

United States of America  
CUSTOMS SERVICE

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Customs Broker Licensure Examination

**DIRECTIONS TO THE COMPETITOR - READ CAREFULLY**

This examination consists of 80 questions. A passing score is 75%. You are to choose the **ONE** 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 (2002)** (USITC Publication 3477) (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) By regulation, which **ONE** of the following entries shall be liquidated?
- A) Temporary importation under bond
  - B) Entry for immediate exportation
  - C) Vessel repair entry
  - D) Informal entry
  - E) Entry for immediate transportation
- 2) To avoid transfer to general order, merchandise included in an immediate transportation without appraisement entry shall be entered no later than \_\_\_\_\_ after delivery at the port of destination.

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

- A) 48 hours
  - B) 5 working days
  - C) 15 calendar days
  - D) 10 working days
  - E) 6 months
- 3) The following legal persons are importers:

Axion, Inc., a corporation  
Jane Harrington, an individual  
B & T, LLP, a limited liability partnership  
AxConcepts, Inc., a subsidiary of Axion, Inc.  
ADS, an unincorporated division of AxConcepts, Inc.

Which **ONE** of the following combinations of legal persons may serve as co-principals on a customs bond?

- A) Jane Harrington and B & T, LLP
- B) AxConcepts, Inc. and ADS
- C) Axion, Inc. and ADS
- D) B & T, LLP and Axion, Inc.
- E) Axion, Inc. and AxConcepts, Inc.

- 4) An importer makes a \$1,000 initial deposit of estimated duties, taxes and fees on January 1, 2001 and the entry liquidates for \$1,500 on December 1, 2001. Upon liquidation the importer will be billed for \_\_\_\_\_.

Choose the **ONE** answer from the following choices that correctly fills in the blank found immediately above.

- A) \$500 plus interest
- B) \$1,500
- C) \$1,500 plus interest
- D) \$500
- E) Interest on the \$500

- 5) If several timely filed protests are treated as part of a single protest, the Port Director shall review and act on the protests filed, \_\_\_\_\_.

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

- A) within 2 years from the date the first protest was filed
- B) within 2 years from the date the consolidation of the protests were filed
- C) within 2 years from the date the last protest was filed
- D) within 2 years from the date of the protest filed by the principal
- E) within 2 years from the date of the end of the protest period

- 6) Except in the case of articles for use in a foreign trade zone, merchandise for which a Customs permit for transfer to Customs territory has been issued must be physically removed from the zone within \_\_\_\_\_ of issuance of that permit, unless an extension is granted by the Port Director.

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

- A) 48 hours
- B) 2 working days
- C) 5 working days
- D) 10 working days
- E) 30 calendar days

- 7) Far North Enterprises of Winnipeg, Canada, sells a shipment of down-filled slippers to Footwear Distributors, Inc. of Chicago. Before the slippers arrive by truck at the border in Pembina, North Dakota, Footwear Distributors, Inc. finds a buyer for the entire shipment. The new buyer is located in Denmark. Footwear Distributors, Inc. arranges for the shipment to be transported by air out of Chicago.

Which **ONE** of the following entry types should be filed in Pembina?

- A) Consumption entry
- B) Entry for immediate transportation without appraisement
- C) Entry for exportation
- D) Temporary importation under bond
- E) Entry for transportation and exportation

- 8) All records which pertain to the filing of a drawback claim or to the information contained in the records required in connection with the filing of a drawback claim shall be retained for \_\_\_\_\_ after payment of such claim, or a longer period if required by law.

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

- A) 60 calendar days
- B) one year
- C) two years
- D) three years
- E) five years

- 9) A woven 100% silk handkerchief of square construction, each side measuring 65 centimeters, is imported into the United States from Italy. The fabric used to make the handkerchiefs was formed in Korea. The fabric was then sent to Uzbekistan where it was dyed. Subsequently, the fabric was sent to Hong Kong where it was cut into components. The components were sent to China where they were sewn into handkerchiefs. Next, the handkerchiefs were sent to Italy where they were embroidered. Which **ONE** of the following is the correct country of origin of the handkerchiefs?

- A) Italy
- B) Korea
- C) Uzbekistan
- D) Hong Kong
- E) China

- 10) Wilderness Inc. wants to begin importing tents. The material comprising the roof and walls is polyester fabric from Taiwan. One hundred percent plastic sheeting from Macau is used to make the tent floor. The cutting and assembly process is performed in Hong Kong. After the tents are assembled, they are shipped to China where they are packed in carrying bags along with the tent poles. The carrying bags are made in China and the poles are made in Germany. Which **ONE** of the following is the correct country of origin for the tents?
- A) Taiwan
  - B) Macau
  - C) Hong Kong
  - D) China
  - E) Germany
- 11) Which **ONE** of the following is **NOT** considered an indirect material under the NAFTA Rules of Origin?
- A) Tools, dies and molds
  - B) A spare part used in the maintenance of equipment
  - C) A raw material used in the production of a sub-component used in the finished good
  - D) Fuel and energy
  - E) Safety equipment
- 12) Don Jones is a licensed broker who runs his own brokerage business. Which **ONE** of the following activities may Don safely undertake without subjecting himself to sanction by Customs?
- A) Don hires his niece, and to protect her privacy decides not to notify Customs of her previous felony conviction for forgery.
  - B) Don receives a duty refund for a client and immediately notifies the client in writing that the refund will be applied to offset a debt owed him by the client.
  - C) Don attracts new clients by informing them, with a knowing wink, of his brother's employment with Customs.
  - D) Don reassures a client that unreported proceeds of a subsequent resale that accrue to the benefit of the foreign seller will probably remain undiscovered by Customs.
  - E) Don fails to inform several clients that he, too, occasionally imports merchandise of the same general character as that imported by them.

- 13) Which **ONE** of the following statements regarding Customs enforcement of copyrights is **TRUE**?
- A) Importation of copies of phonorecords that are the subject of a registered copyright is always a Customs violation.
  - B) Customs enforces the Piracy and Counterfeiting Amendments Act of 1982 which provides a maximum fine of \$250,000 or imprisonment for not more than five years, or both, for offenses involving infringement of copyrights for audiovisual works.
  - C) A registered copyright may be recorded with Customs for \$380.00 because copyright recordings are valid for a term of twenty years.
  - D) Recordation of a copyright with Customs is valid for the term of the copyright.
  - E) If a Port Director withholds delivery of an article because he has reason to believe it is an infringing copy of a recorded copyrighted work, the importer must file a statement denying that the article is an infringing copy to avoid seizure and forfeiture of the article.
- 14) A harbor maintenance fee will be assessed on which **ONE** of the following?
- A) Tents unladen from a commercial vessel in Milwaukee to be used as temporary housing for flood victims along the upper Mississippi River
  - B) Cargo loaded in San Diego on a private yacht used exclusively by its owner
  - C) Bunker fuel loaded on a commercial vessel in Baltimore
  - D) Fish unladen from a commercial fishing vessel in Corpus Christi
  - E) Trucks loaded on a U.S. naval vessel in Norfolk for use in military operations overseas
- 15) A *bona fide* gift worth \$90, sent by means other than the mail, is entered by presenting the bill of lading. Which **ONE** of the following categories of information is **NOT** required to be filed as a part of such entry?
- A) Shipper name, address and country
  - B) Harmonized tariff number
  - C) Quantity
  - D) Shipping weight
  - E) Value

- 16) Express Brokers operates a Class 3 warehouse for the storage of imported merchandise. A routine inspection by an Express Brokers employee reveals that some of the stored merchandise was stolen over the weekend. Express Brokers immediately notifies the Port Director of the theft. Written confirmation of the theft must be provided within \_\_\_\_\_ after the theft was originally brought to the attention of the Port Director. Which **ONE** of the following correctly fills in the blank?
- A) 48 hours
  - B) 2 working days
  - C) 5 business days
  - D) 10 working days
  - E) 20 calendar days
- 17) If an A.T.A. carnet is lost while the goods which it covers are in the Customs territory of the U.S., upon request of the guaranteeing association which issued the carnet abroad, the Port Director may accept a replacement document if \_\_\_\_\_.

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

- A) the validity of the replacement document expires one year from the date of replacement and the Port Director can determine that the description of merchandise fully corresponds to the description set forth in the importation voucher from the carnet to be replaced
- B) the importer can provide proof of entry
- C) the validity of the replacement document expires on the same date as the carnet which it replaces and the Port Director can determine that the description of merchandise fully corresponds to the description set forth in the exportation voucher from the carnet to be replaced
- D) the validity of the replacement document expires on the same date as the carnet which it replaces and the Port Director can determine that the description of merchandise fully corresponds to the description set forth in the importation voucher from the carnet to be replaced
- E) the validity of the replacement document expires on the same date as the carnet which it replaces and the importer provides a single transaction bond to protect the revenue in case of fraud



- 18) Which **ONE** of the following goods is **NOT** excepted from the country of origin marking requirements?
- A) Scrap and waste
  - B) Articles imported for use by the importer and not intended for sale in their imported or any other form
  - C) Yarns
  - D) Candle wicking
  - E) Sponges packaged in boxes for retail sale
- 19) An importer retains its entry records in their original paper format. An internal audit of operations reveals that storage costs are taking up too much of the company's budget. A decision is made to change record storage from paper to a CD-ROM format. The Customs Regulations specify that written notice of the alternative storage method must be provided to Customs at least \_\_\_\_\_ before implementation of the alternative storage method.

Choose **ONE** of the following choices which correctly fills in the blank found directly above.

- A) 10 working days
- B) 30 calendar days
- C) 60 calendar days
- D) 30 working days
- E) 120 calendar days

- 20) Pacific Produce, Inc. imports fresh fruits and vegetables for human consumption over the Mexican border. Which **ONE** of the following would **NOT** constitute a valid reason for the Port Director to discontinue Pacific Produce, Inc.'s immediate delivery privileges?
- A) Pacific Produce, Inc. has failed repeatedly to file entry summaries for consumption timely without justification.
  - B) Pacific Produce, Inc. has not taken prompt action to settle a claim for liquidated damages issued for failure to deposit estimated duties, taxes and fees.
  - C) Pacific Produce, Inc. is substantially or habitually delinquent in the payment of Customs bills.
  - D) Pacific Products, Inc. has failed repeatedly to enter for consumption produce which has been examined at the importer's premises and determined to be of no commercial value.
  - E) Pacific Products, Inc. has repeatedly delivered entry summary documentation which is incomplete or which contains erroneous information.
- 21) A shipment of nails arrives by vessel in Baltimore on December 24. An immediate transportation entry is filed and accepted on December 26 and the nails are then transported to Cleveland under bond, where they arrive on December 29. A consumption entry is filed on January 5 in Cleveland, and the entry summary with estimated duties attached is filed three days later, on January 8. The nails will be subject to the rate of duty in effect on which **ONE** of the following dates?
- A) December 24
  - B) December 26
  - C) December 29
  - D) January 5
  - E) January 8

- 22) Sagal's Modern Furniture imports classic Danish reproduced chairs from Mexico. During an internal review of their year 2000 imports, Sagal's discovered that 5 of their shipments failed to include an assist of \$15,000 per shipment. Each shipment was originally entered at the invoice value of \$30,000. Because the chairs qualified for NAFTA and were therefore duty and MPF free, Sagal's decided it was not necessary to report the issue to Customs. Early in year 2001, Customs discovers the discrepancies through an audit and issues a penalty under 19 USC 1592 for negligence against the 5 shipments. Which **ONE** of the following would be the amount of the assessed penalty?
- A) \$45,000
  - B) \$225,000
  - C) \$75,000
  - D) \$90,000
  - E) \$25,000
- 23) Which **ONE** of the following is **NOT** considered an assembly operation?
- A) Gluing golf club shafts, heads, and grips together to form a golf club
  - B) Sewing precut components of a blouse together to form a garment
  - C) Mixing cola syrup with water and salt to form a cola beverage
  - D) Laminating precut strips of lumber together to form large beams
  - E) Snapping force-fitted injection molded components together to form a toy
- 24) Under subheading 9801.00.25, which **ONE** of the following conditions is **NOT** required in connection with duty-free entries of articles, which were originally entered, duty paid, removed from Customs custody and subsequently exported?
- A) The articles were exported within 3 years after the date of the previous importation.
  - B) The articles are reimported by or for the account of the person who imported them into and exported them from the U.S.
  - C) The articles were not advanced in value but improved in condition by process of manufacture or other means while abroad.
  - D) The articles did not conform to sample or specifications abroad.
  - E) A Declaration from the owner, importer or consignee and the person abroad that are requested by the Port Director.

- 25) Which **ONE** of the following procedures does **NOT** constitute an operation incidental to the assembly process for the purposes of classification under 9802.00.80, the provision for foreign articles assembled with U.S. components?
- A) Removing rust from an article
  - B) Cleaning an article
  - C) Applying a preservative lubricant
  - D) Trimming small amounts of excess materials
  - E) Dying a textile article
- 26) A “v” appearing in the column for units of quantity in the HTS indicates which **ONE** of the following items:
- A) No quantity other than gross weight is to be reported.
  - B) It is an abbreviation for Vanadium Pentoxide content in kilograms.
  - C) The merchandise is a set.
  - D) The value of the article is to be reported with the second unit of quantity.
  - E) The quantity is not required to be reported.
- 27) Which **ONE** of the following is the correct classification for dried mangoes from Mexico entered on July 5<sup>th</sup>?
- A) 0804.50.4040
  - B) 0804.50.6040
  - C) 0804.50.8000
  - D) 0811.90.5200
  - E) 0813.40.9000
- 28) Which **ONE** of the following is the correct classification for onion sets, 12 millimeters in diameter, intended for sowing, and treated with fungicide to render them inedible?
- A) 0703.10.3000
  - B) 0703.10.2000
  - C) 9903.02.31
  - D) 1209.91.4000
  - E) 0703.10.4000

- 29) Which **ONE** of the following is the correct classification for a handbag manufactured wholly of plastic beads?
- A) 4202.22.1500
  - B) 4202.22.8080
  - C) 4202.29.9000
  - D) 3926.90.9880
  - E) 3926.90.3300
- 30) Catherine's Convenience Stores, Inc. wants to import travel sets for sewing. Which **ONE** of the following General Rules of Interpretation (GRI) is used to correctly classify the travel sets for sewing?
- A) GRI 1
  - B) GRI 2 (b)
  - C) GRI 3 (b)
  - D) GRI 4
  - E) GRI 5
- 31) A men's knit sweater with 9 stitches per 2 centimeters is composed of 50% cotton fibers and 50% polyester fibers. Which **ONE** of the following is the correct classification?
- A) 6110.20.2010
  - B) 6110.20.2065
  - C) 6110.30.3010
  - D) 6110.90.9010
  - E) 6110.90.9014
- 32) Diego Stone, Inc. imports natural stone and concrete slabs, tiles, and garden articles from Brazil. You are the broker and have been asked to classify a shipment of granite chairs which will be sold as garden seats. Which **ONE** of the following is the correct classification?
- A) 6802.23.0000
  - B) 6802.99.0060
  - C) 6815.99.4000
  - D) 9401.79.0015
  - E) 9401.80.6030

33) Albacore is caught on a Marshall Islands' flagged vessel, packed in water in cans with a total weight of 5 kilograms, and is imported directly on July 5<sup>th</sup>, 2002 from the Marshall Islands to the Port of Portland. The total imports to date from freely associated states total 9% of the U.S. consumption of canned tuna for 2001. The total amount of canned tuna imported into the U.S. to date in 2002 totals 36% of the U.S. pack of canned tuna during 2001. Which **ONE** of the following classifications and duty rates is correct, respectively?

- A) 1604.14.2020; 6%
- B) 1604.14.2020; Free
- C) 1604.14.2040; 6%
- D) 1604.14.3020; 12.5%
- E) 1604.14.3020; Free

34) Madeline Hatter of Washington D.C. imports wearing apparel accessories including scarves, ties, gloves, and also headwear. She wants to bring in a new item and asks for the classification. The item is a woven hat, not in part of braid, which is 55% nylon, 45% wool. Which **ONE** of the following is the correct classification for the hat?

- A) 6505.90.4090
- B) 6505.90.6040
- C) 6217.10.9530
- D) 6505.90.8090
- E) 6505.90.9089

35) Lila runs an upscale hair salon and decides she wants to sell a variety of hair accessories made of precious metals and stones at her salon. She finds hair combs made of gold in Egypt and decides to use the services of a Customs broker to make entry for the hair combs.

Which **ONE** of the following is the correct classification for the hair combs made of gold?

- A) 9615.19.4000
- B) 9615.90.3000
- C) 7113.20.5000
- D) 7113.19.5000
- E) 7114.19.0000

- 36) For the purposes of heading 4203, the expression “articles of apparel and clothing accessories” applies, inter alia, to many articles of leather. Which **ONE** of the following choices is **NOT** covered by this expression?
- A) leather watch straps
  - B) leather belts
  - C) leather sports gloves
  - D) leather aprons
  - E) leather wrist straps
- 37) American Textiles Manufacturing, Inc. in North Carolina has several machines it uses to cut man-made textile materials in its textile plant. The stranded brass plated steel tire cord used in several of the machines needs to be replaced. The wire strands making up the cord are of steel that is other than stainless. American Textile Manufacturing, Inc. wants to import the stranded brass plated steel tire cord from Japan. Which **ONE** of the following is the correct classification for the stranded brass plated steel tire cord?
- A) 8448.20.5090
  - B) 7413.00.1000
  - C) 7312.10.1030
  - D) 7312.10.3005
  - E) 7312.10.3045
- 38) John recently graduated from dental school and is opening his own practice. He has decided on leather dental chairs with attached spittoons that are manufactured in Germany. He would like to import these and comes to you for advice. Which **ONE** of the following is the correct classification for the dental chairs?
- A) 9402.10.0000
  - B) 9402.90.0020
  - C) 9401.30.8030
  - D) 9018.49.8040
  - E) 9018.49.8080

- 39) Humphries Construction Co. purchased a used bulldozer at an extremely reasonable price from a foreign supplier. The foreign supplier advised Humphries Construction Co. that the bulldozer was manufactured in the United States. The foreign supplier is owned by Oil USA Inc. Oil USA Inc. manufactures the bulldozer in the U.S. using some foreign parts. Upon exportation out of the U.S., Oil USA Inc. claims manufacturing drawback on the foreign duty paid parts. Which **ONE** of the following is the correct classification that Humphries Construction Co. must use upon importation of the machine?
- A) 9801.00.1037
  - B) 9801.00.1043
  - C) 9801.00.8000
  - D) 9801.00.2600
  - E) 8429.19.0090
- 40) Charles wants to import children's books to sell in his bookstore. The books he is seeking to import are hardbound children's books in which the text is the principle interest. Which **ONE** of the following is the correct classification for the books?
- A) 4903.00.0000
  - B) 4901.99.0070
  - C) 4911.99.8000
  - D) 4901.99.0092
  - E) 9503.90.0080
- 41) Which **ONE** of the following is the correct classification for a roll of knit looped pile fabric, made of 100% man-made fibers that is visibly coated on one side with polyvinyl chloride? The fabric is more than 70% by weight of the polyvinyl chloride and weighs 152g/m<sup>2</sup>.
- A) 6001.22.0000
  - B) 3921.90.1100
  - C) 3921.90.2510
  - D) 5903.10.2090
  - E) 5903.10.2500



- 42) Grace owns a health food store that caters to vegetarians and wants to start selling homogenized carrots. She asks a Customs broker to determine the duty rate for homogenized carrots (a preparation of carrots, finely homogenized) prepared or preserved otherwise than by vinegar or acetic acid and not frozen. The homogenized carrots are put up for retail sale for dietetic purposes in vacuum-packed containers of a net weight content of 300g. Which **ONE** of the following classifications should the Customs broker use to correctly determine the duty rate for the homogenized carrots?
- A) 2104.20.0000
  - B) 2004.90.8520
  - C) 2005.10.0000
  - D) 2005.90.1000
  - E) 2005.90.9700
- 43) Thomas's Travel Goods, Inc. wants to import suitcases with outer surfaces of plastic and that are structured and rigid on all sides. The suitcases do not have handles or closures attached at the time of importation. Which **ONE** of the following General Rules of Interpretation (GRI) is used to correctly classify the suitcases imported without handles and closures?
- A) GRI 1
  - B) GRI 2 (a)
  - C) GRI 3 (a)
  - D) GRI 4
  - E) GRI 5
- 44) Which **ONE** of the following is the correct classification for an accessory, which contains an optical lens and is to be used solely with projection screens?
- A) 9010.50.4000
  - B) 9010.50.6000
  - C) 9010.90.9000
  - D) 9010.90.7000
  - E) 9010.60.0000

- 45) Which **ONE** of the following is the correct classification for household chairs made from unbent oak, not upholstered, that are 95 years old and imported from France?
- A) 9401.61.4010
  - B) 9401.61.6010
  - C) 9401.69.2010
  - D) 9401.69.6010
  - E) 9706.00.0040
- 46) Natalie is a cellist with the San Diego Symphony. She has had numerous problems with her music stand and is tired of hassling with it. She has found a deluxe Italian music stand for cellos and proposes to import one for all of her cellist friends. The stand is a collapsible model made from brushed aluminum and stainless steel. Natalie has come to you for advice on classification and duty. Which **ONE** of the following classifications and duty rates is correct?
- A) 9209.92.2000/3.9%
  - B) 9209.92.2000/Free
  - C) 9209.94.4000/5.7%
  - D) 9209.99.1000/5.7%
  - E) 9209.99.1000/Free
- 47) Rolls of jacquard woven printed fabric are imported from China. By weight, the fiber content of the fabric consists of 45% acrylic staple fibers, 30% wool, 20% cotton and 5% polyester staple fibers. Which **ONE** of the following is the correct classification for the rolls of fabric?
- A) 5408.34.1000
  - B) 5408.34.9040
  - C) 5408.34.9095
  - D) 5515.11.0025
  - E) 5515.22.1000

48) Alandria's Paints imports pigments dispersed in nonaqueous media, in liquid form, that are of a kind used in the manufacture of paints. The pigments are imported in 10 gallon plastic bucket containers. Because the pigments leave a permanent stain in the plastic buckets that would alter the color of subsequent shipments, they are incapable of reuse. However, Alandria sells the buckets to artists who use them to make sculptures. Which **ONE** of the following is/are the correct classification(s) for the pigments dispersed in nonaqueous media, in liquid form, that are of a kind used in the manufacture of paint, and the plastic 10 gallon buckets?

- A) 3207.10.0000; 3923.90.0016
- B) 3212.90.0050; 3923.90.0016
- C) 3207.10.0000
- D) 3212.90.0050
- E) 3204.17.6085

49) Christopher is a ceramist in Costa Rica and wants to export a shipment of ceramic ware to the U.S. that is appraised at \$15,000. The clay used in the production of the shipment is of Costa Rican origin and is valued at \$700. The base coat paint applied to the ceramic ware is of Puerto Rican origin and is valued at \$2,000. The colored paint used to decorate the ceramic ware is of English origin and is valued at \$4,000. The glaze used to protect and make the ceramic ware dishwasher safe is of U.S. origin and is valued at \$3,000. The direct costs of processing in Costa Rica is \$1,050.

The production of the ceramic ware in Costa Rica results in a substantial transformation of the imported components into a "product of" Costa Rica. You, as a Customs broker, are asked to determine if the ceramic ware meets the 35% value content requirement as stipulated in the Caribbean Basin Economic Recovery Act (CBERA). For the purposes of the 35% value content requirement for the ceramic ware under the CBERA, which **ONE** of the following amounts is the "sum of the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries plus the direct costs of processing operations performed" in Costa Rica?

- A) \$6,750
- B) \$6,000
- C) \$10,750
- D) \$4,750
- E) \$1,750

- 50)** Darlene's Dress Designs, Inc. imports dresses from China. Anticipating that the absolute quota might be filled at the opening of the quota period, the owner presents the entry summary for preliminary review on December 28<sup>th</sup>, 2001, which is the day the merchandise arrives within the Customs territory of the U.S. It is also within the time frame approved by the Port Director. The quota will open at noon Eastern Standard Time (EST) on January 2<sup>nd</sup>, 2002.

Which **ONE** of the following statements is correct with respect to the circumstances described directly above?

- A) Submission of entry documents before opening is not permitted.
  - B) Submission of entry documents before opening is limited to importers who have merchandise in warehouses because the quota closed last year.
  - C) Submission of entry documents before opening will not accord the merchandise quota priority or status.
  - D) Entry documents submitted before the quota opens must have duties attached to receive priority.
  - E) Darlene's Dress Designs is guaranteed that her entire shipment of dresses will be released.
- 51)** Sue is a warehouse proprietor of a Custom Bonded Warehouse facility. As a warehouse proprietor Sue is **NOT** responsible for which **ONE** of the following?
- A) Safekeeping of merchandise and records
  - B) Customs access
  - C) Storage conditions
  - D) Removal of all records within 3 years
  - E) Warehouse and merchandise security

52) Possession of a national permit entitles a broker to perform certain activities. Which **ONE** of the following is **NOT** such an activity?

- A) The filing of electronic drawback claims in each broker district in which the broker does not have a district permit.
- B) The placement of an employee in the facility of a client located in a broker district in which the broker does not have a district permit.
- C) The representation of clients on post-entry summary issues in broker districts in which the broker does not have a district permit.
- D) The conducting of Customs business as an NCAP participant in broker districts in which the broker does not have a district permit.
- E) The filing of manual or electronic drawback claims at the drawback office designated by Customs, even though the broker does not have a district permit in the broker district where that office is located.

53) Andria Smith is **NOT** a licensed Customs broker. Which **ONE** of the following is Andria allowed to do?

- A) Provide classifications of items imported into the United States
- B) Compute valuations for shipments imported into the United States
- C) Transmit data electronically received for transmission to Customs
- D) Prepare entry documentation to be filed with Customs
- E) Prepare and submit drawback claims

54) Which **ONE** of the following is **NOT** subject to drawback?

- A) Harbor maintenance fee
- B) Internal revenue taxes which attach upon importation
- C) Duties paid on an entry for consumption for which liquidation has become final
- D) Marking duties
- E) Merchandise processing fee for unused merchandise drawback

- 55) Ameilia Nowsall is a licensed broker. Amelia has been conducting Customs business as a sole proprietor under her name for the past three years. She decides that she would like to operate under the trade name of “Sunshine Brokerage.” She received the necessary state authorization to use the name, and presents the evidence of such to Customs. Customs approves the use of the new name. Which **ONE** of the following names must Ameilia use to sign all future Customs documents?
- A) “Ameilia Nowsall, Licensed Customs Broker”
  - B) “Sunshine Brokerage”
  - C) “Sunshine Brokerage, Licensed Customs Broker”
  - D) “Ameilia Nowsall doing business as (DBA) Sunshine Brokerage”
  - E) “Ameilia Nowsall”
- 56) A bond principal receives written notice from the Port Director that the bond amount is insufficient. How many days shall the principal have to remedy the deficiency?
- A) 10 days from the date of the bond’s anniversary date
  - B) 30 days from the date of the bond’s anniversary date
  - C) 30 days from the date of notification
  - D) 30 days from the date of filing of the principal’s last entry
  - E) 10 days from the date of filing of the principal’s last entry

- 57) Fred Jones is a licensed broker. His office is located next to a freight forwarder. Fred proposes to enter into an agreement with the freight forwarder whereby the forwarder will refer business Fred's way in exchange for receiving compensation from Fred for the referrals. This agreement will be legal provided certain conditions are satisfied. Which **ONE** of the following is **NOT** a required condition?
- A) No part of the compensation agreement, nor any action taken pursuant to the agreement, forbids or prevents direct communication between the importer or other party in interest and the broker.
  - B) The broker and forwarder obtain the written consent of the importer or other party in interest with respect to entry into the agreement.
  - C) In making the agreement and in all actions taken pursuant to the agreement, the broker remains subject to all other requirements of the broker regulations.
  - D) The importer or other party in interest is notified in advance by the forwarder or broker of the name of the broker selected by the forwarder for the handling of his Customs transactions.
  - E) The broker transmits directly to the importer or other party in interest either a true copy of his brokerage charges if the fees and charges are to be collected by or through the forwarder, unless this requirement is waived in writing, or a statement of his brokerage charges and an itemized list of any charges to be collected for the account of the freight forwarder if the fees and charges are to be collected by or through the broker.
- 58) A Canadian exporter of socks has just found that his Certificate of Origin has an error on it. The exporter has contacted you, a licensed broker, to assist him. You advise him he has \_\_\_\_\_ of the error to notify in writing all persons to whom the Certificate was given of any change that could affect the accuracy or validity of the Certificate.

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

- A) 45 days after the date of discovery
- B) 15 days after the date of discovery
- C) 30 days after the date of discovery
- D) 60 days after the date of importation
- E) 90 days after the date of importation

- 59) All but which **ONE** of the following may be protested under 19 U.S.C. 1514?
- A) The refusal to pay a claim for drawback
  - B) The appraised value of the merchandise
  - C) The classification and rate and amount of duties chargeable
  - D) The exclusion of merchandise from entry or delivery under any provision of the Customs laws
  - E) The refusal to reliquidate an entry under 19 U.S.C. 1520(d)
- 60) In certain situations, merchandise may be entered or withdrawn for consumption without estimated Customs duties or estimated taxes, or both, being deposited. In which **ONE** of the following situations would the deposit of estimated duties or taxes, or both be required?
- A) Bulk distilled spirits are transferred to the bonded premises of a distilled spirits plant
  - B) Cigars and cigarettes are entered by a qualified dealer
  - C) A U.S. Government agency enters merchandise and a stipulation is furnished in lieu of the bond
  - D) A qualified manufacturer enters a shipment of perfume
  - E) Arrangements are made for the semimonthly payment of estimated taxes on entered alcoholic beverages
- 61) On March 25, Sam imports merchandise subject to a tariff rate quota. The quota period expires on March 31. The merchandise is released under a special permit for immediate delivery on March 27. The quota fills on March 29, and the entry summary is filed on March 30. Sam must do which **ONE** of the following with respect to the merchandise?
- A) Pay duties at the quota rate of duty, because the merchandise was released prior to the date the quota filled.
  - B) Substitute a warehouse entry for the consumption entry, and wait until the next quota period opens.
  - C) Pay duties at the over-quota rate of duty, because proper presentation was not made until after the tariff-rate quota was filled.
  - D) Export or destroy the merchandise, because the quota filled prior to summary presentation.
  - E) Pay duties at the quota rate of duty, because the merchandise was released within the quota period.



- 62) A shipment of imported merchandise valued at \$1,670 arrives in Chicago. The sales transaction is structured so that the title will transfer to the purchaser upon delivery. The parties to the transaction are as follows:

Smith & Wilkins, Ltd. is the seller  
John Jones is the purchaser  
ABC Express is the freight forwarder  
Acacia, Inc. is the licensed customs broker

The bill of lading consigns the shipment to ABC Express.  
Which **ONE** of the following parties does **NOT** have the right to make informal entry of this merchandise?

- A) ABC Express
  - B) Acacia, Inc. if appointed by ABC Express
  - C) Smith & Wilkins, Ltd.
  - D) John Jones
  - E) Acacia, Inc. if appointed by John Jones
- 63) Tom Ritontopofit is a licensed broker in Seattle, Washington. He has a shipment of women's polyester trousers, where the fabric was woven in China and then cut and sewn in Canada. Tom has verified the women's trousers will qualify for the lower duty rate under NAFTA. The shipment is entered into the United States. Upon delivery to the importer, Tom learns that half of the shipment of trousers is in excess of the allowable quantity at the reduced quota rate. Which **ONE** of the following options is **NOT** available to Tom?
- A) He may place the excess trousers in a foreign trade zone.
  - B) He may export the trousers which exceeded the amount.
  - C) He may destroy the trousers which exceeded the amount.
  - D) He may place the excess trousers in a bonded warehouse.
  - E) He may pay the higher duty rate on the entire shipment.

- 64) Abara Industries imports industrial ceramics from Switzerland. Abara Industries has hired you as its broker. Abara Industries wants to know which exchange rates will attach to its imports for currency conversion purposes. Which **ONE** of the following statements would be correct advice to give to your client?
- A) The exchange rate may be determined by referring to the Harmonized Tariff Schedule.
  - B) The certified daily rate shall be used in connection with merchandise exported on such day, if the rate for the date of exportation varies by 5 percent or more from the certified quarterly rate.
  - C) The proclaimed rate shall be used if it varies by 5 percent or more from the certified daily rate for the date of exportation.
  - D) The certified quarterly rate shall be used at all times, because Switzerland is a country for which the quarterly rate is certified.
  - E) The exchange rate shall be pegged to the date of importation.
- 65) Manuel stores his imported merchandise in two integrated bonded warehouses. He is aware that he must maintain a centralized inventory control system for transfer of goods between warehouses, as required by regulations. Which **ONE** of the following statements is **INCORRECT** with respect to the inventory control requirements?
- A) Manuel must provide on demand the proper on-hand balance for each open warehouse entry and the actual quantity in each warehouse facility.
  - B) He must file the withdrawal at the original warehouse location at which the merchandise was entered.
  - C) Manuel must file documentation for all intracompany movements in the consolidated permit file folder within 7 calendar days.
  - D) He must maintain records for all of the intracompany movements.
  - E) He must provide on demand the on-hand balance of each inventory item in each warehouse facility and each storage location within each warehouse.

- 66) Which **ONE** of the following items is **NOT** an element used to determine the computed value of imported merchandise?
- A) The value of any assist used in the production of the imported merchandise which is not otherwise attributed to a processing cost or general expense
  - B) The general expenses and profit of producers in the country of production if the producer's amount included in the costs for the imported merchandise is consistent with those of the producers of merchandise of the same class or kind in the exporting country
  - C) The cost or value of the materials, fabrication, and other processing used in the production of imported merchandise
  - D) Internal taxes on the merchandise in the country of exportation that are not refunded to the exporter upon exportation of the merchandise
  - E) Packing costs
- 67) Which **ONE** of the following is **NOT** a true statement regarding Deductive Value?
- A) If packing costs are not included, they will be added, to the extent that they are incurred by the buyer in relation to the merchandise concerned.
  - B) If the general expenses and profit included by the importer are inconsistent with those of all importers in the U.S. for the same class or kind of merchandise, then the usual amount for those importers will be used as a deduction.
  - C) State sales taxes will be considered to be general expenses.
  - D) Merchandise must be exported from the same country in order to determine the usual general expenses and profit to be deducted from the sales in the U.S.
  - E) Sales to those who provided assists will be disregarded.
- 68) Which **ONE** of the following is **NOT** a statutory addition to the price actually paid or payable?
- A) The packing costs incurred by the buyer with respect to the imported merchandise
  - B) Any selling commission incurred by the buyer with respect to the imported merchandise
  - C) The value, apportioned as appropriate, of any assist
  - D) Any royalty that the seller is required to pay with respect to the imported merchandise, whether directly or indirectly as a condition of the sale
  - E) The proceeds of any subsequent resale, disposal, or use of the imported merchandise that accrue, directly or indirectly, to the seller

**69)** A U.S. importer purchases 2,000 porcelain dolls from a manufacturer in China for \$25,000. Terms of sale are CIF San Francisco. International air freight and insurance costs total \$7,400. Following the dolls' importation, the importer pays the U.S. license holder a royalty fee of \$2 per doll for the right to resell the dolls in the United States. None of the parties are related. Which **ONE** of the following represents the correct appraised value of the imported dolls?

- A) \$25,000
- B) \$32,400
- C) \$17,600
- D) \$21,600
- E) \$29,000

**70)** Noel Express of Pittsburgh, Pennsylvania, imports glass Christmas ornaments from an unrelated French company, Mirabel. Noel Express has sold, to Mirabel, at its regular price of \$10,000, special paint and glitter for use in the manufacture of the ornaments. The terms of sale for the ornament transaction are FOB Paris. Noel Express pays a \$2,000 buying commission to R. Jones separately. You are reviewing the invoice to determine the correct entered value. The invoice contains the following details:

200 dozen glass specialty glitter ornaments	\$100,000
Special export packing	\$1,000
Sales commission	\$5,000
Insurance and freight (Paris to Pittsburgh)	\$4,000

Which **ONE** of the following reflects the correct transaction value of the ornaments?

- A) \$100,000
- B) \$106,000
- C) \$122,000
- D) \$120,000
- E) \$116,000

- 71)** Angels Accessories imports barrettes and sells them to retail stores in the U.S. Angels Accessories pays Sunshine Manufacturing Company (an unrelated company) in China \$5,000 to produce 10,000 barrettes. Angels Accessories also:
- (1) Pays an additional \$500 to Sunshine Manufacturing Company for a mold to be used in the production of the imported shipments of barrettes. The mold will be used in the production of this shipment only.
  - (2) Provides Sunshine Manufacturing Company with Angels Accessories own U.S. produced detailed sketches of design specifications for the barrettes, free of charge, although it costs Angels Accessories \$100 to produce them.
  - (3) Provides Sunshine Manufacturing Company with certain metal fasteners, which Angels Accessories acquires from an unrelated company in Thailand, for \$300, to be incorporated in the imported barrettes.

Which **ONE** of the following is the correct appraised value for the imported barrettes?

- A) \$5,800
- B) \$5,000
- C) \$5,500
- D) \$5,900
- E) \$5,500

- 72)** CBA, an importer of wearing apparel, enters into a contract with ZYX, a Korean manufacturer. ZYX will produce 1,000 dozen women's suit jackets for \$120,000, CIF New York. The jackets will be imported on one entry. The freight is \$7,000 and the insurance is \$1,000. CBA will supply ZYX with wool fabric valued at \$50,000. The fabric is produced in the U.S and will cost \$1,000 to transport the fabric to ZYX. CBA comes to you, his broker, to discuss this matter. Which **ONE** of the following amounts is the correct appraised value?

- A) \$112,000
- B) \$162,000
- C) \$163,000
- D) \$119,000
- E) \$170,000

- 73) Which **ONE** of the following scenarios would **NOT** qualify as originating under the NAFTA Rules of origin?
- A) A cotton woven hat (classified in 6505) cut and sewn in Mexico from cotton fabric woven in Korea
  - B) A sleeping bag (classified in 9404) produced in Mexico from woven fabric made in Taiwan and from feathers produced in China
  - C) A dog leash (classified in 4201) made in Mexico from polypropylene rope made in Korea, metal hardware formed in China and leather produced in Mexico
  - D) An umbrella (classified in 6601) made in Mexico from an umbrella frame formed in China and nylon fabric of filament yarns woven in Taiwan
  - E) A leather wallet (classified in 4202.32) cut and sewn in Mexico from leather imported from Bolivia
- 74) TLC Customs brokers is a newly licensed broker. Jeanna, the TLC employee who has been assigned to complete the Customs forms, does not have any entry numbers to use. She asks her supervisor for the list of Customs assigned entry numbers to be used to complete the entry and entry summary documentation. Her supervisor informs her that she must create the entry numbers that will be used by TLC. Which **ONE** of the following is **NOT** an element used to correctly format an entry number?
- A) A check digit
  - B) An entry filer code assigned by Customs
  - C) The last four digits of the importer's social security number or IRS number
  - D) Hyphens between the filer code and entry number and between the entry number and the check digit
  - E) A unique digit number

- 75) An importer is issued a notice of liquidated damages for the late filing of an entry summary. The importer does not petition for relief, does not request an extension of time to file a petition and does not submit the required payment for cancellation of the liquidated damages, within the prescribed time. The Fines, Penalties, and Forfeiture Officer will \_\_\_\_\_.

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

- A) assess penalties in the amount of 3 times the liquidated damages amount
  - B) make a demand for payment on surety
  - C) refer the claim to the Chief, Penalties Branch, Office of Ruling and Regulations, Customs Headquarters
  - D) refer the claim to the Customs National Finance Center for immediate billing for the liquidated damages assessed amount plus interest
  - E) refer the claim to the Port Director
- 76) Far East Imports imports plastic imitation jewelry from Tibet that doesn't resemble Native American jewelry. Far East wants to import a new style of earrings and asks their broker about the country of origin marking requirements for earrings. Which **ONE** of the following is **NOT** a requirement for proper country of origin marking of earrings?
- A) The earrings must be marked in a conspicuous place.
  - B) The earrings must be marked with the English name of the country of origin.
  - C) The earrings must be marked as permanently as the nature of the article will permit.
  - D) The earrings must be legibly marked.
  - E) The earrings must be marked using die stamping, cast-in-the-mold lettering, etching, or engraving.

77) Jane Jones is new to the business of importing merchandise. To help her through the process, Jane hires Primo Brokers to handle her customs business. Jane's first shipment is entered and cleared, and, in due time, liquidated. Jane wishes to celebrate the successful completion of her first import transaction. Primo Brokers advises Jane to delay the celebration for \_\_\_\_\_ days from the date of notice of liquidation, because Customs has the authority to reliquidate an entry during that period.

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

- A) 5
- B) 10
- C) 90
- D) 180
- E) 365

78) Which **ONE** of the following examples would allow for an application for further review if a protest would otherwise be denied?

- A) The decision involves matters previously ruled upon by the Commissioner of Customs or his designee or by the Customs courts, but facts are alleged or legal arguments presented which were not considered at the time of the original ruling.
- B) The decision is alleged to be consistent with a ruling of the Commissioner of Customs or his designee.
- C) The decision is alleged to involve questions of law or fact which have been ruled upon by the Commissioner of Customs or his designee or by the Customs court.
- D) The decision is alleged to be consistent with a decision made at another port with respect to the same merchandise.
- E) The decision is alleged to involve questions which the Headquarters Office, United States Customs Service, considered in the form of a request for internal advice.



- 79) Merchandise may be transferred from one bonded warehouse to another at the same port under Customs supervision with concurrence of which **ONE** of the following?
- A) The cartman and the receiving warehouse
  - B) The proprietor of the receiving warehouse
  - C) The proprietors of the delivering and receiving warehouse
  - D) The Port Director and the proprietor of the delivering warehouse
  - E) The Port Director, the cartman and the proprietor of the receiving warehouse
- 80) Alice Valentine passes the April 2002 Customs Broker Licensure Examination and receives her Customs broker license on August 1, 2002 from the Port Director, Port of Pembina, North Dakota. Because Alice fails to file a status report during the month of February 2003, she receives a written notice of license suspension by certified mail from the Port Director on March 15, 2003. The notice of revocation of Alice's license is published in the Customs bulletin on July 1, 2003. On August 1, 2003, Alice remembers to file her status report with the Port Director, but the report is returned to her as being untimely filed. Which **ONE** of the following must Alice do if she still wants to be a Customs broker?
- A) Reapply to take the Customs Broker's examination, and upon passing, apply for a new license
  - B) Submit a letter to the Port Director requesting that her license be reinstated along with a status report and the associated fee
  - C) Submit a status report along with the associated fee and a \$100 penalty for late filing to the Port Director
  - D) Submit an Application for Customs Broker License along with the corresponding application fee
  - E) Wait five years before she can make application for a new license

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



**Answer Key – April 2002**

- 1) D 19 CFR 159.2 & 159.10
- 2) C 19 CFR 18.2(d)
- 3) E 19 CFR 113.34
- 4) A 19 CFR 24.3a
- 5) C 19 CFR 174.21(a)
- 6) C 19 CFR 146.71(c)
- 7) E 19 CFR 18.10(a)(4) & 19 CFR 18.20
- 8) D 19 CFR 191.15
- 9) B 19 CFR 102.21(c)(2)
- 10) A 19 CFR 102.21(c)(2)
- 11) C 19 CFR 181, APP(NAFTA Rules of Origin)
- 12) B 19 CFR 111.29
- 13) E 19 CFR 133.43(a)
- 14) A 19 CFR 24.24(c)(8)
- 15) B 19 CFR 143.23(j)
- 16) C 19 CFR 19.12(d)(3)
- 17) D 19 CFR 114.25
- 18) E 19 CFR 134.32(f), 134.22(e)(1) & 134.33
- 19) B 19 CFR 163.5(b)
- 20) D 19 CFR 142.21(b)(3) & 142.25(a)
- 21) B 19 CFR 141.69(b)
- 22) A 19 CFR 162.73(a)(3)(ii)
- 23) C 19 CFR 10.16(a)
- 24) C 19 CFR 10.8(a)
- 25) E 19 CFR 10.16(c)(4)
- 26) D HTS General Statistical Note 4(b)
- 27) C Eo Nominee
- 28) B HTS Chapter 7 Additional US Note 3
- 29) E GRI 1
- 30) A GRI 1
- 31) C GRI 3(c)
- 32) E HTS Chapter 68 Note 1 (k)
- 33) B HTS General Note 10(a), 10(c), 10(d) & 10(g); HTS Chapter 16  
Additional US Note 3; HTS Section IV Additional US Note 1
- 34) D Eo Nominee
- 35) D HTS Chapter 96 Note 4, Chapter 71 Note 4(a) & 9(a)
- 36) A HTS Chapter 42 Note 3
- 37) D HTS Section XV Note 2 & HTS Section XVI Note 1(g)
- 38) E HTS Chapter 94 Note 1 (ij)
- 39) C HTS Chapter 98 Subchapter 1 US Note 1(a)
- 40) B HTS Chapter 49 Note 6
- 41) A HTS Chapter 59 Note 1
- 42) D HTS Chapter 20 Subheading Note 1

**Answer Key – April 2002**

- 43) B GRI 2(a)
- 44) C HTS Chapter 90 Note 2(b)
- 45) D GRI 1
- 46) A GRI 1
- 47) E HTS Section XI Note 2(A) & 2(B)
- 48) D GRI 1 & GRI 5(b)
- 49) B HTS General Note 7(b) & 19 CFR 10.195
- 50) C 19 CFR 132.12
- 51) D 19 CFR 19.4(b)
- 52) E 19 CFR 111.2(b)
- 53) C 19 CFR 111.1
- 54) A 19 CFR 191.3(a) & (b)(1)
- 55) D 19 CFR 111.30(c)
- 56) C 19 CFR 113.13(c)
- 57) B 19 CFR 111.36(c)
- 58) C 19 CFR 181.11
- 59) E 19 CFR 174.11
- 60) D 19 CFR 141.102
- 61) C 19 CFR 142.21(e)(1)
- 62) A 19 CFR 143.26(a)
- 63) E 19 CFR 132.5(b)
- 64) B 19 CFR 159.34(b)(2)
- 65) C 19 CFR 144.34 (c)(4)(v)
- 66) B 19 CFR 152.106
- 67) D 19 CFR 152.105
- 68) D 19 CFR 152.103(b)(1)
- 69) C 19 CFR 152.102 & 152.103(f)
- 70) B 19 CFR 152.103
- 71) A 19 CFR 152.103
- 72) C 19 CFR 152.103(c)(2)
- 73) D 19 CFR 181, App (NAFTA Rules of Origin); HTS Note12
- 74) C 19 CFR 142.3a
- 75) B 19 CFR 172.4
- 76) E 19 CFR 134.11&134.43
- 77) C 19 CFR 173.3(a)
- 78) A 19 CFR 174.24
- 79) C 19 CFR 144.34(a)
- 80) D 19 CFR 111.30(d)