

**Series 360**  
April 2005

**Test No. 581**

**U.S. CUSTOMS AND BORDER PROTECTION**  
**Customs Broker License Examination**

**DIRECTIONS - READ CAREFULLY**

This examination consists of 80 questions, which are organized into five sections. 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 3653) (No Supplements)
- **Title 19, Code of Federal Regulations** Revised as of April 1, 2004 (**Parts 1-199**)

**(Note:** You may use other editions of these references. However, this examination is based on the April 1, 2004 Revision of 19 CFR, which does not reflect the organizational changes caused when the Customs Service became U.S. Customs and Border Protection [CBP] in March 2003)

- **Customs and Trade Automated Interface Requirements (CATAIR)**
  - Introduction
  - Getting Started
  - Requirements
- **Directives**
  - 3510-004, Monetary Guidelines for Setting Bond Amounts
  - 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
  - 3550-061, Instructions for Preparation of CBP Form 7501
  - 3550-067, Entry Summary Acceptance and Rejection Policy

You may use a silent battery-operated calculator.

Since there is no penalty for guessing, you should try to answer every question. Each question is designed to have a single best answer.

This examination lasts 4 hours. Although there is a time limit for the entire examination, there is no time limit for each of the five sections. You may spend as much or as little time on each section as you need. 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.**

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# **Customs Broker License Examination**

**Section 1      ENTRY**

**Section 2      CLASSIFICATION**

**Section 3      SCENARIOS**

**Section 4      BROKER COMPLIANCE**

**Section 5      GENERAL**

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## Section 1      ENTRY

1. The importation of all of the following is prohibited, **EXCEPT**:
  - A. White phosphorous matches
  - B. Merchandise manufactured using convict labor
  - C. A 2000-year-old coin stolen from the Iraqi National Museum collection in September 2004
  - D. Articles subject to the Toxic Substances Control Act
  - E. Counterfeit US coins
  
2. Which is the correct manufacturer/shipper identification code for A.B.C. Exports located at 123 Examination Road in St. John's, Newfoundland, Canada?
  - A. CAABCEXP123STJ
  - B. XAABCEXP123STJ
  - C. XCABCEXP123STJ
  - D. XSABCEXP123STJ
  - E. XWABCEXP123STJ
  
3. What is the manufacturer/shipper identification code for Brokerstuff S.A. de C.V., a shipper, located at 53-9 Calle de la Aduana, Suite 777 in Hermosillo, Mexico?
  - A. MXBROSTU539HER
  - B. MXBROSA53-9HER
  - C. MXBROSA777HER
  - D. MXBSC777HER
  - E. MXBROSA53HER
  
4. Which **ONE** of the following fields on a CBP Form 7501 will **NOT** be left blank when entering merchandise into the Customs territory for consumption from a Foreign Trade Zone?
  - A. Exporting country
  - B. Export date
  - C. Import date
  - D. Importing carrier
  - E. Foreign port of lading

5. Which is **NOT** a valid mode of transportation code for block 20 of the CBP Form 7501?
- A. 11 - Vessel, container
  - B. 20 - Rail, non-container
  - C. 33 - Pedestrian
  - D. 50 - Mail
  - E. 51 - Special Delivery mail
6. What is the **DUTY** on a 30,000 kg shipment of fresh spinach from Chile valued at \$15,000 and qualifying as originating under the US-Chile Free Trade Agreement?
- A. \$3,000
  - B. \$2,820
  - C. \$2,865
  - D. \$2,910
  - E. FREE
7. A bond to ensure the exportation of merchandise may be cancelled by all of the following **EXCEPT** the \_\_\_\_\_.
- A. Listing of the merchandise on the outward manifest
  - B. Inspector's certificate of lading
  - C. Record of clearance of the vessel
  - D. Production of a foreign landing certificate, if required by the port director
  - E. Filing of a Shipper's Export Declaration
8. A NAFTA Certificate of Origin may not be required when the value of an importation does not exceed \_\_\_\_\_, and the importer, producer, exporter or authorized agent completes a signed statement that the good qualifies as originating.
- A. \$2,500
  - B. \$1,250
  - C. \$2,000
  - D. \$200
  - E. \$10,000

9. Which is **NOT** one of the basic eligibility requirements for participation in the Automated Commercial System ABI program?
- A. The ability to maintain timely updates
  - B. The ability to maintain operational standards for data quantity and quality
  - C. The ability to demonstrate a reputable background
  - D. The ability to demonstrate the basic skills for performing entry services
  - E. The ability to make a commitment to send 85% of the entry/entry summary volume electronically

10. Which entry type is excepted from liquidation?

- A. 01
- B. 23
- C. 11
- D. 02
- E. 21

11. For a shipment of dates with the following history, what is the date of exportation?

April 1	is harvested in Portugal
April 2	is sold to a buyer in Madrid, Spain and shipped by truck to Spain
April 3	crosses the Spanish border and arrives in Madrid
April 3	is sold to a buyer in New Jersey
April 5	arrives on a new truck in Barcelona, Spain
April 7	is loaded on a vessel bound for New York
April 8	departs Barcelona
April 10	arrives in Cartagena, Spain when vessel docks for repairs
April 12	departs Cartagena for New York
April 20	arrives in New York
April 20	the entry for this shipment is filed and the merchandise is released

- A. April 3
- B. April 7
- C. April 8
- D. April 10
- E. April 12

12. Books, engravings, and other articles imported under subheadings 9808.00.10 and 9808.00.20 for the use of the United States or the Library of Congress shall be admitted free of duty upon the written request of \_\_\_\_\_.
- A. The port director at the port of arrival
  - B. The director of the field office with oversight for the port of arrival
  - C. The head of the bureau or executive department concerned
  - D. The Commissioner of Customs and Border Protection or his or her designee
  - E. The Secretary of the Treasury or his or her designee
13. The importer may request the application of the \_\_\_\_\_ method before the deductive value method.
- A. Transaction value
  - B. Transaction value of identical merchandise
  - C. Transaction value of similar merchandise
  - D. Computed value
  - E. Fallback value
14. "Schedule tares" do **NOT** apply to \_\_\_\_\_.
- A. Fresh tomatoes
  - B. Limes
  - C. Oranges
  - D. Lemons
  - E. Apples
15. What is the Merchandise Processing Fee for a shipment of vacuum cleaners made in China and dutiable at 10% if the terms of sale are: \$250,000 CIF, Delivered, Duty Paid, MPF Paid, Tucson; and the price includes: \$3,000 Ocean Freight; \$1,000 Insurance; \$500 Rail Freight from Los Angeles to Tucson; \$500 Fee for Customs Broker; and \$1,500 CBP Duties and Fees?
- A. \$525.00
  - B. \$485.00
  - C. \$466.84
  - D. \$463.98
  - E. \$25.00

16. U.S. IMPORTER, which restores classic military vehicles, buys replacement components from its partner ABC in the Philippines after providing them with the following items free of charge. Which will **NOT** be treated as an assist?
- A. A drill press of U.S. origin used to drill mounting holes in the various components
  - B. The master engineering plans, produced by the resident mechanical engineer at ABC's plant in Switzerland, for parts for their Kubelwagen replica
  - C. Dies of German origin used to stamp the metal components
  - D. The design work, sketches, and specifications, produced at ABC's Pennsylvania office, necessary to produce their replacement turn-signal lenses
  - E. Assorted custom-manufactured steel fasteners of Chinese origin, previously imported into the U.S. and currently stored in ABC's warehouse in Long Beach, used in the assembly of the various components
17. Which is **NOT** an addition to the price actually paid or payable?
- A. 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 or license fee related to the imported merchandise that the buyer is required to pay, directly or indirectly, as a condition of the sale of the imported merchandise for exportation to the U.S.
  - E. Any buying commission incurred by the buyer with respect to the imported merchandise
18. Which is **FALSE**?
- A. During the 6-month general order period, general order merchandise is not subject to sale
  - B. If the port director concludes that merchandise in general order has no commercial value and cannot be sold at auction, the warehouse proprietor must assume the responsibility for destroying the merchandise
  - C. Merchandise shall be considered general order merchandise whenever the port director believes that it is not correctly or legally invoiced
  - D. Articles properly entered for a trade fair which have been abandoned to the U.S. within 3 months of the closing of the fair are considered voluntarily abandoned and are property of the U.S. government
  - E. Unclaimed explosives shall be sold after 30 days public notice



19. When was the entry summary due on merchandise that was released Monday, June 30, 2003, by submission of an entry/immediate delivery?

- A. Monday, July 7, 2003
- B. Friday, July 11, 2003
- C. Monday, July 14, 2003
- D. Tuesday, July 15, 2003
- E. Thursday, July 10, 2003

June 2003						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2003						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

20. Which is **NOT** required on a commercial invoice furnished with the entry before release of the merchandise is authorized?

- A. An adequate description of the merchandise
- B. The values or approximate values of the merchandise
- C. The name and complete address of the foreign individual or firm responsible for invoicing the merchandise
- D. The inbond number assigned at the U.S. port of unloading
- E. The appropriate eight-digit subheading from the Harmonized Tariff Schedule of the U.S.

21. Which is **NOT** a valid reason for an Import Specialist to reject a CBP Form 7501?

- A. The Import Specialist is requesting further information on a CBP Form 28
- B. There are classification errors that would result in a change liquidation
- C. There are admissibility issues on the entry summary
- D. The duty rate submitted on the summary is not in effect on the entry date
- E. Some documents are missing

22. To avoid penalty action and payment of duties, what is the latest possible date to export or destroy merchandise entered on May 1, 2002 under HTS 9813.00.05?

- A. May 1, 2004
- B. December 30, 2002
- C. April 30, 2005
- D. The merchandise may stay indefinitely
- E. May 1, 2003

23. A commercial invoice is required for the entry or entry summary of \_\_\_\_\_.
- A. Merchandise shipped in one shipment covered by a single order or contract and shipped from one consignor to one consignee
  - B. Merchandise exported from continuous CBP custody within 6 months after the date of entry
  - C. Merchandise, whether privileged or nonprivileged, resulting from manipulation or manufacture in a foreign trade zone
  - D. Merchandise shipped abroad, not delivered to the consignee and returned to the U.S.
  - E. Merchandise for which an appraisement entry is accepted
24. When the importing carrier receives less than the manifested quantity, the importer may file an entry summary for consumption for less than the invoiced and manifested quantity provided that \_\_\_\_\_.
- A. The merchandise is unconditionally duty free
  - B. The carrier had to discard portions of perishable merchandise because it presented health hazards
  - C. The importer submits evidence that he changed his purchase order after the invoice was prepared and before the shipment was laden on the importing vessel
  - D. The carrier files a CBP Form 4315 in triplicate with the entry/immediate delivery for release of nonperishable merchandise
  - E. The importer files with his entry summary a CBP Form 5931 in triplicate and the dock receipt or other documents evidencing nonreceipt of the merchandise
25. Any imported merchandise upon which any duties or charges are unpaid beyond the \_\_\_\_\_ warehouse period will be considered involuntarily abandoned.
- A. 1 year
  - B. 2 year
  - C. 3 year
  - D. 4 year
  - E. 5 year
26. For the following acronyms, which definition is **INCORRECT**?
- A. ACH                      Automated Clearing House
  - B. ACS                      Automated Customs System
  - C. AMS                      Automated Manifest System
  - D. FTZ                      Foreign Trade Zone
  - E. HTSUS                      Harmonized Tariff Schedule of the United States

27. Match the CBP form titles (1-5) with their associated form numbers:

1. Entry/Immediate Delivery
2. North American Free Trade Agreement Certificate of Origin
3. Certificate of Origin
4. Application and Approval to Manipulate, Examine, Sample or Transfer Goods
5. Declaration of Owner for Merchandise Obtained (Otherwise Than) in Pursuance of a Purchase or Agreement to Purchase

	1	2	3	4	5
A.	Form 3461	Form 434	Form 3992	Form 3499	Form 3311
B.	Form 3461	Form 434	Form 3229	Form 3499	Form 3347
C.	Form 7501	Form 434	Form 3992	Form 214	Form 4811
D.	Form 3461	Form 368	Form 5931	Form 6043	Form 7529
E.	Form 3461	Form 434	Form 7552	Form 3499	Form 3347

28. U.S. IMPORTER imports integrated circuits for use in various network and computer equipment. The component circuit chips are “substantially transformed” in either Singapore, China, Great Britain, or Mexico. The finished integrated circuits are shipped to the U.S. IMPORTER distribution center in Texas, commingled into large receiving bins, tested, and repackaged for consumers in the United States. The outermost container for the ultimate purchaser should state \_\_\_\_\_.

- A. Made in one or more of the following countries: Singapore, China, Great Britain, Mexico
- B. Repackaged in the United States of America of foreign components
- C. English integrated circuits
- D. Made in one or more of the following countries: SG, CN, EN, MX
- E. Made in the United States of foreign and domestic parts

29. In which block of the CBP Form 7501 is the ABI status indicator placed?

- A. Block 22, Reference No.
- B. Block 3, Entry Summary Date
- C. Block 19, B/L or AWS No.
- D. Block 2, Entry Type Code
- E. Block 9, the ABI indicator is handwritten in the block with the ultimate consignee name and address

30. Which statement is **TRUE** for an ocean shipment of widgets, valued at \$18,000, that is unladen in San Francisco and sent inbond by air to Cleveland for entry?
- A. Harbor maintenance fees are not due on the shipment because it was sent by air to the port of entry
  - B. The minimum value of the Harbor Maintenance Fee is \$25.
  - C. Neither merchandise processing fees nor harbor maintenance fees are due on this shipment
  - D. Harbor maintenance fees assessed on the value of commercial cargo are due when entry is made in Cleveland
  - E. Harbor maintenance fees assessed on the value of commercial cargo must be paid to CBP in San Francisco
31. Which of the following statements is **FALSE** for a new customs brokerage that plans to add ABI capabilities in the future?
- A. A surcharge of \$3 will be assessed for each manual entry submitted to CBP
  - B. Merchandise that is formally entered or released will be subject to a minimum merchandise processing (ad valorem) fee of \$25
  - C. A \$2 fee will be assessed on an informal entry or release not prepared by CBP
  - D. The maximum merchandise processing (ad valorem) fee due on formal entry or release of merchandise will be \$485
  - E. If the entry or release is prepared by CBP personnel, there will be a \$9 fee
32. The CBP Form 7501 Entry Summary block labeled "Bond No." should include \_\_\_\_\_.
- A. The 9-digit bond number found on the top right corner of the CBP Form 301 bond form
  - B. The word "continuous" or "single transaction," whichever applies
  - C. The name of the surety company on the bond
  - D. The surety code of the bonding company, consisting of 3 digits
  - E. The filer may put any of the above information in this block

33. Under the following circumstances, choose the correct method of making the entry for your client.
- There is a “snow day” (CBP is closed because of bad weather).
  - You are on live entry.
  - Your importer operates on a just-in-time basis and needs his shipment immediately.
- A. Submit a manual CBP Form 3461 Entry/Immediate Delivery to CBP to obtain release of your client’s merchandise
  - B. Advise your client that entries which are not computer generated are no longer accepted by CBP
  - C. Prepare a CBP Form 7501 Entry/Entry Summary. Submit this form along with invoice, supporting documents, and a cashier’s check for the duties/taxes/fees, to CBP as soon as they re-open
  - D. Submit your entry documents to a port that is not having a “snow day”
  - E. Submit a warehouse entry
34. Which of the following statements is **NOT** true?
- A. Rejected entry summaries are time-stamped out by CBP, and time-stamped in by the filer
  - B. An entry summary that is rejected for failure to post bond/cash for merchandise subject to anti-dumping case must be resubmitted within 10 working days from the date of reject
  - C. A quota entry summary that is rejected for failure to submit the original visa must be resubmitted within 10 working days from the date of reject
  - D. A non-ABI entry summary may be rejected at any time up to 30 calendar days following the summary filing date
  - E. A non-ABI entry submitted with a non-negotiable check will be rejected after acceptance without collection
35. What CBP document must be signed, sealed, witnessed, executed, and filed at the port of approval?
- A. NAFTA Certificate
  - B. Reconciliation Entry
  - C. Power of Attorney
  - D. IT Bond
  - E. Bond Rider

## Section 2      **CLASSIFICATION**

36. What is the **CLASSIFICATION** for compressed carbon dioxide gas that is imported in reusable steel cylinders suitable for repetitive use?
- A. 2811.21.0000
  - B. 7311.00.0090
  - C. 2811.21.0000 and 7311.00.0090
  - D. 7310.29.0025
  - E. 3825.90.0000
37. What is the **CLASSIFICATION** for padded vinyl baseball mitts with sewn seams?
- A. 6116.99.3500
  - B. 9506.99.1500
  - C. 4203.21.4000
  - D. 6216.00.4600
  - E. 3926.20.2000
38. What is the **CLASSIFICATION** for prism binoculars (not for use with infrared light) imported in a padded binocular case specially fitted and shaped to carry the binoculars? The case has an exterior surface of plastic sheeting and a strap that allows it to be worn on the belt, over the shoulder or around the neck.
- A. 9005.10.0040 and 4202.92.9060
  - B. 9005.10.0040 and 3923.10.0000
  - C. 9005.10.0040 and 9005.90.8000
  - D. 9005.10.0040
  - E. 9005.90.8000
39. What is the **CLASSIFICATION** for a stuffed human doll in a dress imported with a miniature comb for the doll's hair and an extra sleepwear outfit for the doll? These items are imported packaged together for retail sale. The doll in the dress provides the majority of the mass and bulk of the item, and is valued at \$1.10. The comb is valued at \$0.03, and the extra outfit is valued at \$0.62.
- A. 9502.10.0010
  - B. 9502.10.0010 and 9615.11.1000 and 9502.91.0000
  - C. 9502.10.0010 and 9502.91.0000
  - D. 9615.11.1000
  - E. 9502.91.0000

40. What is the **CLASSIFICATION** for telescopic sights not dependent upon infrared light that are imported with but **not** mounted on bolt-action hunting rifles? Each hunting rifle is imported with the sight designed to be mounted on the rifle. Each sight is valued at \$100 and each rifle is valued at \$750.
- A. 9301.90.3010
  - B. 9013.10.1000
  - C. 9005.80.4040
  - D. 9303.30.8005
  - E. 9303.30.8015
41. What is the **CLASSIFICATION** for 4-wheel-drive, single seat, all-terrain vehicles for recreational use with spark-ignition reciprocating internal combustion engines having a cylinder capacity of 249 cubic centimeters?
- A. 8711.20.0090
  - B. 8479.89.9897
  - C. 8703.21.0000
  - D. 9506.99.6080
  - E. 8716.80.5090
42. What is the **CLASSIFICATION** of tinplate steel buckles with teeth used to adjust the size of baseball caps?
- A. 8308.90.6000
  - B. 7326.90.1000
  - C. 6507.00.0000
  - D. 9506.99.1500
  - E. 8007.00.5000
43. What is the **CLASSIFICATION** of bowling ball bags with padded carrying handles, shoulder straps, and two exterior two pockets, and measuring 31 centimeters x 33 centimeters x 21 centimeters? Each bag has a full zippered opening to an interior specially shaped to hold a single bowling ball. The internal and external surfaces of each bag are constructed of plastic sheeting.
- A. 9504.90.9060
  - B. 3923.21.0019
  - C. 6307.90.9889
  - D. 9506.99.6080
  - E. 4202.92.4500

44. What is the **CLASSIFICATION** for a shipment of frozen rock shrimp of U.S. origin being returned to the U.S. after it was refused entry by Mexican agricultural officials at the border?
- A. 9801.00.1010
  - B. 9801.00.1012
  - C. 9801.00.1015
  - D. 9801.00.1089
  - E. 9801.00.1097
45. What is the **CLASSIFICATION** for sterling silver pocket-style hair combs approximately 4 inches long and valued at \$4.50 apiece?
- A. 9615.11.1000
  - B. 9615.19.2000
  - C. 7113.11.5000
  - D. 7114.11.6000
  - E. 7114.11.7000
46. What is the **CLASSIFICATION** for “old style” Mexican pesos (pre-1993), no longer in circulation, that are imported for their collector value?
- A. 4821.10.2000
  - B. 4821.10.4000
  - C. 4907.00.0000
  - D. 4911.99.6000
  - E. 4911.99.8000
47. What is the correct **CLASSIFICATION** for packaged hot cocoa mix from Mexico consisting of 55 percent sugar, 24 percent cocoa, 20 percent non-dairy creamer, and trace amounts of salt, preservatives, and flavoring?
- A. 1701.91.4200
  - B. 1702.90.6400
  - C. 1805.00.0000
  - D. 1806.90.5500
  - E. 1806.90.5900



48. What is the **CLASSIFICATION** for a counterbalanced forklift from Mexico with a sit-down rider and a diesel engine if the forklift was originally made in the U.S.?

- A. 9801.00.1097
- B. 9801.00.1045
- C. 9801.00.1043
- D. 9801.00.1037
- E. 9801.00.1035

## Section 3 SCENARIOS

Using the **ABBREVIATED** power of attorney (POA), which is a valid and legal instrument, and the narrative, answer questions 49 through 52.

Javier Barrientos, an individually licensed Customs **BROKER**, operating under the Customs and Border Protection approved assumed name of Seamless Logistics, obtains a POA from a new client, Debbie Carrie, partner of Color the World (**IMPORTER**) on February 3, 2004. This **BROKER** does **NOT** possess a national permit; however, he is permitted to practice in the districts of Laredo and Dallas.

### CUSTOMS POWER OF ATTORNEY

**KNOW ALL MEN BY THESE PRESENTS:** That COLOR THE WORLD doing business as a partnership under the laws of the State of Texas residing or having a place of business at 2580 LBJ FREEWAY N.W., DALLAS, TEXAS hereby constitutes and appoints JAVIER BARRIENTOS dba SEAMLESS LOGISTICS and it's authorized employees, which may act through any of it's licensed officers or employees duly authorized to sign documents by power of attorney as a true and lawful agent and attorney of the grantor named above for and in the name, place, and stead of said grantor from this date and in ALL Customs Ports and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal, declaration, certificate, bill of lading, carnet, or other document required by law or regulation in connection with the importation, transportation, or exportation of any merchandise shipped or consigned by or to said grantor; to perform any act or condition which may be required by law or regulation in connection with such merchandise; to receive any merchandise deliverable to said grantor.

To authorize other Customs Brokers duly licensed within the territory to act as grantor's agent; to receive, endorse and collect checks issued for Customs duty refunds in grantor's name drawn on the Treasurer of the United States; if the grantor is a non-resident of the United States, to accept service of process on behalf of the grantor;

...

This power of attorney is to remain in full force and effect until revocation in writing is duly given to and received by grantee (if the donor of this power of attorney is a partnership, the said power shall in no case have any force or effect in the United States after the expiration 2 years from the dates of its execution);

IN WITNESS WHEREOF: the said COLOR THE WORLD has caused these presents to be sealed and signed:

(Signature) \_\_\_\_\_ (Signed) DEBBIE CARRIE \_\_\_\_\_ (Print Name) \_\_\_\_\_ DEBBIE CARRIE \_\_\_\_\_

(Capacity) \_\_\_\_\_ PARTNER \_\_\_\_\_ Date: \_\_\_\_\_ FEBRUARY 3, 2004 \_\_\_\_\_

Witness: (if required) \_\_\_\_\_ JOE SMITH (PARTNER) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Signed) \_\_\_\_\_ JOE SMITH \_\_\_\_\_

If you are the importer of record, payment to the broker will not relieve you of liability for Customs Charges (duties, taxes, or other debts owed Customs) in the event the charges are not paid by the broker. Therefore, if you pay by check, Customs charges may be paid with a separate check payable to U.S. Customs which shall be delivered to Customs by the broker. Importers who wish to utilize this procedure must contact our office in advance to arrange timely receipt of duty checks.

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49. While setting up the **IMPORTER's** account, the **BROKER** realizes that the **IMPORTER** does not have an importer of record number. Which CBP Form should the **BROKER** prepare and file with CBP to obtain this number?
- A. Form 5291
  - B. Form 368
  - C. Form 4811
  - D. Form 5106
  - E. Form 3173
50. The expiration date of this POA is \_\_\_\_\_. For recordkeeping purposes, **BROKER** should retain the POA until \_\_\_\_\_ unless revoked earlier.
- A. February 2, 2004; February 2, 2009
  - B. February 2, 2006; February 2, 2011
  - C. February 2, 2006; February 2, 2006
  - D. 5 years after the date of entry; 5 years after the date of entry
  - E. February 6, 2004; February 6, 2009
51. Because of a production delay, the **IMPORTER** requests that its Indonesian supplier ship merchandise directly to its new client the **ULTIMATE CONSIGNEE** located within the Customs port limits of Chicago. **BROKER** issues a POA on behalf of the **IMPORTER** to **BROKER B**, which is permitted in the Port of Chicago. Which statement is **TRUE**?
- A. The **BROKER** is **NOT** authorized to issue a POA to **BROKER B**
  - B. **BROKER B** may engage in "Custom business" on behalf of the **IMPORTER**
  - C. The **BROKER** has violated confidentiality of records
  - D. The **BROKER** must file a POA with the Chicago port director
  - E. **BROKER B** must obtain a valid POA from the **ULTIMATE CONSIGNEE**
52. Which statement regarding a Power of Attorney is **TRUE**?
- A. The written notification to the client of the method of payment to Customs and Border Protection must be on the POA
  - B. The POA must be on CBP Form 5291
  - C. A POA is not required when a broker is acting as the importer of record
  - D. The POA shall be filed in duplicate with the port director(s)
  - E. The POA must be pre-approved by CBP prior to entry

Using this invoice and the following information, answer questions 53 through 59.

- The shipment is scheduled to arrive into the United States on April 1, 2005.
- On February 3, 2005 Commodity Chemicals Inc. was granted approval by Customs and Border Protection to use a Toxic Substance Control Act blanket certification when importing barium chloride.
- This shipment departed Jordan on March 16, 2005, when the official daily exchange rate was 0.7777 Jordanian dinar equals 1 U.S. dollar.
- On March 17, 2005, the Jordanian currency depreciated by 20%.

 <p><b>Green Chemicals. LLC.</b> 169 Moqabalain, 1740 Mādabā, Jordan</p>				
<p>CONSIGNEE: Commodity Chemicals Inc.</p> <p>PH: 806.867.5309 FX: 806.867.3991</p> <p>Contact: Wayne Johnson CUSTOMER ID: 273359875</p>		<p>DATE: March 15, 2005 EXPORT REF: 10CCI00234BA Inv. 1, p. 1</p> <p>COUNTRY OF MANUFACTURE: Jordan COUNTRY OF ORIGIN/EXPORT: Jordan/Jordan</p> <p>SHIP TO: 742 Evergreen Terrace Springfield, IN 79423</p> <p>PORT OF ARRIVAL: Baltimore, MD VESSEL/VOYAGE: Haram Express/HE578US24</p>		
TYPE OF PACKAGING	DETAILED DESCRIPTION OF GOODS	QTY	UNIT VALUE (Jordanian dinar)	SUBTOTAL (Jordanian dinar)
Gram capsules	<p>Barium Chloride <chem>BaCl2-2H2O</chem> CAS: 10361-37-2 (Anhydrous) Boiling point: 1560°C Melting point: 960°C Density: 3.9 g/cm<sup>3</sup> For use in pesticide</p>	500	472 F.O.B.	236000
			TOTAL WEIGHT	TOTAL VALUE
<p>Contact: Amy Stevens Title: Plant Manager</p> <p>OTHER REMARKS: Container to be offloaded in Milan, Italy and reladen on vessel destined to Consignee <b>DO NOT TRANSPORT WITH FOOD AND FEEDSTUFFS</b></p>				
www.toxicwaste.tv.com			962.6.4460552	

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53. What is the **CLASSIFICATION** of this shipment?

- A. 2827.39.4500
- B. 2836.60.0000
- C. 2511.10.5000
- D. 2620.60.9000
- E. 3824.90.3900

54. The entered value for this shipment is \_\_\_\_\_.

- A. \$ 236,000
- B. \$ 303,459
- C. \$ 183,537
- D. JD 111,392,000
- E. JD 236,000

55. Which is **TRUE**?

- A. The Department of Health and Human Services, in consultation with the Environmental Protection Agency promulgates regulations per the Toxic Substances Control Act (TSCA)
- B. This shipment is subject to TSCA upon entry into the U.S.
- C. TSCA only applies to cosmetics
- D. TSCA applies only to signatories of the Chemical Weapons Convention
- E. TSCA applicability depends on what is done with the commodity after it is imported into the U.S.

56. What is the correct manufacturer/shipper identification code?

- A. JOGRECHE174JOR
- B. JOGRECHE169MAD
- C. ITGRECHE169MOQ
- D. JOGRECHE174MAD
- E. JOCOMCHE169MAD

57. The commercial invoice omits the required \_\_\_\_\_.

- A. Chemical Abstract Service Number
- B. Country of origin
- C. Reference to the TSCA blanket waiver
- D. Material Safety Data Commodity Number
- E. Actual use of the product

58. The certified daily rate of exchange must vary from the certified quarterly rate by at least \_\_\_\_\_ before the certified daily rate is used.
- A. 1%
  - B. 2%
  - C. 3%
  - D. 4.75%
  - E. 5%
59. When foreign currency is converted, you should use the rate of exchange in effect on the \_\_\_\_\_.
- A. date of export
  - B. date of import
  - C. date of entry
  - D. invoice date
  - E. liquidation date

**Based on the following, answer questions 60 through 62.**

IMPORTER regularly imports French lipstick, which is not subject to quota.

**July 6, 2000**, The Department of Commerce issues an antidumping duty order against French lipstick.

**April 31, 2004**, French lipstick arrives in the U.S. at the port of Charleston, SC.

**May 3, 2004**, the Charleston port director accepts an Immediate Transportation entry for the goods, which are destined for Nashville, Tennessee.

**June 1, 2004**, the lipstick shipment arrives in Nashville, is entered for consumption with an entered value of \$50,000, and is then released from CBP custody.

**June 4, 2004**, the Department of Commerce issues liquidation instructions requiring a 35% duty rate for French lipstick entered or withdrawn from warehouse for consumption on and after May 31, 2004.

60. Which date determines the applicable rate of duty?
- A. May 31, 2004
  - B. May 3, 2004
  - C. June 1, 2004
  - D. April 31, 2004
  - E. June 4, 2004

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61. During calendar year 2003, **IMPORTER** (the importer of record) imported lipstick with a total entered value of \$1,680,000, and paid \$600,000 in duty (inclusive of antidumping duties), fees and taxes. Based on this, CBP determines that the amount of the continuous bond for **IMPORTER** in calendar year 2004 should be:
- A. \$200,000
  - B. \$50,000
  - C. 3 x (35% of the entered value for this shipment)
  - D. \$60,000
  - E. \$150,000
62. On June 20, 2004, CBP, on behalf of the Food and Drug Administration, notifies the broker that the lipstick must be redelivered for examination. However, **IMPORTER** is unable to satisfy that request. What liquidated damages should be assessed?
- A. \$50,000
  - B. \$60,000
  - C. \$100,000
  - D. \$150,000
  - E. \$250,000

**Use this narrative to answer questions 63 through 65.**

U.S. IMPORTER imports through the port of Detroit, Michigan, 1,000 individual gallon cartons of fresh juice from a manufacturer located in Jordan. Approximately 80% of the juice originates from grapes, while 20% is comprised of other liquid ingredients in equal amounts.

The foreign manufacturer processes the individual fruits into the juice destined for export. The fruit juice is appraised under transaction value. All the inputs originate from Jordan unless otherwise identified. Note that 1 US gallon = 3.7854 liters. The breakdown of costs for one carton of fruit juice, F.O.B. Amman, is as follows:

Materials:	
Grapes	\$0.23
Pomegranates (originating from Israel)	\$0.06
Oranges	\$0.15
Packaging	\$0.10
Other	\$0.03
Labor:	
Manufacture	\$0.15
Supervision	\$0.10
Quality Control	\$0.06
Movement: (Actual expenses)	
Foreign Inland Freight	\$0.04
International Movement	\$0.06
U.S. Inland Freight	\$0.06
Selling and General:	
Manufacturer's Profit	\$0.03
Manufacturer's Overhead	\$0.05

**63.** What is the per-unit entered value?

- A. \$1.00
- B. \$1.12
- C. \$0.94
- D. \$0.88
- E. \$1.09



64. What is the **CLASSIFICATION** of the merchandise?

- A. 2009.90.4000
- B. 2202.90.3700
- C. 2009.69.0060
- D. 2106.90.5400
- E. 2009.90.4000

65. U.S. IMPORTER finds that 250 gallons in a shipment of 1,000 gallons is partially damaged upon exam, and it is able to segregate these from the rest of the shipment. The amount of duty owed for this entry is \_\_\_\_\_?

- A. \$76.10
- B. \$75.10
- C. \$93.10
- D. \$29.10
- E. \$51.10

66. Match the trade programs (1-5) with their Special Programs Indicator.

1. U.S. Jordan Free Trade Area Implementation Act
2. Signatory to North American Free Trade Agreement
3. Andean Trade Promotion and Drug Eradication Act
4. U.S. Singapore Free Trade Agreement
5. African Growth and Opportunity Act

- |    | 1  | 2   | 3  | 4  | 5  |
|----|----|-----|----|----|----|
| A. | JO | CA  | J  | SG | D  |
| B. | JO | L   | R  | SG | AF |
| C. | J  | MEX | J+ | SG | D  |
| D. | HE | LP  | ME | PA | SS |
| E. | JO | C   | J- | SG | AF |

Use this narrative to answer questions 67 through 69.

A U.S. makeup retailer imports lipstick from an unrelated Mexican company that uses the below-identified materials and costs for materials used in the assembly of one tube of lipstick. In Mexico, the company assembles the materials into a finished product (a tube of lipstick packaged for retail sale). Upon the importation, the retailer, who is also the importer of record, intends to sell the lipstick for “cost + 20%.”

Part No. (PN)	Description	Cost	Country of Origin
1.	Plastic tube base	\$0.05	Mexico
2.	Plastic tube cover	\$0.05	Mexico
3.	Plastic swivel base	\$0.05	Canada
4.	Metal shell	\$0.05	China
5.	Metal collar	\$0.05	China
6.	Small round mirror that attaches to bottom of PN 1	\$0.05	U.S.
7.	Lipstick mass	\$0.55	France
8.	Packaging material	\$0.10	U.S.

67. What is the **CLASSIFICATION** of the finished product (tubes of lipstick)?

- A. 3304.10.00
- B. 4202.32.10
- C. 9801.00.20
- D. 3824.90.40
- E. 3304.99.10

68. What is the country of origin for the retail package of lipstick?

- A. Canada
- B. Mexico
- C. France
- D. United States
- E. China

69. What is the per unit entered value?

- A. \$0.80
- B. \$0.95
- C. \$1.14
- D. \$1.02
- E. \$0.85

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## Section 4      **BROKER COMPLIANCE**

70. Which is **NOT** grounds for cancellation or revocation of a broker license?
- A. A broker transacts business for an importer who is notoriously disreputable or an individual whose broker license was revoked with prejudice
  - B. A broker requests his license to be cancelled with prejudice
  - C. A broker violates any provision of any law enforced by CBP or the rules enforced by CBP
  - D. A corporate broker is no longer empowered under its articles of incorporation to transact customs business
  - E. A broker is convicted of a misdemeanor for misappropriation of funds
71. Which of the following statements is **FALSE**?
- A. If you are the importer of record, your payment to the broker will not relieve you of liability for CBP charges if the broker does not pay them.
  - B. A licensed customs broker may compensate a freight forwarder for referring brokerage business
  - C. A broker must submit a written notice addressed to the Director, Regulatory Audit Division, for permission to consolidate storage of the broker's records
  - D. A broker may endorse or accept, without authority of his client, any U.S. Government draft check drawn to the order of the client
  - E. A broker who has a district permit may apply for a national permit for the purpose of transacting customs business
72. Which statement is **FALSE**?
- A. A broker may allow a freight forwarder who is not the importer of record, to have access to his importer files
  - B. Broker records must be made available, upon reasonable notice, for official use by authorized CBP officers
  - C. A broker must not destroy, conceal or remove any record relating to a brokerage transaction which is being sought, or which the broker believes may be sought by CBP
  - D. If a broker desires consolidated storage of his records he must submit a request a written request to the Director, Regulatory Audit Division
  - E. Powers of attorney must be retained until revoked, and revoked powers of attorney and letters of revocation must be retained for 5 years after the date of revocation or for 5 years after the date the client ceases to be an active client, whichever is later

73. While employed by the Federal Government, you pass the Customs Broker Examination. You are notified of your score of 75 percent on May 31, 2005. If you retire from Federal employment on February 21, 2008, what is the last day you may apply to become an individually licensed Customs broker?
- A. February 22, 2008
  - B. May 30, 2008
  - C. April 5, 2008
  - D. As a former U.S. Government employee, you are precluded from applying for a broker's license
  - E. February 20, 2009
74. Based on the previous question, what is the first day that you may submit your application?
- A. February 22, 2008
  - B. May 30, 2005
  - C. May 30, 2008
  - D. February 22, 2011
  - E. February 22, 2009
75. An individually licensed broker in Dallas, who is Vice President of Customs Brokers U.S.A., Inc., a Customs brokerage incorporated in Texas, may **NOT** qualify \_\_\_\_\_.
- A. Customs Brokers U.S.A., Inc.'s local permits of Dallas and Laredo, Texas, and Nogales, Arizona; assuming a permit waiver was approved for Customs Brokers U.S.A., Inc. at the port of Nogales
  - B. Customs Brokers U.S.A., Inc.'s local permit in Dallas and the local permit in Nogales, assuming a permit waiver was approved for the port of Nogales
  - C. The local permit for Customs Brokers U.S.A., Inc. in Dallas
  - D. The corporate Customs broker license of Customs Brokers U.S.A., Inc.
  - E. The National Permit issued to Customs Brokers U.S.A., Inc.
76. Which CBP Form **CANNOT** be transmitted via Automated Broker Interface?
- A. Form 5106 (Importer ID Input Record)
  - B. Form 3461 (Entry/Immediate Delivery)
  - C. Form 301 (Customs Bond)
  - D. Form 7512 (Transportation Entry and Manifest of Goods Subject to CBP Inspection and Permit)
  - E. Form 7501 (Entry Summary)

## Section 5      GENERAL

77. Which of the following is an exemption for persons emigrating from a foreign country to the United States under HTS 9804?
- A. Theatrical scenery
  - B. Articles for sale
  - C. Articles for use in any manufacturing establishment
  - D. Articles for any other person
  - E. Tools of trade
78. If an importer is habitually late in paying CBP bills, \_\_\_\_\_.
- A. The importer will be notified by the port director that he or she is required to file the entry summary with duties attached before his or her merchandise may be released
  - B. The importer's broker may apply for release of the importer's merchandise under the broker's name and bond
  - C. CBP will require that the importer transfer all future funds via direct deposit into the general fund of the U.S. Treasury
  - D. The importer may submit an application for deferred payment and upon approval may make semi-monthly payments on outstanding duty bills
  - E. The port director may require the filing of one entry summary for multiple entries to reduce the number of bills being issued to the importer
79. Which is **NOT** exempt from the Trade Act of 2002 requirement that certain truck cargo information be transmitted to CBP electronically in advance of the carrier's arrival at the first U.S. port of arrival?
- A. Domestic cargo transported by truck and arriving at one port from another in the U.S. after transiting Mexico
  - B. Merchandise that may be informally entered on CBP Form 368 or 368A (cash collection or receipt)
  - C. Merchandise unconditionally or conditionally free, not exceeding \$2,000 in value, eligible for entry on CBP Form 7523
  - D. Cargo arriving by truck for transportation through the U.S. from one point in Canada to another point in Canada
  - E. Products of the U.S. that are being returned and whose entry is prescribed on CBP Form 3311

**80.** A bond rider may **NOT** be used to:

- A.** Change the name of the principal
- B.** Terminate the bond
- C.** Change the address of the principal
- D.** Add trade names and unincorporated divisions of a corporate principal
- E.** Delete trade names of a corporate principal

**STOP.**

**THIS IS THE END OF THE TEST.**

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

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## APRIL 2005 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

QUESTION	ANSWER	
1	D	19 CFR 12.118; 12.120
2	E	Directive 3550-055
3	C	Directive 3550-055
4	D	Directive 3550-061
5	E	Directive 3550-061
6	B	HTS 0709.70.0000; 9911.95.19
7	E	19 CFR 113.55(a)(1)
8	A	19 CFR 181.22(d)(iii)
9	E	CATAIR Req. 1
10	B	19 CFR 159.2
11	E	19 CFR 152.1(c); General Statistical Note 1(b)
12	C	19 CFR 10.46
13	D	19 CFR 152.101(c)
14	B	19 CFR 159.22(c)
15	C	19 CFR 152.102(f); 152.103; 24.23(b)
16	D	19 CFR 152.102(a)
17	E	19 CFR 152.103(b)(i) thru (v)
18	E	19 CFR 127.28(c)
19	D	19 CFR 142.12(b)
20	D	19 CFR 142.6
21	A	Directive 3550-067
22	C	19 CFR 10.37
23	A	19 CFR 141.83
24	E	19 CFR 158.2
25	E	19 CFR 127.12
26	B	19 CFR 24.1(a)(8); 128.11(b)(7)(i); 146; HTS
27	B	19 CFR 142.3(a)(i); 181.11(b); 7.3(a); 19.11(d); 24.11(a)(l)
28	A	19 CFR 134.32(d)
29	D	Directive 3550-061
30	D	Directive 3550-061; 19 CFR 24.24
31	A&C	19 CFR 24.23(b)(2)
32	D	Directive 3550-061
33	C	19 CFR 142.3(b); 142.12(a)
34	C	Directive 3550-067
35	E	19 CFR 113.24(b) and (d)
36	C	Chapter 28 eo nomine; Chapter 73 eo nomine; General Rules of Interpretation 5(b)
37	E	Chapter 39 eo nomine; General Rules of Interpretation 1 and 6; Chapter 95 Note 1(u)
38	D	Chapter 90 eo nomine; General Rules of Interpretation 5(a)
39	A	Chapter 95 eo nomine; General Rules of Interpretation 3(b)
40	D	Chapter 93 eo nomine

41	C	Chapter 87 eo nomine
42	A	Chapter 83 eo nomine
43	E	Chapter 42 eo nomine
44	E	Chapter 9801.10.97
45	C	Chapter 71 Note 9; Chapter 71 eo nominee
46	C	General Rules of Interpretation 1
47	E	Chapter 18 eo nominee; Chapter 17 Note 1(a); Chapter 17 Additional U.S. Note 8
48	B	9801.00.1045
49	D	19 CFR 24.5
50	B	19 CFR 141.34; 111.23(a)(2)
51	B	Power of Attorney, paragraph 2
52	C	19 CFR 141.43
53	A	Chapter 28 eo nomine
54	B	Directive 3550-061
55	B	19 CFR 12.118
56	B&D	Directive 3550-055
57	C	19 CFR 12.121; 141.86(a)(10); 141.89
58	E	19 CFR 159.33
59	A	19 CFR 159.32
60	B	19 CFR 141.69(b)
61	D	19 CFR 113.12(b)(I)(ii)
62	D	19 CFR 113.62(I)
63	A	19 CFR 152.103(a)
64	A&E	HTS 2009 eo nominee
65	E	19 CFR 158.12(b); 158.11
66	A	HTS General Note 7(c)
67	A	Chapter 33 eo nomine
68	B	19 CFR 102.20
69	A	19 CFR 152.103
70	A	19 CFR 111.42(b)
71	D	19 CFR 111.41
72	A	19 CFR 111.24
73	B	19 CFR 111.12(a)
74	A	19 CFR 111.11(a)(1)
75	A	19 CFR 111.19(d)
76	C	CATAIR Requirements, REQ-3; Introduction, i-1
77	E	19 CFR 148.53(a); 9804.00.15
78	A	142.14(a); 142.26(a)
79	D	19 CFR 123.92(a)(1); 19 CFR 123.92(b)
80	B	19 CFR 113.24 (1), (2) and (3)