the cardigan consists of 8 stitches per 2 centimeters. All components of the cardigans are knit to shape in Hong Kong. Which one of the following is the correct classification of the cardigans?
- A) 6110.90.1060
 - B) 6110.90.9036
 - C) 6110.90.9038
 - D) 6110.90.9042
 - E) 6110.90.9090
46. You have before you the invoice for a shipment of women's woven ski jackets from the United Arab Emirates. This invoice indicates that the jackets are made of camel hair with down filling. The down comprises 48% of the garment's weight, and the camel hair comprises the remaining 52%. The correct classification is:
- A) 6202.93.1000
 - B) 6202.91.2011
 - C) 6202.92.1000
 - D) 6211.20.5820
 - E) 6102.10.0000
47. The U.S. 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 specifications and the importation has arrived. What is the proper classification of the periscopic telescopes?
- A) 9013.90
 - B) 8906.00
 - C) 9005.90

- D) 9005.80
E) 9013.10
48. For the purpose of heading 3916, the rate of duty “Free (B)” appearing in the “Special” subcolumn applies only to articles measuring:
- A) More than 45.71 cm in length.
B) Not more than 38.1 cm in width.
C) Not more than 27.5 cm length.
D) Not more than 38.1 cm length.
E) More than 38.1 cm length.
49. Marble Unlimited imports marble slabs originating in China. **GO TO THE NEXT PAGE.** definition of “slabs.” What is the proper classification of the
- A) 6802.91.1500
B) 6802.91.0500
C) 6802.21.5000
D) 6802.10.0000
E) 6801.00.0000
50. Joe’s Second Hand Store imports men’s running shoes from Taiwan. These shoes are used for testing by a major athletic apparel manufacturer in Taiwan. They are sold at a reduced price to Joe’s because the treads show signs of appreciable wear. The shoes have rubber soles and leather uppers. The manufacturer ships these shoes in bales by sea directly to Joe’s. How would you correctly classify the shoes?
- A) 6403.91.6040
B) 6403.19.4090
C) 6309.00.0010
D) 6309.00.0020
E) 6310.90.2000
51. What is the bond amount required for tools of trade entered temporarily under subheading 9813.00.50 HTSUS?
- A) No bond required.
B) 1 times the duties, including fees.
C) 2 times the duties, including fees.
D) 3 times the duties, including fees.
E) 110 percent of the duties, including fees.

52. A shipment of 100% cotton unisex blue denim jeans arrives from Mexico. All of the fabric components were formed and cut in the U.S., exported to Mexico for assembly, and were not advanced in value except for assembly. The fabric components cost \$18.00 per dozen. The assembly cost \$6.00 per dozen. The proper classifications and duty rates are:
- A) 9802.00.8015 free/6203.42.4010 17%
 - B) 9802.00.9000 free/6203.42.4010 free
 - C) 9802.00.9000 free/6204.62.4010 free
 - D) 9802.00.8015 free/6203.42.4010 17%
 - E) 9802.00.5060 free/6204.62.4010 17%
53. A hardware store in Cleveland is importing rolls of wire. The wire is round with a diameter of 1.4 mm, is made of zinc-plated non-alloy steel, and contains 1% carbon. What is the proper classification of this wire?
- A) 7217.90.5090
 - B) 7217.20.4560
 - C) 7217.10.8075
 - D) 7212.20.0000
 - E) 7210.30.0000
54. The ABC Company in American Samoa manufactures alarm clocks with opto-electronic displays, classified under HTS (9105.11.40). The alarm clocks, which are shipped to the United States, contain foreign components from Japan, China and Taiwan. The total value of the foreign components is 55 percent. The proper rate of duty on these alarm clocks is:
- A) 1.5% on the movement and case plus 2.1% on the battery.
 - B) 35%
 - C) 3.9% on the movement and case plus 5.3% on the battery.
 - D) Free
 - E) 3.9% on the movement and case plus 2.1% on the battery.
55. Millennium Fashions imports high fashion snakeskin anoraks from Australia. What is the proper classification of the anoraks?
- A) 6201.99.9060
 - B) 6101.90.9060
 - C) 6102.90.9030
 - D) 4203.10.2000
 - E) 4203.10.4010

56. Which cost would **NOT** be considered an addition to the price actually paid or payable when determining the transaction value of the merchandise sold for exportation and imported into the United States?
- A) The proceeds of a subsequent resale, disposal, or use of the merchandise by the buyer which accrue, directly or indirectly, to the seller.
 - B) A license fee, related to the imported merchandise that a buyer is required to pay, directly or indirectly, as a condition of a sale of the merchandise.
 - C) A royalty, related to the imported merchandise, that a buyer is required to pay, directly or indirectly, as a condition of the sale.
 - D) Packing costs incurred by the buyer with respect to the imported merchandise.
 - E) A buying commission incurred by the buyer with respect to the imported merchandise.
57. The computed value of imported merchandise would include all **GO TO THE NEXT PAGE.**
- A) The cost or value of the materials, fabrication, and other pro the imported merchandise.
 - B) The cost of any containers, coverings, and /or packing requi
 - C) The value (apportioned as appropriate) of any assist used in merchandise which is not otherwise attributed as a processing cost or general expense.
 - D) An amount for any tax imposed on the merchandise by the government of the exporting country which is refunded to the producer upon exportation of the merchandise.
 - E) An amount for the producer's profit and general expenses.
58. You have a shipment of canoes to enter, from the White Rapids Co., of Edmonton, Alberta, Canada. This particular sale has been made to White Rapid's retail outlet in Beckley, West Virginia, The Outpost. The canoes are invoiced at U.S. \$500/each. A 5% variation in price is considered a "close approximation" in this industry. The only information available to consider for this related party sale is a test value from an unrelated seller of similar merchandise, to another unrelated U.S. importer for U.S. \$450. That sale occurred at approximately the same time as the one before you. There were no adjustments necessary, and the basis of appraisement for the similar sale was transaction value, Sec. 402(b) at the \$450 price. Based on this information, the correct value and basis of appraisement is:
- A) US \$450, Transaction Value of the instant shipment.
 - B) US \$450, Transaction Value of Identical or Similar merchandise.
 - C) US \$500, Transaction Value.
 - D) US \$525, Value if other values cannot be determined.
 - E) US \$475, Computed Value.
59. When analyzing a related party sale to determine if the price is acceptable for transaction value, one can:
- A) Look at the prices at which the seller sells to non-related buyers in the seller's domestic market.

- B) Assure that the price is sufficient to recover all the costs, plus a profit equal to the firm's overall profit for all export sales.
- C) Assure that, using the transaction value method, the regional value content is at least 60%.
- D) Adopt a test value as the appraised value.
- E) Compare the way the related price was determined to the normal pricing practices of the industry.

60. Which is **ALWAYS** correct when dealing with an assist?

- A) Includes all materials, tools, dies, engineering and design work, and similar items when supplied directly and free of charge to the producer of the imported merchandise.
- B) The merchandise must be appraised under Computed Value, Section 402(e).
- C) The assist must be apportioned over the life of the contract.
- D) The value of the assist is the cost of acquisition, (if it was purchased), plus the cost of transportation to get it to the place of production of the imported merchandise.
- E) Assists which are leased are valued at the cost of producing a similar product.

61. TexMex in Mexico agrees to produce mining drill bits for an unrelated U.S. purchaser, the Jackson Company in Kentucky. The agreed-upon price for these items was \$75 each. Subsequent to the order confirmation, TexMex realizes that they do not have the proper grade of industrial diamond for the cutting portion of the drill bit. In order to meet the delivery deadline, TexMex purchases the proper grade of diamond from Las Portas, an unrelated Mexican vendor. This would normally have increased the unit price of the drill bits by \$15 each, but in order to get into the U.S. market with the hope of expanding their business dealings with the Jackson company, TexMex decides to take a loss on this initial sale and keeps the price at \$75 each. You now have the shipment at the release point with entry invoices showing a unit price of \$75 each. Your client, the Jackson Company, forwards you a copy of the letter of credit for this payment, at \$75 each only. Which of the following statements pertaining to the appraisal of this importation is correct?

- A) Appraisal should be at \$90 each, since the \$15 each charge for vendor items is an assist and must be included in the appraised value.
- B) Appraisal should be at the \$75 each. There is no basis for the addition of \$15 per unit diamond charge to the appraised value.
- C) Appraisal should be at \$90 each. The \$15 per unit diamond charge, although not an assist, is an indirect payment and is part of the price paid or payable.
- D) Appraisal should be at \$90 each. The \$15 per unit diamond charge represents a missing element of value and must be added to the invoice price to arrive at the proper appraised value.
- E) Appraisal should be \$90. The \$15 per unit diamond charge is a proceed that needs to be added to the original contract price.

62. A foreign shirt manufacturer, Penguin Outfitters of England, company offers a liberal discount policy in an attempt to buy **GO TO THE NEXT PAGE.** discount, the company offers a 10% sales discount off a first (and an additional 5% rebate on previous sales), and a flat 20% discount on all shirts in a shipment last week to KDIS, a U.S. retailer in Cranberry, Pennsylvania, were invoiced at \$84,000, less 10% sales discount, less 5% cash discount. Today, a second shipment arrives for KDIS, invoiced at \$162,000, less 15% sales discount, less 5% cash discount. In addition, Penguin includes in the paperwork an amended invoice for an additional 5% discount on the first shipment. KDIS takes advantage of all discounts. The appraised value for these shipments should be:

- A) 1st shipment: \$84,000, less 15%, less 5%
2nd shipment: \$162,000, less 15%, less 5%
- B) 1st shipment: \$84,000, less 10%, less 5%, less 5%
2nd shipment: \$162,000, less 15%, less 5%
- C) 1st shipment: \$84,000, less 10%, less 5%
2nd shipment: \$162,000, less 10%, less 5%
- D) 1st shipment: \$84,000, less 10%, less 5%
2nd shipment: \$162,000, less 15%, less 5%
- E) 1st shipment: \$84,000, less 5%
2nd shipment: \$162,000, less 5%

63. The maximum monetary civil penalty that Customs may assess against an individual for a “fraudulent violation” of Section 592 of the Tariff Act of 1930, as amended, when the circumstances of the violation were not disclosed, is:

- A) Any amount the port director of Customs imposes.
- B) 40% of the dutiable value of the merchandise if there is no loss of duties.
- C) An amount not to exceed the domestic value of the merchandise.
- D) The lesser of the domestic value of the merchandise or 4 times the loss of duties.
- E) Two times the lawful duties of which the United States is or may be deprived.

64. Which one of the following circumstances would preclude a Customs seizure of merchandise under the provision of 19 U.S.C. Section 1592?

- A) Merchandise is prohibited or restricted.
- B) The importer has made a prior disclosure of the violation.

- C) The importer is bankrupt.
 - D) The importer resides outside the United States.
 - E) The seizure is essential to protect the revenue.
65. All of the following types of entries shall be liquidated **EXCEPT** for which one of the following?
- A) Reconciliation entry.
 - B) Quota entry.
 - C) Informal entry.
 - D) Temporary importation under bond entry.
 - E) Duty deferral entry.
66. A request for correction of a clerical error, mistake of fact, or inadvertence pursuant to Section 520(c)(1), Tariff Act of 1930, as Amended, must be filed within what time period?
- A) 1 year after the date of importation.
 - B) 90 days after the date of entry.
 - C) 1 year after the date of entry.
 - D) 90 days after the date of liquidation.
 - E) 1 year after the date of liquidation.
67. When there is a net difference of less than \$20 between the total amount of any duties, fees, and taxes found due in the reliquidation of any entry, and the total amount of duties, fees, and taxes assessed in the prior liquidation of the entry, the difference shall be disregarded in which one of the following cases?
- A) The reliquidation and ensuing refund are the result of a court decision and judgment order.
 - B) The reliquidation and ensuing refund are the result of a protest filed pursuant to Section 514, Tariff Act of 1930, as amended.
 - C) The reliquidation and ensuing refund are the result of a request for correction under Section 520(c), Tariff Act of 1930, as amended.
 - D) The reliquidation and ensuing increase are the result of a voluntary reliquidation of the entry by Customs within 90 days after liquidation.
 - E) The reliquidation and ensuing refund are the result of a post-importation claim for preferential treatment under NAFTA pursuant to Section 520(d)(1), Tariff Act of 1930, as amended.
68. All of the following persons are required to maintain records for Customs purposes **EXCEPT**:
- A) A licensed broker who files an entry on behalf of an owner of imported merchandise.
 - B) A consumer who purchases an imported automobile from a domestic dealer.
 - C) A consignee who transports merchandise in-bond.
 - D) A bonded warehouse proprietor who stores imported merchandise.

- E) A person who files a drawback claim.
69. When a protest has been denied, in whole or in part, pursuant to 19 U.S.C. 1514, the protestant can contest the denial by: **GO TO THE NEXT PAGE.**
- A) Filing a request for reliquidation.
 - B) Filing a superceding bond.
 - C) Filing a civil action in the United States Court of International Trade.
 - D) Filing a ruling request.
 - E) Requesting reconsideration of the denied protest.
70. Of the following, which is **NOT** subject to protest under 19 U.S.C. 1514?
- A) Exclusion of merchandise from entry or delivery.
 - B) Valuation of merchandise.
 - C) Classification of merchandise.
 - D) Disallowance of drawback.
 - E) Assessment of liquidated damages.
71. Liquidated Damages refer to:
- A) Monies due to Customs after an entry is liquidated.
 - B) All Customs bills.
 - C) The same as penalties for violation of 19 U.S.C. 1592.
 - D) Monies due to Customs for the breach of the conditions of any Customs bond.
 - E) Monies due to Customs only when duties were not paid on time.
72. A protest against a classification of merchandise, which has been formally entered shall be filed within which of the following time periods?
- A) 90 days after the date of entry.
 - B) 1 year from the date of importation.
 - C) 90 days after the date of liquidation or reliquidation.
 - D) 1 year after the date of liquidation.
 - E) Anytime prior to the date of liquidation.

73. Fleet Brokerage files a drawback claim on behalf of its client on February 1, 1999. In April, 2000, the client asks Fleet Brokerage to amend the claim. The drawback entries covered by the claim have not yet been liquidated. May Fleet Brokerage file the amended claim?
- A) Yes, because unliquidated drawback claims may be amended within 3 years after the date of exportation or destruction of the articles which are the subject of the original drawback claim.
 - B) No, because filed drawback claims cannot be amended.
 - C) Yes, because unliquidated drawback claims can be amended any time up to the date of liquidation of the drawback entries.
 - D) No, because amendments to unliquidated drawback claims must be made within 90 days of the date that the claims were filed.
 - E) No, because unliquidated drawback claims must be protested.
74. On March 1, 2000, an entry filed by Speedy Brokers on behalf of its client, Red Rug Imports, is liquidated. The liquidation resulted in a duty increase. On March 20, Red Rug Imports filed a protest against the liquidation. Speedy Brokers received notice on May 19 that the entry has been reliquidated with yet another duty increase. When Speedy Brokers informed Red Rug Imports of the news, Red Rug Imports demanded to know if the reliquidation was legal. The correct response Speedy Brokers should give its client is which one of the following?
- A) Customs action was improper, because Red Rug Imports had timely protested the liquidation of the entry.
 - B) Customs action was improper, because the liquidation of Red Rug Imports entry had become final.
 - C) Customs action was proper, because the filing of a protest gives Customs the authority to reliquidate in the government's favor.
 - D) Customs action was proper, because Customs has authority to voluntarily reliquidate a liquidation within 90 days from the date of the notice of the original liquidation.
 - E) Customs action was improper, because Customs had not yet issued a decision on the protest.
75. A ruling request must contain all of the following **EXCEPT**:
- A) A description of the transaction.
 - B) The signature of the person authorized to make the request.
 - C) The name of the port or place at which any article involved in the transaction will arrive or be entered.
 - D) The names, addresses, and other identifying information of all interested parties (if known).
 - E) A maximum of 10 merchandise items for tariff classification ruling requests submitted to service port offices.
76. In order to make a claim for NAFTA, an importer **MUST** **GO TO THE NEXT PAGE.**
- A) Sign a copy of a CF 434, Certificate of Origin and have it avail
 - B) Make a claim for preferential treatment at time of release of the

- C) Be in possession of a copy of a CF 434, Certificate of Origin, signed by the exporter.
 - D) Designate NAFTA on the CF 7501 with a special program indicator of "M" or "C".
 - E) Note the claim for NAFTA preferential treatment on the invoice and manifest and attach the CF 434 to the CF 3461.
77. Which one of the following statements about Regional Value Content under NAFTA is **NOT** true?
- A) The Regional Value Content of a good shall be calculated only on the basis of the net cost method if there is no transaction value for the good under section 2(1) of Schedule III.
 - B) The Regional Value Content of the good shall be calculated on the basis of either the transaction value method or the net cost method, at the choice of the exporter or producer.
 - C) The value of non-originating materials are deducted from the transaction value or net cost to determine Regional Value Content.
 - D) If the exporter selects the net cost method, but the good does not qualify, he/she may then recalculate under the transaction value method, if there is an acceptable transaction value.
 - E) The producer of a good may choose to treat any material used in the production of that good as non-originating.
78. Upon receipt of an in-bond shipment at the port of destination, the bonded carrier shall surrender the in-bond manifest and notify the port director of the arrival of the merchandise within which one of the following?
- A) Promptly, but no more than 2 working days after arrival of any portion of the in-bond shipment.
 - B) Promptly, but no more than 2 working days after the departure of the in-bond shipment.
 - C) Promptly, but no more than 5 working days from the date of arrival of the in-bond shipment.
 - D) Promptly, but no more than 5 working days from the date of exportation.
 - E) Promptly, but no more than 30 working days from the date of arrival of the last portion of the in-bond shipment.
79. Drawback entries may be signed by any of the following persons **EXCEPT**:
- A) The vice-president of a corporation.
 - B) The owner of a sole proprietorship.
 - C) A licensed Customs broker with a power of attorney.
 - D) An unlicensed drawback consultant.
 - E) Any employee of the business entity with a power of attorney.
80. Plastic bottles manufactured in Spain are imported into the U.S. and filled with beverages. After the beverages are consumed, the used bottles cannot be washed and reused. Some of the bottles are shipped to Mexico, where they are shredded. The shredded plastic is returned to the U.S. and used to make sleeping bags. The shredded plastic is:
- A) Eligible for the duty exemption under 9802.00.50 as an article returned to the U.S. after repair or alterations.
 - B) Eligible for duty-free treatment under the Generalized System of Preferences.

- C) An originating good under NAFTA according to General Note 12(b)(i), provided the proper documentation is filed at the appropriate time.
- D) An originating good under NAFTA according to General Note 12(b) (iii), provided the proper documentation is filed at the appropriate time.
- E) Not an originating good under NAFTA and entered under HTS 3926.90.9880.

THIS IS THE END OF THIS TEST.

Item	Key	Content Area:
1	A	GN 11(a)
2	C	102.11(b)(1) and 102.18(b)
3	A	19 CFR 111.19 & 111.96(b)(c)
4	B	19 CFR 10.37
5	D	19 CFR 24.5(a)
6	B	19 CFR 113.37 (a)
7	E	19 CFR 141.68(c)
8	A	19 CFR 142.4 (c)(1)
9	C	19 CFR 19.4(b)(4)(B)/19 CFR 163.4(a)
10	B	GN3(c) (i)
11	E	19 CFR 19 .4(b)(8)
12	A	19 CFR 10.175 (d)
13	B	19 CFR 24.1(a) & (c)
14	C	U.S. GRI 1(c)
15	E	19 CFR Ch. 1, Part 102, Rules of Origin, Subpart B, 102.13 C
16	A	19 CFR 111.29(a)
17	C	19 CFR 111.1 (a), 111.2
18	B	19 CFR 111.3(b)(1)
19	A	19 CFR 171, App. C II & 19 CFR 111.91
20	D	19 CFR 113.63 (a) - (h)
21	C	19 CFR 111.53 (e)
22	E	19 CFR 133.22
23	B	19 CFR 132.5 (b) and (c)
24	A	19 CFR 132.2 (a)
25	C	19 CFR 134.11
26	D	19 CFR 134.32
27	E	19 CFR 142.21 (c)
28	B	19 CFR 141.4 (c)
29	E	19 CFR 146.44(a)
30	C	19 CFR 143.23(j)
31	B	19 CFR 143.11
32	A	19 CFR 144.37
33	B	19 CFR 144.11 (d)
34	E	GRI 5(a)
35	A	GRI 3(a)
36	C	GRI 1
37	E	GRI 1-3
38	D	Gen. Stat. Note 4 Abbr. (a)
39	B	Gen. Note 3b
40	E	HTS GRI 3 (b)
41	D	HTS Chapt 20
42	C	HTS Chapt 9
43	A	eo nominee
44	D	Chapter Note 4b
45	C	Chapter 61 stat note 3

46	B	chap. 51 note (1) chapter 62
47	E	Chapter 90, Note 4 Heading 9005
48	D	HTS, Section 7, Chapter 39 Notes, Additional U.S. Notes
49	B	Chapter 68, Additional U.S. Notes
50	D	Chapter 63 Note 3 (b) (i) (ii)
51	E	19 CFR 10.31 (f)
52	C	Section XXII Subchapter 11 U.S. Note 3 (C)
53	B	HTS Chapt. 72
54	C	Additional U.S. Note 5 (a) (I), Chapter 91
55	D	EO NOMINEE
56	E	19 CFR 152.103(b)(1)
57	D	19 CFR 152.106
58	B	19 CFR 152.103(l)(2) (i) and (ii) CfR 152.101(b)., CFR 151.101(b)(1)-(6).
59	E	19 CFR 152.103(j)(2)(i) & 152.103(l),(1) (ii) Interpretive note 2
60	D	19 CFR 152.103(d), CFR152.103(e) CFR152.102(a) Definitions
61	B	19 CFR 152.102 (a) and CFR 152.103 (a)(1) and (2). CFR152.103 (g)
62	D	19 CFR 152.103(a)(4)
63	C	19 CFR 162.73, 19 U.S.C. 1592 (C) (1)
64	B	19 CFR 162.75(b)
65	D	19 CFR 159.2
66	E	19 CFR 173.4(c)
67	D	19 CFR 159.6(b)
68	B	19 CFR 163.2
69	C	19 CFR 174.31
70	E	19 CFR 174.11
71	D	19 CFR 172. 1(a)
72	C	19 CFR 174.12(e)
73	A	19 CFR 191.52(c)
74	D	19 CFR 173.3
75	E	19 CFR 177.2(b)
76	C	19 CFR 181, Subpart C, CFR 181.21, 181.22
77	D	19 CFR 181, Appendix, Part III, Section 6,(1), (2), (6),(7), (8).
78	A	19 CFR 18.2(d) 4/98 Q-11
79	D	19 CFR 191.6(a) and (b)
80	C	Section 181, App. Pt. II Section 4, Gen. Notes 12(b) (i), 12 (n) (ix) (B)