

**United States of America**  
**CUSTOMS SERVICE**

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**Customs Broker Licensing Examination**

**DIRECTIONS TO THE COMPETITOR - READ CAREFULLY**

This examination consists of 80 questions. A passing score is 75%. You are to choose the correct answer to each question from among the five alternatives (**A**, **B**, **C**, **D**, or **E**) presented. Then, record your answer on the separate answer sheet by darkening the answer space, which corresponds to the letter of the alternative you chose.

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

- **Harmonized Tariff Schedule of the United States (2000)** (USITC Publication 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) When goods are prima facie, classifiable under two or more headings, which **ONE** of the following is a true statement?
- A) The goods are always classified under the heading that occurs last in numerical order among those headings that equally merit consideration.
  - B) The heading that provides the most specific description shall be preferred to headings providing a more general description.
  - C) When two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, the heading with the most complete or precise description of the goods is to be used.
  - D) Mixtures shall be classified according to the main ingredient by description.
  - E) Each component of a set put up for retail sale must always be classified separately.
- 2) Which **ONE** of the following is not an acceptable method of collection of Customs duties, taxes, fees, interest, and other charges?
- A) Any form of United States currency or coin legally current at the time of acceptance.
  - B) Any bank draft or cashiers check, drawn on a national or state bank or trust company of the United States, or a bank in Puerto Rico or any possession of the United States.
  - C) An uncertified check drawn by an interested party on a national or state bank or trust company of the United States, or a bank in Puerto Rico, or any possession of the United States.
  - D) A United States Government Check endorsed by the payee to the U.S. Customs Service, a domestic traveler's check, or a U.S. postal, bank, express, or telegraph money order.
  - E) Any Foreign Currency.
- 3) Which one of the following procedures constitutes an "assembly" operation for purposes of classification under 9802.00.80, the provision for foreign articles assembled with U.S. components?

- A) Painting
- B) Laminating
- C) Mixing ingredients in a soup
- D) Smelting
- E) Inspecting and packing fruit

4) A shipment of canned tuna made in Spain and subject to a tariff-rate quota arrives in Miami, Florida. The quota for this merchandise is filled. The importer may choose to do all of the following **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) Pay the reduced rate of duty
- B) Pay the higher rate of duty
- C) Place the merchandise in a foreign trade zone
- D) Enter the merchandise for warehouse
- E) Export or destroy the merchandise under Customs supervision

5) A new business, Cleanse Free, imports its first shipment of cleaning supplies manufactured in Japan. The entry is secured by a single entry bond. Cleanse Free files the entry summary twelve working days after the time of entry, which was the date the merchandise was released by Customs. Customs issues a demand for liquidated damages for failure to file the entry summary timely. The demand for liquidated damages should be issued in what amount?

- A) Two times the bond amount.
- B) Three times the bond amount.
- C) One times the bond amount.
- D) Half the bond amount.
- E) Five times the bond amount.

6) Any funds received from a client for payment to the U.S. government that are received by the broker after the date due shall be transmitted by the broker to the U.S. government within \_\_\_\_\_ working days after receipt. Funds received by a

broker from the U.S. government that are owed to a client must be paid to the client or accounted for in writing to the client within \_\_\_\_\_ calendar days of receipt. Which one of the following choices correctly fills in the two blanks?

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

7) ABC bonded warehouse has had four final withdrawals made on November 1, 2000. Unless otherwise exempted, the warehouse proprietor must submit the permit file folders to Customs by \_\_\_\_\_ to avoid issuance of liquidated damages. Which one of the following choices correctly fills in the blank?

- A) November 6, 2000
- B) December 1, 2000
- C) November 30, 2000
- D) November 8, 2000
- E) December 14, 2000

8) Which one of the following is **NOT** a condition of a basic importation and entry bond?

- A) Agreement to pay duties, taxes and charges.
- B) Agreement to comply with electronic entry filing requirements.
- C) Agreement to produce documents and evidence.
- D) Agreement to rectify any non-compliance with provisions of admission.
- E) Agreement to enter any diverted instruments on international traffic.

9) Under the immediate delivery procedures, the time of entry shall be the time when \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) The merchandise enters the port limits

- B) The special permit for immediate delivery is filed
- C) The appropriate Customs officer authorizes release of the merchandise
- D) The entry summary is filed in proper form with estimated duties attached
- E) The entry summary is transmitted via the Automated Broker Interface (ABI)

10) Jose Garcia passes the April 2000 brokers exam. He receives his license in November 2000. Mr. Garcia should file his first triennial status report by \_\_\_\_\_, and pay the accompanying status report fee of \_\_\_\_\_, to avoid having his license suspended. Which **ONE** of the following choices correctly fills in the two blanks?

- A) February 2003; \$100.00
- B) February 2002; \$200.00
- C) February 2001; \$100.00
- D) April 2003; \$200.00
- E) November 2003; \$100.00

11) Which one of the following types of merchandise may **NOT** be entered by an appraisement 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.

12) In the absence of a request for accelerated disposition, which **ONE** of the following issues requires the Port Director to act on a protest within 30 days from the date that the protest was filed?

- A) Country of origin marking of imported merchandise.
- B) Valuation of merchandise.

- C) The exclusion of merchandise.
- D) Drawback of duties.
- E) Classification of merchandise.

13) A shipment valued at \$175.00 arrives by a commercial carrier. This shipment qualifies for informal entry and meets the requirements of section 10.151 of the Customs regulations. The bill of lading representing the entry must contain all of the following **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) Country of origin of the merchandise
- B) Shipper name, address and country
- C) Quantity
- D) Ultimate Consignee number
- E) Value

14) Muy Frio, SA de CV in Mexico just received an order for 20,000 air conditioning window units (8415.10) from the Iceman. The Iceman needs to save as much money as possible because of his high electricity bill and would like to claim NAFTA on the air conditioning window units. He visits your office and asks for your expertise. The bill of materials reads as follows:

<u>Component</u>	<u>Qty/a-c unit</u>	<u>Country of origin</u>	<u>Cost/unit</u>
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Condenser	1	Mexico	\$15.00
Compressor	1	U.S.	\$55.00
Chassis	1	Germany	\$ 5.00
Evaporator	1	U.S.	\$30.00
Control Panel	1	France	\$12.00

The Iceman also tells you that the sale is at an arms length transaction and the transaction value accepted by U.S. Customs is \$137.00 per unit. Do the air conditioning units qualify for NAFTA?

- A) Yes, under criteria A; all components are “wholly obtained or produced” in a NAFTA country.
- B) Yes, under criteria B; each of the non-originating components made the necessary tariff shift as required by GN12(t) of the HTSUS.
- C) Yes, under criteria B; some of the non-originating components did not make the necessary tariff shift as required under GN12(t) of the HTSUS, but the good satisfies the De Minimis Rule.
- D) Yes, under criteria B; each of the non-originating components made the necessary tariff shift and the good satisfies the applicable regional value-content as required by GN12(t).
- E) No. The air conditioning units do not qualify for NAFTA.

15) For statistical purposes, the HTSUS lists many symbols and abbreviations which should be used to represent certain meanings. Which one of the following is **NOT** listed as a symbol or abbreviation representing a given meaning?

- A) “GBq” = gigabecquerels
- B) “Mck” = Maganese chlorocarbonate in kilograms
- C) “Jwls” = Number of dutiable jewels
- D) “Vkg” = Vanadium content in kilograms
- E) “ode” = ozone depletion equivalent

16) All of the following entities, except one, may request a country-of-origin advisory ruling or final determination relating to the Government Procurement Act under Title III, “Trade Agreements Act of 1979”. Which **ONE** of the following is the exception?

- A) A foreign manufacturer, producer, or exporter of merchandise.
- B) A manufacturer, producer, or wholesaler in the United States of a like product.

- C) United States members of a labor organization whose members are employed in the manufacture, production, or wholesale in the United States of a like product.
- D) Trade associations, a majority of whose members manufacture, produce, or wholesale a like product in the United States.
- E) Trade associations, a majority of whose members manufacture, produce, or wholesale a like product in a country other than the United States.

17) For country of origin marking purposes, abbreviations, which unmistakably indicate the name of the country of origin, are acceptable according to the U.S. Customs Regulations. Which one of the following abbreviations is **UNACCEPTABLE**?

- A) "Gt. Britain" for "Great Britain"
- B) "Luxemb" for "Luxembourg"
- C) "C.R." for "Czech Republic"
- D) "Brasil" for "Brazil"
- E) "Italie" for "Italy"

18) Specific Electric imports control instruments for use in heating systems from Canada. The HTSUS classification is 9032.89.6025. The materials used are:

-thermostats	(9032.10)	Canada	\$ 2.50
-wiring harnesses	(8544.51)	U.S.	\$ 5.75
-printed circuit board	(8534.00)	Japan	\$ 3.25
-diodes	(8541.10)	Germany	\$ 2.50
-transistors	(8541.21)	Italy	\$ 2.00



-integrated circuit (8542.13) Mexico \$ 8.50

The transaction value of the control instruments is \$47.50. Do the control instruments qualify for NAFTA?

- A)** Yes, under criteria A; all components are “wholly obtained or produced” in a NAFTA country.
- B)** Yes, under criteria B; each of the non-originating components made the necessary tariff shift as required by GN12(t) of the HTSUS.
- C)** Yes, under criteria B; some of the non-originating components did not make the necessary tariff shift as required under GN12(t) of the HTSUS, but the good satisfies the De Minimis Rule.
- D)** Yes, under criteria B; each of the non-originating components made the necessary tariff shift AND the good satisfies the applicable regional value-content requirement as specified by GN12(t) of the HTSUS where the applicable rule specifies both a change in tariff classification and regional value requirement.
- E)** No. The control instruments do not qualify for NAFTA.

**19)** What is the correct classification of artificial flowers made of paper and assembled by binding with flexible materials?

- A)** 4823.70.0000
- B)** 4823.90.8500
- C)** 6702.10.4000
- D)** 6702.90.3500
- E)** 6702.90.6500

**20)** What is the correct classification of a fly fishing reel valued at \$120.00?

- A)** 9507.10.0040
- B)** 9507.10.0080
- C)** 9507.30.4000
- D)** 9507.30.6000
- E)** 9507.90.8000

**21)** Classify a baby's (18 months) matching color-coordinated woven dress and bonnet imported together to the U.S. from Jamaica. The dress is constructed of 45% polyester by weight and 55% cotton fabric by weight. The bonnet is constructed of 100% cotton material. At the time of importation, both garments were entered into the U.S. on hangers in adjoining plastic bags.

- A) 6209.20.1000 and 6505.90.2030
- B) 6209.20.1000
- C) 6209.30.3020
- D) 6209.30.3030
- E) 6505.90.2030

**22)** Which **ONE** of the following is the correct classification for 1.5 liter bottles of 86.4 proof scotch whiskey?

- A) 2207.10.3000
- B) 2207.20.0000
- C) 2208.30.3030
- D) 2208.30.3060
- E) 2208.30.6085

**23)** A domestic water dispensing machine is imported. It consists of a closed metal frame that acts as a stand and a case. It holds a large bottle of water inverted on top. The water flows by gravity into two small tanks inside the metal frame. One tank is fitted with an electrical element that heats the water. The other tank is fitted with electric cooling coils that cool the water. The two tanks are of equal size. On the outside of the frame case are two spouts that are valve operated. One spout is for the hot water and one is for the cold water. They are side by side and are of equal size. Which **ONE** of the following is the correct classification of this water machine?

- A) 7323.94.0080
- B) 8418.69.0020
- C) 8419.89.9020
- D) 8419.89.9060
- E) 8516.10.0080

24) Which **ONE** of the following is the correct classification of a shipment of leather insoles for shoes made wholly of composition leather?

- A) 6406.10.0500
- B) 6406.10.6500
- C) 6406.10.9090
- D) 6406.99.6000
- E) 6406.99.9000

25) Your client, a non-profit institution, plans to import a shipment of live tropical fish. The fish will be displayed at a public exhibition, then sold to a retail pet store approximately two weeks after the date of entry. You advise the client to properly classify the fish under which **ONE** of the following provisions?

- A) 0301.10.0000
- B) 9817.00.7000
- C) 0302.69.4070
- D) 9810.00.7000
- E) 0301.99.0000

26) Supreme Clothiers imports top of the line women's dresses from Hong Kong. What is the correct quota/visa category of a 60% polyester, 40% wool woven dress valued at \$100.00?

- A) 636
- B) no quota/visa category number
- C) 436
- D) 836

E) 336

- 27)** The Christi Hotel imports pairs of gold earrings from Singapore to sell in its lobby gift shop. The earrings are individually packed in pairs in flimsy cardboard boxes. The hotel pays \$25.00 for each, including \$0.50 for the box. Using principles of classification, which **ONE** of the following is correct?
- A) Classified under 4819.20.0040 with a value of \$25.00.
  - B) Classified under 7113.19.5000 with a value of \$24.50.
  - C) Classified under 7113.19.5000 with a value of \$0.50 and under 4819.20.0040 with a value of \$24.50.
  - D) Classified under 7113.19.5000 with a value of \$25.00 and under 4819.20.0040 with a value of \$0.50.
  - E) Classified under 7113.19.5000 with a value of \$25.00.
- 28)** Sands of Time Watch Retailers recently imported 50,000 reptile leather watch straps at a total value of \$112,000.00. The shipment included only the straps and was imported from Argentina. The watch straps will be attached to watches at Sands of Time's corporate facilities in Charleston, SC. What is the correct classification of the watch straps?
- A) 9102.19.60
  - B) 9102.29.60
  - C) 9113.20.20
  - D) 9113.90.80
  - E) 4203.40.30
- 29)** You are the importer of leather guitar strings, which you sell wholesale to retailers around the country. What is the correct classification of the guitar strings used only with guitars?
- A) 9209.92.8000
  - B) 9209.99.8000
  - C) 4204.00.6000
  - D) 4205.00.4000
  - E) 4205.00.8000

- 30)** The Mar-Stone Institute imports marble slabs originating in Italy. The slabs meet the Customs definition of “slabs.” What is the correct classification of the marble slabs?
- A)** 6802.91.1500
  - B)** 6802.91.0500
  - C)** 6802.21.5000
  - D)** 6802.10.0000
  - E)** 6801.00.0000
- 31)** Conveyor belts of vulcanized rubber are being imported by the Audrey McBeal Company. The belts are reinforced with plastics only. What is the correct classification of the conveyor belts?
- A)** 3926.90.5900
  - B)** 3926.90.6090
  - C)** 4010.12.9000
  - D)** 4010.13.0000
  - E)** 4010.19.9000
- 32)** Funky Fences Inc. is a hardware store in Blaine, Washington. Funky Fences imports many different types of wire for their fence making operations. You are the broker and must classify the latest shipment imported from Canada. Funky Fences describes the wire to you as round wire with a diameter of 1.4 mm; it is made of zinc-plated, non-alloy steel, and contains 1% carbon. What is the proper classification of this wire?
- A)** 7217.20.4560
  - B)** 7217.90.5090
  - C)** 7217.10.8075

- D) 7212.20.0000
- E) 7210.30.0000

**33)** Oceanic Melodies, a music company, imports and sells all kinds of musical instruments. A shipment has just arrived in Los Angeles, CA from England. The shipment consists of 1000 violins (valued at \$60.00 per), 1000 violin bows, 500 violas, 600 guitars, and 275 viola cases. What is the correct classification of the bows?

- A) 9202.90.6000
- B) 9202.90.4000
- C) 9202.10.0000
- D) 9202.92.6000
- E) 9202.92.8000

**34)** Tomato Heaven Inc. imports tomatoes from Mexico. You have before you a shipment of field-grown cherry tomatoes entered November 16, 2000. What is the correct classification?

- A) 0702.00.2035
- B) 0702.00.4030
- C) 0702.00.6010
- D) 0702.00.6035
- E) 0702.00.6095

**35)** LaDonna makes additional money by playing her harp at weddings. At her cousin's wedding in Chicago, Illinois, she was furiously playing a wedding song when a harp string broke. She went to the local music store, which had just received a shipment of her favorite brand of replacement harp strings. What is the correct classification of the replacement harp strings imported by the local music store?

- A) 9202.10.0000
- B) 9202.90.6000
- C) 9209.30.0000
- D) 9209.92.6000
- E) 9209.92.8000

- 36)** Blair Bensen is a potato farmer in Idaho. He imports all of his seed potatoes from Ireland in 50 kg sacks. Blair's latest shipment arrived one week ago in the Port of Seattle, Washington just in time for planting. How should you, the broker, classify his potatoes?
- A)** 0710.10.0000
  - B)** 1209.19.0000
  - C)** 2004.10.8040
  - D)** 2005.20.0070
  - E)** 0701.10.0040
- 37)** Holiday Cheer, of New Orleans, Louisiana imports Christmas tree light sets from China. The lighting sets come in many styles. The latest shipment was a miniature wired set. What is the correct classification of this shipment?
- A)** 9505.10.2500
  - B)** 9505.10.1000
  - C)** 9505.90.6000
  - D)** 9405.30.0010
  - E)** 9405.30.4000
- 38)** Oregon Trail Retailers recently imported backpacks manufactured in China. The backpacks were made of 100% cotton and were marked with a sewn-in label on the inside stating "CHINA." The backpacks were received by the retail customer, packaged inside a plastic wrap, which was labeled "OREGON QUALITY". They were imported through the Port of Portland, Oregon. Which **ONE** of the following statements is correct?
- A)** The backpacks are appropriately marked because they were imported in Portland, Oregon.
  - B)** The backpacks are appropriately marked because they have a sewn-in label stating the country of origin.

- C) The backpacks are appropriately marked because they satisfy the cotton products marking requirements.
- D) The backpacks are appropriately marked because Oregon is not a country.
- E) The backpacks are not appropriately marked.

39) Which **ONE** of the following determines classification, for legal purposes?

- A) Title of Sections
- B) Alphabetical Index
- C) Table of Contents
- D) Section Notes
- E) Title of Chapter

40) Wired Up Inc. imports electrical conductors from Mexico. The manufacturer, Wired Up de Mexico is related to Wired Up Inc. and the relationship influences the sales price. The production process uses copper wire from Japan. All other material used is of U.S. origin. The net cost of the electrical conductors is \$56.00 per unit. In order for the electrical conductors to qualify for NAFTA preferential duty treatment under Criterion B (General Note 12 (b)(ii)), the value of the copper wire used per electrical conductor must **NOT** be greater than \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) \$33.60
- B) \$22.40



- C) \$28.00
- D) \$56.00
- E) The value of the copper wire is irrelevant because the copper wire makes the necessary tariff shift.

41) Laminate Industries in Seattle, Washington, sells laminated plywood sheets to the building and home improvement industries. It purchases its large plywood sheets from its parent company, Canadian Laminates, located in Alberta, Canada. Canadian Laminates imports the sheets from its British manufacturer and then sends them to the U.S. firm. The Canadian firm stopped manufacturing in Canada because the general expense cost skyrocketed to 15%, while the profits were only 1% for these plywood laminate sheets. This was not the result of problems at Canadian Laminates, but reflective of the entire Canadian industry that produces these laminated products for export sales to the United States. In Britain plywood laminate producers are able to hold general expenses to 3%, while recouping a 7% profit. The correct basis of appraisement is Computed Value. The information available is as follows:

Materials	\$10,000.00
Labor	\$10,000.00
Fabrication	\$ 1,000.00
General Expenses and Profit	\$ 1,050.00

What is the correct computed value?

- A) \$22,543.00
- B) \$22,050.00
- C) \$23,100.00
- D) \$25,578.00
- E) \$24,360.00

42) A foreign shipper sells 1000 leather attaché cases to a related U.S. importer. The foreign shipper does not sell to any unrelated person. Customs determines that the relationship between the foreign shipper and the U.S. importer influences the price. There is no identical or similar merchandise from the same country of production. The U.S. importer sells the attaché cases in their imported state to three domestic buyers approximately one month after importation. The first buyer purchases 350 cases for \$100.00 each. The second purchaser gets an even better deal, 400 cases for \$80.00 each. The third buyer snaps up the remaining 250 cases for \$75.00 each. The importer also incurred the following expenses:

- Actual international transportation and insurance costs of \$2000.00;
- Domestic transportation costs of \$1000.00;
- Customs duties totaling \$500.00.

In addition, the importer realized profits and general expenses of \$5.00 per case sold.

What is the deductive value of the imported merchandise?

- A) \$71,500.00
- B) \$88,500.00
- C) \$80,000.00
- D) \$78,000.00
- E) \$77,500.00

- 43)** Fred's Salvage Place imports both ball bearings (8482.10.1040 – 1.2% (MX)) and tapered roller bearings (8482.20.0040 – 1.9% (MX)) from Mexico. Fred has a completed certificate of origin for both types of bearings from the manufacturer. He claims NAFTA at time of entry on all his bearing shipments from this particular Mexican manufacturer to take advantage of the lower duty rate. On one particular shipment, the part numbers were inverted and Fred mistakenly classified ball bearings as tapered roller bearings. Consequently he paid the 1.9% NAFTA duty rate instead of the correct 1.2% NAFTA duty rate. He does not discover the error until after the entry liquidates. He would like to get a refund for the additional duty and on September 5, 2000 requests your advice as a competent broker. He gives you the following information:

Import Date	October 10, 1999
Entry Summary Date	October 15, 1999
Liquidation Date	March 15, 2000

Which **ONE** of the following actions would you advise him to take?

- A) File a 520(d) Post NAFTA Claim.
- B) File a 514 Protest.
- C) He's out of luck since it is past 90 days of liquidation.
- D) File a 520(c) Claim.
- E) Don't file anything, because U.S. Customs will assess 1592 penalties.

**44)** During a review of 1999 entry summaries, Reasonable Care Brokers discovered the omission of proceeds paid by OK Trades to the foreign seller on imports of lamps for 10 entries. Reasonable Care Brokers advises OK Trades to submit a Prior Disclosure to the U.S. Customs Service. To be accorded the full benefits of Prior Disclosure treatment, OK Trades must provide all of the following **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) Tender of actual loss of duties, taxes and fees or actual loss of revenue
- B) The class or kind of merchandise involved in the violation
- C) A list of all entry numbers for the 1999-year imports by OK Trades
- D) The material false statements, omissions, or acts including an explanation as to how and when they occurred
- E) The true and accurate information that should have been provided in the entry or drawback claim documents

**45)** EXCEPT for foreign materials incorporated into a good of HTSUS Chapters 1-4, 7,8,11,12,15,17, 20 or into textile or apparel products, foreign materials that do not undergo the applicable change in tariff classification or satisfy the other applicable requirements under the Rules of Origin when incorporated into a good shall be disregarded in determining the country of origin of the good if \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) The value of those materials is no more than 7 % of the value of the good
- B) The value of those materials is more than 7 % of the value of the good
- C) The value of those materials is more than 10 % of the value of a good of Chapter 22, HTSUS
- D) The total weight of those materials is not more than 7 % of the total weight of the good
- E) The value of all foreign materials is no more than 7 % of the value of the good

**46)** AC Corp. sends U.S. hoses and tubing along with French fittings to be assembled into air conditioner (a/c) hoses in Mexico. The finished a/c hoses will then be imported back to the U.S. under the 9802.00.80 provision. The Declaration by the Assembler should identify the description, value, quantity, and manufacturer of \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A)** The finished a/c hoses
- B)** The U.S. origin components
- C)** The Mexican origin components
- D)** The French origin components
- E)** All components

**47)** You are the broker for a large importer of woolen products from Scotland. At your client's request, you have filed a timely protest against the changed liquidation of several entries which resulted in an increase in the amount of duties assessed. After consultation with your client, you decide that you wish to supplement your protest in writing with several additional arguments. The reviewing officer will consider your additional arguments provided which **ONE** of the following requirements are satisfied?

- A)** No more than 30 days have gone by since the protest was filed.
- B)** The Protestant applied for and was granted further review.
- C)** The 90-day protest filing period has not yet expired.
- D)** There has not yet been a disposition of the protest.
- E)** The Protestant did not request accelerated disposition of the protest.

- 48) Which **ONE** of the following is **NOT** required information on a certificate of manufacture and delivery?
- A) Date of manufacture or production of the articles.
  - B) HTSUS number for the imported merchandise to at least the 8<sup>th</sup> digit.
  - C) The quantity, kind and quality of imported, duty-paid merchandise or drawback product designated.
  - D) Date received at factory.
  - E) The person to whom the article or drawback product is delivered.
- 49) Which of the following is **NOT** considered an *Assembly Operation* under the provisions of 9802.00.80?
- A) Riveting
  - B) Welding
  - C) Force Fitting
  - D) Fastening
  - E) Mixing of liquids
- 50) The Port Director may approve a blanket application to manipulate goods in a bonded warehouse for which **ONE** of the following time periods?
- A) Up to 5 years
  - B) Up to 90 days
  - C) Any length of time, with the consent of the warehouse proprietor
  - D) Up to 1 year
  - E) Up to 1 month
- 51) On November 11, 2000, LAC Ltd., of Quebec, consigned 4000 jewelry boxes to AJ Enterprises in Boise, Idaho. AJ, in turn, sells these boxes to two retail outlets throughout the United States. LAC has previously consigned identical merchandise in similar quantities to unrelated buyers in the United States. On October 28, 2000, LAC made an unrelated sale of identical Canadian produced boxes to DC Jewelers

in Indianapolis, Indiana. Based on this information, the basis of appraisement for the 4000 jewelry boxes would be?

- A) Transactions Value
- B) Transaction Value of Identical merchandise bases on LAC's previously consigned merchandise
- C) Transaction Value of identical merchandise, based on the sale to DC Jewelers
- D) Computed Value
- E) Deductive Value

52) You are the broker for Hanworth Industries. Hanworth wishes to file a drawback claim. You advise Hanworth that it may get a refund on all but which **ONE** of the following types of duties and fees paid?

- A) Ordinary duties paid on an entry for consumption that has been finally liquidated.
- B) Marking duties.
- C) Duties tendered in connection with notices of prior disclosure.
- D) Voluntary tenders.
- E) Antidumping duties.

53) The total time for which extensions of liquidation may be granted by the Port Director may not exceed \_\_\_\_\_ year(s). Which **ONE** of the following choices correctly fills in the blank?

- A) 1
- B) 2
- C) 3
- D) 4
- E) 5

54) According to the Customs recordkeeping regulations, all but which **ONE** of the following persons are required to maintain records and render them available to Customs for examination?

- A) A consumer who purchases an imported automobile from a domestic dealer.

- B)** A person who exports goods to Canada or Mexico for which a Certificate of Origin was completed and signed.
- C)** A Customs broker who enters merchandise for clients.
- D)** An owner who imports merchandise into the Customs territory of the United States.
- E)** A person who transports merchandise under bond.

**55)** Which **ONE** of the following qualifies as “merchandise” under the Foreign Trade Zone regulations?

- A)** Lottery tickets.
- B)** Firecrackers.
- C)** A forklift for moving pallets of merchandise within the zone.
- D)** Lumber imported for constructing a fence in the zone.
- E)** A shipment of manifestos urging the overthrow of the U.S. government.

**56)** Merchandise may remain in a bonded warehouse for a period not to exceed \_\_\_\_\_ year(s) from the date of importation. Which **ONE** of the following choices correctly fills in the blank?

- A)** 1
- B)** 2
- C)** 3
- D)** 5
- E)** 10

**57)** Except for bills resulting from dishonored checks or dishonored ACH transactions, all other bills for duties, taxes, fees, interest, or other charges are due and payable within \_\_\_\_ days of the date of issuance of the bill. Which **ONE** of the following choices correctly fills in the blank?

- A) 10
- B) 15
- C) 30
- D) 20
- E) 90

58) Best Brokers, Inc. decides to consolidate its records. Its notice of consolidation must include a detailed statement describing all of following **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) The methodology of record maintenance
- B) A list of Best's customs business activity locations
- C) All the records to be maintained at each consolidated location
- D) Any automated data processing to be applied
- E) The addresses at which BEST currently maintain its records

59) An entry for consumption is the only acceptable form of entry if more than \_\_\_\_\_ have elapsed from the date of the original importation of merchandise received under an immediate transportation entry. Which **ONE** of the following choices correctly fills in the blank?

- A) 2 working days
- B) 15 calendar days
- C) 30 days
- D) 6 months
- E) 3 years

60) Rockport Interiors of Texas sells seashell lamps. It sources them from a Mexican manufacturer, Luz, SA de CV. Rockport provides leased molds, engineering drawings, and the seashell components, all free of charge, to Luz. The molds are leased from an unrelated U.S. firm, Corpus Christi Molders, for \$200.00. They are worth \$4000.00. The freight bill from Corpus Christi to Luz is \$150.00. The engineering drawings were produced at Rockport Interiors and are valued at \$1000.00. The seashells were purchased from another unrelated firm for \$700.00



and cost an additional \$60.00 to ship to the Luz manufacturing facility. The invoice price for the lamps, excluding the above items, is \$14,000.00. What is the proper appraised value of the lamps, under Transaction Value, of the Instant Shipment?

- A) \$15,110.00
- B) \$18,910.00
- C) \$14,000.00
- D) \$19,910.00
- E) \$19,700.00

61) An application for a national permit must include all of the following information **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A) The applicant's broker license number and date of issuance
- B) The address and telephone number of the office designated as the office of record for national permit activities
- C) The list of activities for which the national permit will be used
- D) A receipt or other evidence showing payment of the permit and user fees
- E) The name, broker license number, office address, and telephone number of the individual broker who will exercise responsible supervision and control over the activities of the applicant, conducted under the national permit

62) The period of time during which merchandise entered temporarily under bond may remain in the Customs territory of the United States may be extended for not more than \_\_\_\_\_ further period(s) of 1 year each, or such shorter period as may be appropriate. Which **ONE** of the following choices correctly fills in the blank?

- A) One
- B) Two
- C) Three
- D) Four
- E) Five

- 63) If upon examination of a protest for which an application for further review has been denied in whole or in part by the Port Director, the protest shall be reviewed by the Commissioner of Customs or his designee, provided the protest and application raised an issue in all of the following **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?
- A) The existence of an established and uniform practice
  - B) The lack of uniformity of treatment
  - C) Questions which have not been the subjects of a Headquarters, U.S. Customs Service ruling or court decision
  - D) The preliminary examination for the purpose of determining the timeliness of the protest
  - E) The interpretation of a court decision or ruling of the Commissioner of Customs or his designee
- 64) A brokers license is required to carry out which **ONE** of the following activities for another person?
- A) Making a vessel entry.
  - B) Entering merchandise to be transported in bond.
  - C) Paying import duties to Customs.
  - D) Applying for privileged foreign status for merchandise in a foreign trade zone.
  - E) An individual entering a single noncommercial shipment for another.
- 65) When liquidation of an entry continues to be suspended beyond the \_\_\_\_ year period due to a statute or court order, the entry shall be liquidated within \_\_\_\_\_ days after removal of the suspension. Which **ONE** of the following choices correctly fills in the two blanks?
- A) 4 ; 90
  - B) 5 ; 60
  - C) 3 ; 30
  - D) 5 ; 90
  - E) 2 ; 30

**66)** Distilled spirits warehoused under section 5214(a)(9), Internal Revenue Code, may be withdrawn only for the purpose of \_\_\_\_\_, either directly or after re-warehousing at the same or another port. Which **ONE** of the following choices correctly fills in the blank?

- A)** manipulation
- B)** exportation
- C)** re-importation
- D)** domestic consumption
- E)** manufacturing

**67)** The Port Director may accept all of the following in lieu of sureties on bonds **EXCEPT** \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?

- A)** U.S. money
- B)** U.S. certificates of Indebtedness
- C)** Treasury bills
- D)** Treasury notes
- E)** Savings bonds

**68)** Which **ONE** of the following is not covered by a National Permit?

- A)** NCAP participation
- B)** PATS
- C)** Electronic Drawback Claims
- D)** Employee Implant
- E)** Representations after entry summary acceptance

- 69) Which one of the following is **NOT** an allowable means of testing the acceptability of a related party transaction?
- A) Looking at the price to see if it includes all costs plus a profit equal to a firm's overall profit over a representative period of time in sales of merchandise of the same class or kind.
  - B) Looking at a previously determined test value to see if the related price closely approximates that price.
  - C) Looking at a previously determined foreign value in the country of production.
  - D) Finding that the price was based on a formula derived for the two related parties that was standard for the industry.
  - E) Finding that the seller prices goods to non-related parties at the same prices.
- 70) Pete files a consumption entry for perishable goods that is subject to absolute quota, electing immediate delivery on a Customs Form 3461. His merchandise is released January 2. The quota category for the merchandise Pete is importing closes on January 4. Pete files his entry summary with payment of duties on January 8. Which **ONE** of the following actions is correct?
- A) Pete must file a corrected consumption entry and pay a higher rate of duty.
  - B) Pete must file a temporary importation bond entry because his merchandise was released before the quota category closed.
  - C) Pete must redeliver the merchandise, pay a higher rate of duty, and file a revised consumption entry.
  - D) Pete must file a warehouse entry, export, or destroy the merchandise under Customs supervision.
  - E) Pete will lose his special permit for immediate delivery.
- 71) Merchandise unladen in which **ONE** of the following harbors is **NOT** subject to the Harbor Maintenance Fee?
- A) Vancouver, WA
  - B) Washington, DC
  - C) Silver Bay, MN
  - D) Gary, IN
  - E) Albany, NY

- 72) Which one of the following may **NOT** be used as the basis of appraisal for valuation if other values cannot be determined?
- A) The 90-day requirement for the sale of merchandise under Deductive value may be adjusted.
  - B) Identical merchandise from a different country of production may be used.
  - C) Previously determined values based on computed value may be used.
  - D) Values of identical U.S. manufactured merchandise may be used.
  - E) Date of exportation requirements for identical merchandise may be flexibly interpreted.
- 73) A correction of a clerical error, mistake of fact, or other inadvertence pursuant to 520(c)(1), Tariff Act of 1930, as amended, must be filed within \_\_\_\_\_. Which **ONE** of the following choices correctly fills in the blank?
- A) One year after liquidation
  - B) One year of importation date
  - C) One year of entry summary date
  - D) Ninety days after liquidation
  - E) Fifteen months of entry summary date
- 74) Moneytree Inc. has submitted a purchase order to Trousers Unlimited for 100 dozen trousers. Trousers Unlimited buys cotton grown and harvested in the U.S. and sends it to France to be spun into yarn. The yarn is shipped to Italy where it is woven into fabric. The fabric is then sent to Belgium where it is dyed red. The red fabric finally goes to Spain where it is made into trousers. Moneytree Inc. then imports the trousers into the U.S. What is the country of origin of the trousers?
- A) U.S.
  - B) France
  - C) Belgium
  - D) Spain
  - E) Italy
- 75) Dutiable merchandise imported and afterwards exported is subject to duty on every subsequent importation into the Customs territory of the United States, even though

duty may have been paid on the first importation. Which one of the following is **NOT** an exception to this statement?

- A) Personal and household effects taken abroad by a resident of the United States and brought back on his return to this country.
- B) Domestic animals taken abroad for temporary pasturage purposes and returned after 1 year.
- C) Automobiles and other vehicles taken abroad for noncommercial use and returned.
- D) Articles exported under lease to a foreign manufacturer and returned.
- E) Professional books, implements, instruments, and tools of trade, occupation, or employment taken abroad by an individual and brought back on his return to the country.

76) Which one of the following is **NOT** related to the transportation of merchandise in bond?

- A) Entry for transportation & exportation
- B) Entry for exportation
- C) Entry for immediate transportation.
- D) Warehouse or re-warehouse withdrawal for transportation
- E) Immediate Delivery

77) A shipment of shrimp is entered and released. It is later found to be prohibited. The Port Director demands its return to Customs custody. An entry summary and the deposit of estimated duties, if any, shall **NOT** be required provided an entry for exportation or an application to destroy the shrimp under Customs supervision is made within \_\_\_\_\_ days after the time of entry, and the exportation or destruction is accomplished promptly. Which **ONE** of the following choices correctly fills in the blank?

- A) 5
- B) 10
- C) 15
- D) 30
- E) 60

- 78) Which **ONE** of the following is the time limit for filing an entry for transportation and exportation after release under immediate delivery is?
- A) 5 working days.
  - B) 15 calendar days.
  - C) 10 working days.
  - D) 30 working days.
  - E) 1 year.
- 79) Total Communications located in Blue Bell, Pennsylvania is a wholly owned subsidiary of Web Com in Montreal, Quebec. When analyzing the invoiced sale price, you may use which **ONE** of the following to establish the acceptability of the price?
- A) WebCom sells to all non-related Canadian company at the same price as the sale to Total Communications.
  - B) WebCom has completed a NAFTA verification, and based on the Transaction Value Method, they have a Regional Value content of at least 60%.
  - C) A significantly higher test value is available, and may be adopted as the Transaction Value of the Instant Shipment.
  - D) WebCom's price to Total Communications is sufficient to recover all costs, plus their annual overall company profit of 5%.
  - E) WebCom bases their price to Total Communications on a formula, which is a usual industry method.
- 80) Which one of the following classifications does **NOT** represent eligible articles entitled to duty-free treatment under the Caribbean Basin Initiative?
- A) 6109.90.1007
  - B) 7411.10.5000
  - C) 6117.80.8500
  - D) 0709.90.3500
  - E) 2402.10.3030

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



## Answer Key for the April 2001 Customs Broker Licensing Exam

- 1 **B** GRI 3(a)(b)(c)
- 2 **E** 19 CFR 24.1
- 3 **B** 19CFR 10.16
- 4 **A** 19CFR 132.5
- 5 **C** 19 CFR 142.15
- 6 **D** 19 CFR 111.29(a)
- 7 **B** 19 CFR 19.12(d)(4)
- 8 **E** 19 CFR 113.62
- 9 **D** 19 CFR 141.68 ( c)
- 10 **A** 19 CFR 111.30 (d) 111.96(d)
- 11 **B** 19 CFR 143.11
- 12 **C** 19 CFR 174.21(b)
- 13 **D** 19 CFR 143.23(j)
- 14 **E**. (19CFR181, App Section 5(1)(a); Section 5(4)(I);HTSUS  
8415.10/8415.90.40;GN12(t) /84.32)
- 15 **B**. General Statistical Note 4(c)
- 16 **E**. 19CFR 177.23
- 17 **C** 19CFR 134.45(b)
- 18 **B**. (19CFR181 App Part II Sec 4 (2) & GN 12(t)90.78)
- 19 **E**. GRI 3(a)
- 20 **D**. HTS Chapter 95
- 21 **B**. HTS Chap 62 add US note1Textile Art GRI 1
- 22 **C**. HTS Chapter 22, additional U.S. Note 5
- 23 **E**. GRI 3(c)
- 24 **D**. HTS Chapter 64
- 25 **A**. HTS Chapter 98, Subchapter X, U.S. Note 1
- 26 **C**. HTS Chapter 62
- 27 **E**. GRI 5(b)
- 28 **D**. Chapter 42 Note 3; Chapter 91 Additional U. S. Note 2
- 29 **A**. Chapter Note 42(1)(ij)
- 30 **B**. Additional U.S. Note 1
- 31 **D**. Chapter 39 Note 2(h); Chapter 40 Note 1 and 8.
- 32 **A**. Chapter 72
- 33 **C**. Chapt 92, Note 2
- 34 **D** eo nominee
- 35 **C** eo nominee
- 36 **E** eo nominee
- 37 **D** eo nominee; Chapter 95 Note 1(t);
- 38 **E** 19cfr 134.46
- 39 **D** (GRI 1)
- 40 **C**. 19CFR181, App Part II Sec 4 (2)(b), Part III Sec 6 (3), (6)  
(b), Sch III Sec 1 (2)(d) & GN 12
- 41 **E** 19CFR152.106

42	A	152.105
43	D.	(19CFR173.4 & 19 USC1520(c)(1) & Part 181.31 Subpart D)
44	C.	(19CFR162.74(b) & (c))
45	A.	(19CFR102.13(a), (b), & (c))
46	B.	(19CFR10.24 (a)(1))
47	D	19 CFR 174.28
48	B	19 CFR 191.24(b)
49	E.	(19CFR10.16(a))
50	D	19 CFR 19.11(d)
51	C	19CFR 152.101
52	E	Part 191.3 a and/or b
53	C	19 CFR 159.12(e)
54	A	19 CFR 163.2
55	B	19 CFR 146.1
56	D	19 CFR 144.5
57	C	19 CFR 24.3(e)
58	E	19 CFR 111.23(b)(2)(ii)
59	D	19 CFR 18.12(a)
60	A	19CFR 152.102 (a) and 152.103 (d)
61	C	19 CFR 111.19(f)
62	B	19 CFR 10.37
63	D	19 CFR 174.26(b)(1)
64	C	19 CFR 111.2
65	C	19 CFR 159.12(f)(2)
66	B	19 CFR 144.15(c)(2)
67	E	19CFR 113.40(a)
68	B	19 CFR 111.2(b)(2)
69	C	19CFR 152.103(j)(2)
70	D	19CFR132.14, 142.21(e)(2)
71	C	19 CFR 24.24
72	D	19CFR152.107 and 152.108
73	A.	19CFR173.4(c))
74	D.	19CFR102.21(c)(3)(ii)
75	B	19 CFR 141.2
76	E	19 CFR 18.10(a)
77	B	142.18(a)
78	C	19 CFR 142.23 Part 18;
79	E	19CFR152.103(j)(2), 152.103(l), Interpretive Note 2)
80	A.	19CFR10.191(2)