

BUREAU OF CUSTOMS AND BORDER PROTECTION

Customs Broker License Examination

DIRECTIONS - READ CAREFULLY

This examination consists of 80 questions. The minimum passing score is 75%. For each question choose the letter representing your answer (**A, B, C, D, or E**) and darken the corresponding space on your answer sheet.

You are responsible for having the following references:

- **Harmonized Tariff Schedule of the United States (2004)** (USITC Publication 3565) (No supplements)
- **Title 19, Code of Federal Regulations** Revised as of April 1, 2003

(Note: You are permitted to use other editions of these references. However, this examination is based on the April 1, 2003 Revision of 19 CFR, which does not reflect the organizational changes caused when the Customs Service became U.S. Customs and Border Protection in March 2003.)

You may use a silent battery-operated calculator.

Since there is no penalty for guessing, you should try to answer every question.

The examination lasts 4 hours. When you finish, please give this booklet and your answer sheet to the test administrator.

DO NOT MARK IN THIS BOOKLET AT ANY TIME.

DO NOT TURN THIS PAGE UNTIL TOLD TO DO SO BY THE EXAMINER.

1. Which is part of the Customs Territory of the United States?
 - A. U.S. Virgin Islands
 - B. Bahamas
 - C. Puerto Rico
 - D. Bermuda
 - E. Guam

2. Which one of the following countries, territories, or successor political entities, is not a designated beneficiary country of the Caribbean Basin Economic Recovery Act (CBERA)?
 - A. Galapagos Islands
 - B. Grenada
 - C. Panama
 - D. Aruba
 - E. Costa Rica

3. Which of the following entries are **NEVER** liquidated?
 - A. Consumption entries subject to anti-dumping duties and or countervailing duties
 - B. Consumption entries subject to absolute quotas
 - C. Permanent exhibition entries
 - D. Carnets
 - E. Warehouse entries

4. What amount does a broker with a national permit issued through the port of Los Angeles, and local permits in Los Angeles and in Dallas, owe Customs to satisfy his annual user fee obligation?
 - A. \$100
 - B. \$125
 - C. \$200
 - D. \$250
 - E. \$375

5. The Customs office in Portland, OR is open from 7 a.m. to 4:30 p.m. For purposes of administering quota, "official office hours" means:
 - A. 7:00 a.m. to 4:30 p.m.
 - B. 7:00 a.m. to 5:00 p.m.
 - C. 8:00 a.m. to 4:30 p.m.
 - D. 8:00 a.m. to 5:00 p.m.
 - E. 8:30 a.m. to 4:30 p.m.

6. Which of the following imported items requires an entry?
- A. Animals, domesticated, straying across the boundary line into any foreign country, or driven across such boundary line by the owner for temporary pasturage purpose only, together with their offspring if brought back to the U.S. after thirty days
 - B. Articles returned from space within the purview of section 484a of the Tariff Act of 1930
 - C. Articles exported from the U.S. and returned within 45 days as undeliverable that have not left the custody of the carrier or foreign customs service
 - D. Corpses together with their coffins and accompanying flowers
 - E. Records, diagrams and other data with regard to any business, engineering or exploration operation whether on paper, cards, photographs, blueprints, tapes or other media
7. What is the correct **CLASSIFICATION** for dried rosemary used to make potpourri and imported in bulk?
- A. 3307.49.0000
 - B. 3307.90.0000
 - C. 1211.90.9090
 - D. 0604.99.3000
 - E. 1404.90.0000
8. What is the correct **CLASSIFICATION** for assembled multifunctional all-in-one office equipment consisting of a copier, facsimile, scanner, and laser printer--including a media transport, control and print mechanism--that is capable of no more than 20 black and white pages per minute?
- A. 8471.60.51
 - B. 8471.60.52
 - C. 8471.60.62
 - D. 8471.60.61
 - E. 9008.40.00
9. What is the correct **CLASSIFICATION** for canned, pitted, whole, black olives in a saline solution, ready for consumption, in containers holding 2 kg. drained weight?
- A. 0711.20.3800
 - B. 0711.20.4000
 - C. 2005.70.6020
 - D. 2005.70.6030
 - E. 2005.70.9700

10. The importation into the U.S. of viruses, serums, toxins and analogous products for use in the treatment of domestic animals requires that the importer holds a permit (covering the specific product) from which authority?
- A. The Food and Drug Administration
 - B. The National Institute of Health
 - C. The Centers for Disease Control and Prevention
 - D. The Department of Agriculture
 - E. The Pennsylvania Department of Agriculture
11. What is the correct **CLASSIFICATION** for spent primary batteries not for the recovery of lead?
- A. 8506.10.0000
 - B. 8507.20.8090
 - C. 8507.80.8000
 - D. 8548.10.1500
 - E. 8506.50.0000
12. Which **ONE** of the following is **NOT** contained in a prepenalty notice?
- A. Statement of the actual loss of duty
 - B. The specific laws and regulations allegedly violated
 - C. Disclosure of all material facts which establish the alleged violation
 - D. A description of the merchandise
 - E. Statement of whether the alleged violation occurred as a result of fraud, gross negligence or negligence
13. Articles made in part of silver and marked indicating a greater degree of fineness than they actually have shall first be _____ and the facts reported to the _____.
- A. Seized Port Director
 - B. Detained United States Attorney
 - C. Detained Port Director
 - D. Detained Special Agent in Charge
 - E. Seized Commissioner
14. What is the correct **CLASSIFICATION** for chilled cocktail onions not over 16mm in diameter and preserved in vinegar?
- A. 0703.10.3000
 - B. 0703.10.4000
 - C. 0711.90.5000
 - D. 0712.20.4000
 - E. 2001.90.3400

15. Goods arrive at the port of Philadelphia and are entered temporarily into the U.S. under Chapter 98, Subchapter XIII of the Harmonized Tariff Schedule of the United States. Nine months later, the goods are in Los Angeles and the importer wants them to remain in the U.S. for four more months. What action should the importer take?
- A. File a consumption entry
 - B. File a written application for an extension on Customs Form 3173 with the Commissioner of Customs
 - C. File a written application for an extension on Customs Form 3173 with the director of the port of Philadelphia
 - D. File a written application for an extension on Customs Form 3173 with the director of the port of Los Angeles
 - E. Do nothing, because a Temporary Importation Bond already covers the goods
16. What is the correct **CLASSIFICATION** for a set that contains eye shadow, an eye pencil and false eyelashes that are imported packaged together for retail sale? The cost of the eye shadow is \$1.10. The cost of the eyeliner pencil is \$0.75. The cost of the eyelashes, made of a new type of artificial textile material that closely resembles human eyelashes, is \$1.20.
- A. 9609.90.8000
 - B. 6704.19.0000
 - C. 6704.20.0000
 - D. 6704.90.0000
 - E. 3304.20.0000
17. What is the correct **CLASSIFICATION** for binocular cases made of plastic sheeting?
- A. 9005.90.8000
 - B. 4202.92.9060
 - C. 3926.90.9880
 - D. 4202.92.4500
 - E. 3923.10.0000
18. Each broker must file a written status report with Customs every _____ after _____.
- A. Year; receiving a broker license
 - B. Third year; passing the broker license examination
 - C. Two years; starting a Customs brokerage business
 - D. Third year; February 1, 1985
 - E. Four years; receiving a broker license

19. Which is **NOT** required on invoices for furs and fur products imported into the U. S.?
- A. The names of the animals that produced the fur
 - B. The manufacturers' names and addresses
 - C. The countries of origin
 - D. A statement that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact
 - E. A statement that the fur product is not composed wholly or in substantial part of paws, tails, bellies, or waste fur
20. Which statement regarding voluntary reliquidation is **INCORRECT**?
- A. It must be completed within 90 days after liquidation
 - B. It must be completed within 90 days after the exaction was made
 - C. It can be done in conjunction with a protest within 90 days of the date of liquidation
 - D. It may be used to correct errors made by Customs within 90 days after the date of liquidation
 - E. It must be authorized by Customs Headquarters
21. Except for a ballistic knife, a switchblade knife with a blade less than 3 inches long can be imported:
- A. Never
 - B. When in the possession of and is being transported on the person of an individual with only one arm
 - C. With written permission from the Port Director
 - D. With written permission from the Assistant Commissioner of Customs
 - E. With written permission from the Department of Commerce
22. Who is empowered, upon receipt of a petition for relief submitted pursuant to the provisions of section 618 of the Tariff Act of 1930, as amended (19 U.S.C. 1618), or section 5321(c) of title 31, United States Code (31 U.S.C. 5321(c)), or section 320 of title 46, United States Code App. (46 U.S.C. App. 320), to remit or mitigate on such terms and conditions as, under law and in view of the circumstances he or she deems appropriate in accordance with appropriate delegations of authority?
- A. The Port Director
 - B. The Director of Field Operations
 - C. The Fines, Penalties and Forfeiture Officer
 - D. The Assistant Commissioner
 - E. The Commissioner

- 23.** When would diversion of in-bond shipments containing textiles or textile products subject to section 204 of the Agricultural Act of 1956, as amended, be allowed?
- A.** Upon the prior written permission of the director of the port of origin
 - B.** Upon the prior written permission of the director of the port of destination
 - C.** Upon the written permission of the Assistant Commissioner of Customs
 - D.** Upon the written permission of the Commissioner of Customs
 - E.** Never
- 24.** In order for an importer to pay estimated import taxes on alcoholic beverages semi-monthly in Baltimore and Boston, the cities where the importer's consumption entries are filed, a written request must be sent to:
- A.** The port where most of the merchandise will be imported, whose approval will automatically extend to the other port.
 - B.** The Director, Regulatory Audit
 - C.** U.S. Customs Headquarters
 - D.** The Port Directors in Baltimore and in Boston.
 - E.** The Internal Revenue Service in Washington, D.C.
- 25.** Under the Customs Regulations, a broker's "request for a record", with regard to record keeping, includes:
- A.** A Customs record that has been published in the Federal Register
 - B.** A Customs record that has been published in the Customs Bulletin
 - C.** A Customs record that has been published in a press release
 - D.** A written request for a record of Customs that has previously been customarily furnished to requesters, whether or not the request makes reference to the Freedom of Information Act
 - E.** A written request for a record of Customs that has not been made available in a public reading room
- 26.** Powers of attorney issued by a partnership shall be limited to a period not to exceed _____ from the date of execution.
- A.** 30 days
 - B.** 2 years
 - C.** 1 year
 - D.** 5 years
 - E.** 6 months

27. Which of the following is true regarding bond riders?
- A. A rider must be filed with Customs headquarters
 - B. All riders expressly authorized by the Port Director shall be securely attached to the related bond to prevent their loss or misplacement
 - C. A bond rider may not be used to change the address of a principal on a bond
 - D. All riders expressly authorized by the Assistant Commissioner shall be securely attached to the related bond to prevent their loss or misplacement
 - E. If a new corporation is created as a result of a merger, reorganization or similar action, a bond rider for a name change of the principal can not be used
28. How can an importer obtain documentation to validate payment of a Customs bill?
- A. Customs will return the "Payer's Copy" of the bill marked paid if the payer desires evidence of receipt, and provides the appropriate Customs official with both the "U. S. Customs Service Copy" and the "Payer's Copy" of the bill, along with a stamped, self-addressed envelope if the payment was made by mail
 - B. Customs will provide the "Vendors Copy" of the bill upon request
 - C. Customs will provide a copy of the Customs bill validated as paid upon receipt of the appropriate user fee
 - D. Customs will only provide this documentation under court order
 - E. Customs automatically gives the payer a copy of the Customs bill validated as paid as soon as payment is received
29. Upon receipt of the approved CF-3499, a warehouse proprietor is entitled to manipulate merchandise:
- A. For two years
 - B. For a period of up to one year
 - C. Until final withdrawal for consumption is completed
 - D. Until the end of the warehouse period
 - E. For five years from the date of importation
30. For each class 9 warehouse entry, the proprietor's sales ticket register must include all of the following information **EXCEPT**:
- A. Sales ticket date and number
 - B. Warehouse entry number
 - C. Full name and address of seller
 - D. Current balance
 - E. Description of the goods

- 31.** The principal and surety to a basic importation and entry bond agree to pay liquidated damages equal to two times the unpaid duties, taxes and charges estimated to be due or \$1,000, whichever is greater, upon default by the principal of which **ONE** of the following bond agreements?
- A.** Agreement to deposit, within the time prescribed by law or regulation, any duties, taxes, and charges imposed, or estimated to be due, at the time of release or withdrawal
 - B.** Agreement to redeliver merchandise in a timely manner
 - C.** Agreement to rectify any noncompliance with the provisions of admission
 - D.** Agreement to pay, as demanded by Customs, all additional duties, taxes, and charges subsequently found to be due, legally fixed, and imposed on any entry secured by the bond
 - E.** Agreement to produce documents or evidence in a timely manner
- 32.** If short-shipped merchandise from a shorted in bond shipment is received, the merchandise:
- A.** Must be consolidated into the original shipment for forwarding
 - B.** Must be returned to Customs prior to forwarding
 - C.** Can only be forwarded under Customs supervision
 - D.** Must be entered for consumption
 - E.** Can only be forwarded under a new transportation entry referenced to the original entry
- 33.** Merchandise taken into the zone for the sole purpose of exportation, destruction (not including distilled spirits, wines, and fermented malt liquors), or storage is given _____ status
- A.** Nonprivileged foreign
 - B.** Domestic
 - C.** Zone-restricted
 - D.** Privileged foreign
 - E.** Privileged domestic
- 34.** A Customs warehouse proprietor must take a physical inventory of all merchandise in the warehouse:
- A.** At least once every five years
 - B.** At least once every two years
 - C.** At least once a year
 - D.** Only upon a written order from the Port Director
 - E.** Never, provided the inventory is managed using Customs-approved database software

- 35.** On December 18, 2003, Customs and Border Protection published a Federal Register notice announcing that the annual user fee is payable by February 27, 2004. A broker submits an application for a district permit and pays the initial annual user fee on December 19, 2003. To engage in “customs business” in calendar year 2004, what more must the broker submit to Customs?
- A.** \$125
 - B.** \$125 and an application for a district permit for 2004
 - C.** Nothing
 - D.** An annual user fee application but no money
 - E.** An annual user fee application and \$100
- 36.** Which statement about the order of appraisal of imported merchandise as stipulated in the Trade Agreements Act of 1979 is correct?
- A.** If the value cannot be determined, minimum value can be used as a basis of appraisal
 - B.** The importer can choose to use computed value in lieu of deductive value
 - C.** The importer can choose to use deductive value before transaction value
 - D.** Transaction value of similar merchandise is the last basis of appraisal
 - E.** If computed value cannot be determined, the transaction value may not be reasonably adjusted to arrive at a value
- 37.** What will happen if a trademark owner submits a written application for renewal of the Customs recordation of his trademark 2 months after the expiration of the current trademark registration issued by the U.S. Patent and Trademark Office? His application includes all documentation and payment of \$80. The recordation is for one class of goods only.
- A.** The application will be denied because the registration had expired 2 months earlier
 - B.** The application will be accepted but the trademark owner is required to pay a total of \$190
 - C.** The application will be denied because trademark recordations cannot be renewed
 - D.** The application will be denied because the fee paid is only \$80 rather than the required \$190
 - E.** The application will be accepted and the Customs recordation is renewed

38. Which is true regarding quota?
- A. An entry for consumption for merchandise that has arrived within the Customs territory of the United States may not be submitted for preliminary review without deposit of estimated duties within a time frame approved by the port director
 - B. When it is anticipated that a quota will be filled at the opening of the quota period, entry summaries for consumption, with estimated duties attached, shall be presented before 12 noon Eastern Standard Time
 - C. Special arrangements shall not be made so that all entry summaries for consumption for quota merchandise may be presented at the exact moment of the opening of the quota in all time zones
 - D. In the event a quota is prorated, entry summaries for consumption shall be returned to the importer for adjustment
 - E. Merchandise imported in excess of a filled quota can only be exported
39. A bond to indemnify _____ for detention of copyrighted material shall be a _____.
- | | | |
|----|-----------------------------|-------------------|
| A. | The United States | single entry bond |
| B. | The Commissioner of Customs | single entry bond |
| C. | U.S. Customs | single entry bond |
| D. | U.S. Customs | continuous bond |
| E. | The Department of Treasury | continuous bond |
40. A licensed broker's client wishes to participate in Custom's BRASS program (formerly known as Line Release) and act as the filer. The Line Release Data Loading Sheet must contain all of the following **EXCEPT**:
- A. Initiating company information
 - B. Election to use entry or immediate delivery procedures
 - C. Importer number, bond number and surety code
 - D. List of employees
 - E. Product information
41. Which **CANNOT** be released under a special permit for immediate delivery?
- A. Importations by an Agency of the U.S. Government
 - B. Articles imported for a trade fair
 - C. Articles imported for a Public Exhibition
 - D. Fresh fruits and vegetables imported from Canada or Mexico
 - E. Importations of tariff rate Quota-class merchandise

42. ABI participants may appeal the suspension of their operational status within _____ days following the date of the written notice of suspension.
- A. 30
 - B. 10
 - C. 45
 - D. 5 business
 - E. 90 business
43. Distribution of assessed duties received from the Special Accounts occurs:
- A. Every 10-business days
 - B. 45-days after receipt
 - C. 90-days before the end of the fiscal year
 - D. 30-days after Statement Processing
 - E. No later than 60-days after the end of the fiscal year
44. To be a certified recordkeeper in the Recordkeeping Compliance Program, the recordkeeper does **NOT** need to have:
- A. A designated officer to be responsible for recordkeeping compliance
 - B. An understanding of the legal requirements for recordkeeping
 - C. Procedures in place regarding the preparation and maintenance of required records and the production of such records to Customs
 - D. A record maintenance procedure acceptable to Customs for original records
 - E. Procedures in place to explain the recordkeeping requirements to those employees who are involved in the preparation, maintenance and production of required records
45. A warehouse owner has applied to establish a Customs bonded warehouse at two of his facilities, which are located at different street addresses on the same street. These facilities will be considered by Customs to be:
- A. One warehouse facility
 - B. One warehouse facility at two locations
 - C. A Class 7 Warehouse
 - D. Two warehouse facilities
 - E. A Class 2 Warehouse

46. At the time of entry, the port director may waive the requirements for surety or cash deposit on the bond if:
- A. The item is a quota article
 - B. The article can not be easily appraised in the opinion of the port director
 - C. The value of the item that the bond secures is less than \$2,500
 - D. The merchandise is of a type where there may be, in the opinion of the port director and based on past experience, a question of redelivery
 - E. The article can not be easily classified in the opinion of the port director
47. Protests may **NOT** be filed by:
- A. The importer or consignee shown on the entry papers
 - B. The person paying or receiving a refund of any charge or exaction
 - C. Any person seeking entry or delivery
 - D. Any exporter or producer who has not signed a Certificate of Origin
 - E. Any person filing a claim for drawback
48. A warehouse proprietor is required by regulation to maintain a permit file for each lot that is received within the facility. Which is **NOT** required documentation?
- A. A Customs bond application for a bonded facility
 - B. Manipulation requests
 - C. Receipts of merchandise within bonded facilities
 - D. Blanket permit summaries
 - E. Warehouse withdrawals
49. Drawback documents may **NOT** be signed by:
- A. A secretary legally authorized to bind the corporation
 - B. A licensed Customs broker without a power of attorney
 - C. A clerk of the business entity with a power of attorney
 - D. An individual acting on his own behalf
 - E. The owner of a sole proprietorship
50. Which prevents the filing of an entry summary for multiple entries?
- A. The merchandise has the same country of exportation.
 - B. The merchandise has the same country of origin
 - C. The merchandise is subject to quota
 - D. The merchandise is consigned to the same consignee
 - E. The merchandise arrives by the same vessel

51. Which is **NOT** a valid exception for marking the country of origin of articles imported into the U.S.?
- A. The articles are incapable of being marked
 - B. The articles are imported solely for wholesale distribution
 - C. The articles cannot be marked prior to shipment to the U.S. except at an expense that is economically prohibitive of its importation
 - D. The articles are imported for use by the importer and not intended for sale
 - E. The articles are a product of a possession of the U.S
52. Which does **NOT** carry legal weight for classification purposes?
- A. Section Notes
 - B. Chapter titles
 - C. Headings
 - D. Chapter Notes
 - E. Binding rulings
53. After issuing a protest review decision, Customs is required to publish the decision in the Customs Bulletin or otherwise make it available for public inspection within:
- A. 10 business days
 - B. 30 days
 - C. 45 days
 - D. 60 days
 - E. 120 days
54. On a rejected merchandise drawback, the claimant must return merchandise to Customs custody within how many years?
- A. 5
 - B. 2
 - C. 4
 - D. 3
 - E. 1
55. What is the correct legal basis for **CLASSIFICATION** of toys put up in sets in subheading 9503.70.0000?
- A. GRI 1 & 6
 - B. GRI 2(b)
 - C. GRI 3(b)
 - D. GRI 3(a)
 - E. GRI 4

56. What is the correct **CLASSIFICATION** for a woman's knit skirt with a fiber content by weight of 50% hemp, 30% polyester and 20% wool?
- A. 6104.59.8090
 - B. 6104.59.8030
 - C. 6104.59.8020
 - D. 6104.59.8010
 - E. 6104.59.1030
57. For the purposes of subheadings 6402.12, 6402.19, 6403.12, 6403.19, and 6404.11, "sports footwear" applies to all of the following **EXCEPT**:
- A. Cleated football shoes
 - B. Skating boots
 - C. Hiking boots
 - D. Cycling shoes
 - E. Snowboard boots
58. What is the best **CLASSIFICATION** for base metal golf club heads cast in the U.S., sent to Mexico for trimming and polishing, and then returned to the U.S. for further processing?
- A. 9506.31.0000
 - B. 9801.00.1097
 - C. 9506.39.0060; 9802.00.9000
 - D. 9506.39.0060; 9802.00.6000
 - E. 9506.39.0080; 9802.00.5060
59. Which is considered a non-qualifying operation under NAFTA?
- A. Dilution with a substance that materially alters the characteristics of the good
 - B. Dismantling
 - C. Testing, marking, sorting
 - D. Gluing together 7 or more parts and packaging for retail sale
 - E. Cleaning, including removal of rust, grease, paint or other coatings
60. Which is **NOT** refundable under drawback?
- A. Duties and fees on warehouse withdrawals for consumption
 - B. "Voluntary tender" payments for duties
 - C. Merchandise Processing Fees for unused merchandise drawback
 - D. Harbor Maintenance Fees
 - E. Tenders of duties in connection with Prior Disclosures

61. What is the sum amount of monies (e.g., duties, taxes, merchandise processing fees and other charges, where applicable) owed to U.S. Customs on imported Mexican ceramic paving tiles that are entered with a value of \$250,000, are qualified for NAFTA treatment, are correctly classified as 6908.10.10.00, and are subject to an antidumping duty order of 7.43% ad valorem?
- A. \$31,825
 - B. \$32,350
 - C. \$18,575
 - D. \$32,310
 - E. \$13,250
62. What is the maximum monetary penalty for fraud if the person concerned has made a prior disclosure and there is no loss of duties, taxes and fees?
- A. 40% of the dutiable value of the merchandise
 - B. The domestic value of the merchandise
 - C. 20% of the dutiable value of the merchandise
 - D. 10% of the dutiable value of the merchandise
 - E. 20% of the domestic value of the merchandise
63. Broker B submits a protest after an importer's consumption entry liquidates with an increase in duties. The importer then finds additional information to support the protest. Broker B advises that Customs will consider this if:
- A. The reviewing officer has not made a decision on the protest
 - B. The protest has been denied
 - C. Accelerated Disposition has been requested and sixty-five days have passed
 - D. The original protest was submitted on the 93rd day
 - E. A request for further review was granted and a disposition has been made
64. Which is **NOT** a reason that Customs may extend the time period during which a notice of seizure may be sent?
- A. An investigation might be seriously jeopardized
 - B. The party of interest is under arrest
 - C. There is an eminent danger of destruction of or tampering with evidence
 - D. The life or physical safety of an individual is endangered
 - E. Potential witnesses have been intimidated

- 65.** Seller B offers merchandise to Importer A at \$3,000 less a 3% discount for cash. The buyer remits \$2,910 in cash for the imported merchandise. What is the transaction value of the merchandise?
- A.** \$2,910
 - B.** There is no transaction value so another means of appraisement must be used
 - C.** \$3,000
 - D.** \$3,090
 - E.** \$2,823
- 66.** Which is an acceptable basis of appraisement in the valuation of merchandise?
- A.** The selling price in the U.S. of merchandise produced in the U.S.
 - B.** A system that provides for the appraisement of imported merchandise at the higher of two alternative values
 - C.** The price of merchandise in the domestic market of the country of exportation
 - D.** The price of merchandise for export to a country other than the U.S.
 - E.** The transaction value where the price has been agreed upon but has not actually been paid at the time of importation
- 67.** When is an importer allowed to sell goods that were conditionally released by Customs to be properly marked at the importer's premises?
- A.** Once the importer properly marks the goods
 - B.** Once the importer completes a CF 4647 and submits it to Customs
 - C.** Once a notice of acceptance of the certificate of marking is received by the importer from Customs
 - D.** Once a Customs Inspector visits the importer's premises and conducts a spot check
 - E.** Once an additional duty of 10% is paid by the importer for failure to mark the goods at the time of importation
- 68.** Which one of the following items falls within quota/visa category 338
- A.** Men's cotton, knit, sweaters
 - B.** Men's cotton, knit, shirts
 - C.** Women's cotton, knit, sweaters
 - D.** Women's cotton, knit, shirts
 - E.** Men's cotton, knit, underpants

69. A petition for the cancellation of a claim for liquidated damages should be submitted to:
- A. The port of entry
 - B. Customs Headquarters
 - C. The Fines, Penalties and Forfeitures Officer designated in the notice of claim
 - D. The bonding surety
 - E. The Treasury Department
70. Importer A imports women's jackets from Hong Kong. They have agreed to an invoice price of \$400,000. Subsequent to this agreement, Importer A decides to use a new textile material for the linings of their jackets, which is produced by a company in Germany, Company B. Importer A purchases the material for \$20,000 and has Company B send the material directly to the manufacturer in Hong Kong. Company B charges Importer A \$1500 for transportation expenses to Hong Kong. Upon entering the merchandise into the U.S., which **ONE** of the following is the correct appraised value?
- A. \$421,500
 - B. \$420,000
 - C. \$401,500
 - D. \$398,500
 - E. \$381,500
71. Broker B is calculating the price actually paid or payable for its client Importer A. Importer A has provided Broker B the below list of expenses in addition to the invoice. The invoice is for 25,000 plastic toys at \$50,000. Importer A provided dye to color the plastic and a mold to the manufacturer to be used exclusively for this shipment. The mold will be pro-rated and returned to Importer A under a different entry. The merchandise was purchased at arms length from a non-related manufacturer in Singapore.

A mold with a lifespan of 100,000 units	\$12,000
Chemical dye to color plastic	\$ 1,000
A buying commission	\$ 1,000

What is the correct transaction value of this shipment?

- A. \$50,000
- B. \$62,000
- C. \$69,000
- D. \$57,000
- E. \$54,000

72. What action shall be made when an importer certifies on a CF 4647 (Notice to Mark and/or Notice to Redeliver) that the goods have been properly marked when in fact they have not so been marked?
- A. Seize the goods or issue a penalty under 19 USC 1592
 - B. Detain the goods
 - C. Release the goods to the importer's premises
 - D. Export the goods
 - E. Mark the goods under physical supervision
73. Which **ONE** of the following is **NOT** a correct statement regarding the apportionment method of the value of an assist to imported merchandise?
- A. The importer may request to use any reasonable method of apportionment in accordance with generally accepted accounting principles
 - B. If the assist will be used only in the production of merchandise exported to the U.S., the total value of the assist may be apportioned over the first shipment
 - C. If the assist will be used only in the production of merchandise exported to the U.S., the total value of the assist may be apportioned over the number of units produced up to the time of the first shipment
 - D. If the assist will be used only in the production of merchandise exported to the U.S., the total value of the assist may be apportioned over the entire anticipated production
 - E. If the assist is used in several countries, the method of apportionment of the value of the assist will depend on documentation submitted by the exporter
74. Which statement about a petition for relief of a seizure is **INCORRECT**?
- A. The petition must include proof of a petitionable interest in the seized property
 - B. The petition must include a description of the property involved in the seizure
 - C. The petition must be filed within 60 days from the date of mailing of the notice of seizure
 - D. The petition must include the date and place of the seizure
 - E. The petition must include the facts and circumstances relied upon by the petitioner to justify remission or mitigation

75. Importer A recently received a Customs Form 4333-A Courtesy Notice for the liquidation of an entry summary filed on its behalf by Broker B. Importer A obtains additional information pertaining to the material content of its merchandise and wants to protest the liquidated classification to obtain a lower duty rate, which will result in a substantial refund. Importer A has revoked the power of attorney issued to Broker B because the services provided during the filing of the entry summary were considered unsatisfactory. Under these circumstances, which statement is true?
- A. Importer A cannot file its own protest because it did not file the entry summary
 - B. Broker B is mandated by regulation to complete the final customs transaction on an entry summary with its filer code and entry number and is therefore required to file the protest on Importer A's behalf
 - C. Importer A must file an affidavit at the port where the entries are filed attesting to the fact that Broker B no longer has power of attorney
 - D. Importer A may hire a new broker to file a protest on its behalf
 - E. Broker B may hire another broker as a subagent to file the protest for Importer A
76. Which is **NOT** an addition to the price actually paid or payable?
- A. The packing costs incurred by the buyer with respect to the imported merchandise
 - B. Any royalty or license fee unrelated to the imported merchandise that the buyer is required to pay, directly or indirectly, as a condition of the sale
 - C. The value, apportioned as appropriate, of any assist
 - D. Any selling commission incurred by the buyer with respect to the imported merchandise
 - E. The proceeds of any subsequent resale, disposal, or use of the imported merchandise that accrue, directly or indirectly, to the seller
77. Which **PREVENTS** the use of transaction value?
- A. A restriction imposed or required by law on the use of the imported merchandise
 - B. A limit placed on the geographical area in which the merchandise may be resold
 - C. A restriction that does not substantially affect the value of the merchandise
 - D. A stipulation that the price is dependant upon the price at which the buyer of the merchandise sells other merchandise to the seller of the merchandise
 - E. A related party transaction in which the circumstances of the sale indicate that the relationship did not influence the price

78. The laws administered by _____ govern the importation of implements of war.
- A. The Bureau of Alcohol, Tobacco and Firearms and Department of State
 - B. The Department of Defense
 - C. The Office of Foreign Assets Control
 - D. The Department of Homeland Security
 - E. The Federal Bureau of Investigation

79. What is the **amount** of the per unit assists, if any, for the goods entered in the U.S. in the following scenario? Company A provides its overseas manufacturer with die casts that will be used in the production of goods to be consumed in the U.S. Based upon Company A's sales forecast, 2,600 units using this dedicated die cast will be sold in the U.S.

The original acquisition cost of the die cast is \$50,000; however, the die cast is fully depreciated to zero.

Similar die cast tools are available for purchase at \$10,000.

Freight charges for moving the die cast to its production site are \$1,000

- A. \$1,000.00
 - B. \$ 19.61
 - C. \$ 0.38
 - D. \$ 3.84
 - E. \$ 2.96
80. What factor below would **NOT** satisfy in whole or in part the circumstances of sale test to conclude that the relationship between buyer and seller did not influence the price?
- A. The related parties buy and sell to each other as if they are not related
 - B. The price is arrived at in a manner that is consistent with the normal pricing practices of the industry
 - C. The price for the related party is settled in a manner that is similar to the way the seller settles prices to non-related buyers
 - D. Customs has examined the relationship and is satisfied the relationship did not influence the price actually paid or payable
 - E. It can be demonstrated the price adequately covers all costs similar to the firm's overall costs over a representative period of time, in sales of merchandise of the same class or kind

ANSWER KEY

APRIL 2004 BROKERS EXAM

<u>Question</u>	<u>Answer</u>	<u>Source</u>
1	C	General Note 2; 19 CFR 101.1
2	A	General Note 7(a)
3	D	19 CFR 159.2
4	E	19 CFR 111.96(c)
5	E	19 CFR 132.3
6	A	General Note 3(e); 19 CFR 10.74, 19 CFR 141.4(b)(1)
7	C	HTS Chapter 12 eo nominee
8	B	HTS Chapter 84 eo nominee
9	C	HTS Chapter 20 eo nominee
10	D	19 CFR 12.17
11	D	HTS Chapter 85 eo nominee
12	A	19 CFR 162.77
13	B	19 CFR 11.13(b)
14	E	HTS Chapter 20 eo nominee
15	C	19 CFR 10.37
16	D	General Rules of Interpretation 3(b)
17	B	Chapter 42, Additional U.S. Note 1
18	D	19 CFR 111.30(d)
19	E	19 CFR 141.89(a)
20	E	19 CFR 173.2 and 173.3
21	B	19 CFR 12.98(c)
22	C	19 CFR 171.11(a)
23	A	19 CFR 18.5(f)
24	D	19 CFR 24.4(a)
25	E	19 CFR 103.5(h)
26	B	19 CFR 141.34
27	E	19 CFR 113.24(a)(1)
28	A	19 CFR 24.3(c)
29	B	19.11(d)
30	C	19 CFR 144.37(h)(3)
31	A	19 CFR 113.62(l)(4)
32	E	19 CFR 18.6(a)
33	C	19 CFR 146.44(a)
34	C	19 CFR 19.12(d)(5)
35	A	19 CFR 111.96(c)
36	B	19 CFR 152.101(b); 152.108
37	E	19 CFR 133.7
38	D	19 CFR 132.12(c)(2)
39	A	19 CFR 113.70
40	D	19 CFR 142.42(a)-(i)
41	C	19 CFR 142.21
42	B	19 CFR 143.6(b); 143.8

43	E	19 CFR 159.64(b)(1)(i)
44	A	19 CFR 163.12(b)(3)
45	D	19 CFR 19.2(a)
46	C	19 CFR 142.4(c)
47	D	19 CFR 174.12
48	A	19 CFR 19.12(d)(4)
49	B	19 CFR 191.6(a)
50	C	19 CFR 142.17(b)(1)
51	B	19 CFR 134.32
52	B	General Rules of Interpretation 1
53	E	19 CFR 174.32
54	D	19 CFR 191.42(a)-(e)
55	A	General Rules of Interpretation 1 and 6
56	C	Section XI Statistical Note 2(b)
57	C	Chapter 64 Subheading Note 1(a)&(b)
58	D	HTS Chapters 95 & 98 eo nomine
59	B	19 CFR 102.17(a)
60	D	19 CFR 191.3(a)&(b)
61	A	19 CFR 24.23(c)(3); 159.41
62	D	19 CFR 162.73(b)(1)(ii)
63	A	19 CFR 174.28
64	B	19 CFR 162.92(d)
65	A	19 CFR 152.103(a)
66	E	19 CFR 152.103(a); 152.108
67	C	19 CFR 134.52(c)
68	B	HTS Chapter 61 eo nomine
69	C	19 CFR 172.2(a)
70	A	19 CFR 152.102; 152.103(d)(1)
71	E	19 CFR 152.102(a); 152.103(b), (d) & (e)
72	A	19 CFR 134.52(d)
73	E	19 CFR 152.103(d)(2)(e)
74	C	19 CFR 171.2(b)(1)
75	D	19 CFR 174.12(a)(1); 19 CFR 174.12(a)(6)
76	B	19 CFR 152.103(b)
77	D	19 CFR 152.103(j); 152.103(k)(2)(ii)
78	A	19 CFR 161.2(a)(1)
79	C	19 CFR 152.102(a)
80	E	19 CFR 152.103(l)(1)(iii)