

U.S. CUSTOMS AND BORDER PROTECTION

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**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 completely darken the corresponding space on your answer sheet. There is no penalty for guessing; therefore, you should attempt to answer every question. **Each question is designed to have a single best answer.**

You are responsible for having the following references:

- **Harmonized Tariff Schedule of the United States (2010, NO Supplements)**
- **Title 19, Code of Federal Regulations** (revised as of April 1, 2010 (Parts 0 to 140, 141 to 199))
- **Customs and Trade Automated Interface Requirements (CATAIR)**
  - Appendix B – Valid Codes
  - Appendix D – Metric Conversion
  - Appendix E – Valid Entry Numbers
  - Appendix G – Common Errors
  - Appendix H – Census Warning Messages
  - Appendix L – Drawback Errors
  - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501 (12-06-2010)**
- **Directives**
  - 3530-002A Right to Make Entry
  - 3550-055, Instructions for Deriving Manufacturer/Shipper Identification Code
  - 3550-079A, Ultimate Consignee at time of Entry or Release

This examination lasts four (4) hours. When you finish, please give your answer sheet to the test administrator. **You may take this booklet with you.**

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

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## **Customs Broker License Examination**

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## Section 1: Entry

1. If the merchandise has not been sold or consigned to a U.S. party at the time of entry or release, then the ultimate consignee at the time of entry or release is defined as \_\_\_\_\_.
  - A. The exporter
  - B. The proprietor of the U.S. premises to which the merchandise is to be delivered
  - C. The resident agent
  - D. The shipper
  - E. The freight forwarder
  
2. Which is the CORRECT timeframe for an abatement or refund of duties to be made in the case of injury to, or destruction of, merchandise in a bonded warehouse due to accidental fire or other casualty? The accidental fire or other casualty must occur within:
  - A. 1 year from the date of importation
  - B. 1 year from the date of the warehouse entry
  - C. 3 years from the date of importation
  - D. 3 years from the date of the warehouse entry
  - E. 5 years from the date of importation
  
3. All of the following classes of merchandise, classifiable under the Harmonized Tariff Schedule of the United States require additional information on invoices presented at the time of entry summary, EXCEPT:
  - A. Bags manufactured of plastic sheeting
  - B. Earthenware or crockeryware
  - C. Gloves
  - D. Spirits and vinegar
  - E. Wearing apparel
  
4. In general, merchandise forwarded under a Customs and Border Protection (CBP) Form 7512 may be diverted to any port other than the port named in the entry \_\_\_\_\_.
  - A. at the option of the consignee or agent
  - B. prior approval from the Port Director at the originating port
  - C. prior approval from the Port Director at the intended port of diversion
  - D. only after the carrier reports the in-bond arrival at the original port of destination
  - E. only if the intended diverted in-bond shipment contains textiles or textile products

5. A shipment of fresh cheddar cheese, classified under HTS 0406.10.2400, arrives in Los Angeles on December 28, 2010. An immediate transportation entry was accepted at Los Angeles on December 29, 2010. The merchandise arrives at Dallas/Ft. Worth on December 31, 2010. The entry is filed in Dallas/Ft. Worth, without entry summary, on December 31, 2010, and no entry date is requested on the submitted entry documentation. Customs and Border Protection authorized the release of the merchandise on January 3, 2011. The entry summary is submitted in proper form, with duties attached, on January 10, 2011. What is the date of entry?
- A. December 28, 2010
  - B. December 29, 2010
  - C. December 31, 2010
  - D. January 3, 2011
  - E. January 10, 2011
6. Which entry type code is excepted from liquidation?
- A. 01
  - B. 02
  - C. 11
  - D. 21
  - E. 23
7. Transit air cargo traveling to a final port of destination in the United States shall be delivered to Customs and Border Protection at its destination within \_\_\_ days from the date the receiving airline gives the receipt for the cargo at the port of arrival.
- A. 5
  - B. 10
  - C. 15
  - D. 20
  - E. 30
8. A broker receives a written demand from Customs and Border Protection for the production of certain entry records. The demand is not being made in connection with a determination regarding the admissibility or release of merchandise. The broker shall produce the entry records within \_\_\_\_\_ of receipt of the demand.
- A. 5 working days
  - B. 10 business days
  - C. 30 calendar days
  - D. 35 calendar days
  - E. 90 calendar days

9. Which criteria below is NOT an eligibility requirement for remote location filing (RLF)?
- A. RLF entry must be secured with a continuous bond
  - B. The licensed broker must have a national permit
  - C. The licensed broker or importer of record must be operational in the Electronic Invoice Program prior to applying for RLF
  - D. The licensed broker must submit line release or immediate deliver entries under RLF
  - E. The licensed broker or importer of record must be operational on the Automated Broker Interface (ABI)
10. A shipment of merchandise valued at \$3,000 arrived from Toronto to port code 5210. The consignee wants to admit this merchandise into a Foreign-Trade Zone at district port code 5203. Which Customs and Border Protection (CBP) Form would be the proper document to file in order to move this merchandise?
- A. CBP Form 214 (Application for Foreign-Trade Zone Admission and/or Status Designation)
  - B. CBP Form 7512 (Transportation Entry and Manifest of Goods Subject to CBP Inspection and Permit)
  - C. CBP Form 6043 (Delivery Ticket)
  - D. CBP Form 7523 (Entry and Manifest of Merchandise Free of Duty)
  - E. CBP Form 434 (North American Free Trade Agreement Certificate of Origin)
11. A domestic express consignment courier, who is an unlicensed person and possesses no financial interest of the imported merchandise, may engage in which of the following role and/or responsibility?
- A. Engage in "Customs business"
  - B. Serve as the ultimate consignee
  - C. Act as the nonresident importer of record
  - D. Act as the Customs broker
  - E. Obtain a valid power of attorney from an importer

12. Quick Freight Logistics, Inc. is an express consignment operator who is also a licensed person and only permitted within the Customs and Border Protection (CBP) Districts of Dallas, Houston, and El Paso. Quick Freight Logistics, Inc. intends to make entry for its customer, West Texas Drilling, of a shipment from Mexico subject to an antidumping duty order at the Port of Laredo. Using the aforementioned narrative, Which of the following is the CORRECT way to advise the broker?
- A. A remote location filing of the entry may be made at the Port of Dallas instead of Laredo
  - B. Quick Freight Logistics, Inc. may act as the importer of record and make entry on its behalf at the Port of Laredo
  - C. Quick Freight Logistics, Inc. may file a CBP Form 7501 with CBP at the Port of Laredo
  - D. Quick Freight Logistics, Inc. may be identified as the importer of record on CBP Form 3461 and not on the CBP Form 7501
  - E. As the licensed broker, Quick Freight Logistics, Inc. may not file a CBP Form 3461 within the District limits of Laredo
13. An incorporated and physically domiciled internet company in the United States specializes in purchasing patio furniture. The company places consolidated orders with its overseas vendor to fill orders placed by the internet's individual customers located throughout the United States. The ultimate consignee is \_\_\_\_\_.
- A. The overseas vendor
  - B. The overseas shipper
  - C. The internet company
  - D. An individual customer of the internet company
  - E. The U.S. freight forwarder
14. A foreign business entity may NOT be the ultimate consignee \_\_\_\_\_.
- A. For entries wherein the entered merchandise is valued at \$1,999
  - B. When the vehicle registered by and used on behalf of the entity takes part in races in Daytona, Florida, is temporarily imported under the Harmonized Tariff Schedule 9813.00.35
  - C. And the nonresident importer of record when the U.S. agent is not authorized to accept service of process against the nonresident importer by means of the power of attorney
  - D. When the commercial invoice identifies the merchandise as new pneumatic tires, of rubber for use on motor cars with a value of \$2,000
  - E. When a Customs assigned number is used on a temporary importation entry for contest sail boats

15. What is the entry type code for a duty deferral entry?
- A. 04
  - B. 05
  - C. 08
  - D. 09
  - E. 12
16. A proprietor of a bonded warehouse may be required to furnish a new bond on Customs Form 301 on how many days notice from the port director?
- A. 10
  - B. 15
  - C. 20
  - D. 30
  - E. 45



## Section 2: Classification

17. An article composed of two different base metals is classified based on which of the following?
- A. The metal component that imparts the essential character of the article
  - B. The metal that predominates by weight
  - C. The metal that possesses the chief value
  - D. The metal that contributes the most towards marketing the article
  - E. The metal that is referenced last numerically in the Harmonized Tariff Schedule
18. When goods are classifiable under two or more headings and cannot be classified by reference to General Rules of Interpretation (GRI) 3(a) or 3(b), they shall be classified under:
- A. The heading which occurs first in numerical order among those which equally merit consideration
  - B. The heading which occurs last in numerical order among those which equally merit consideration
  - C. The heading which provides the most specific description
  - D. The heading which provides a more general description
  - E. The heading appropriate to the goods to which they are most akin
19. An “X” appearing in the column for units of quantity in the Harmonized Tariff Schedule of the United States means which one of the following?
- A. No quantity is to be reported other than the gross weight
  - B. Quantity unknown
  - C. Quantity is to be reported directly to the Department of Commerce
  - D. Quantity should be reported on a reconciliation entry only
  - E. No quantity is to be reported unless the article is imported from a column 2 country
20. What is the textile category for 100% silk baby garments from South Korea?
- A. 239
  - B. 339
  - C. 439
  - D. 839
  - E. Category number is not required because the merchandise is no longer subject to quota

21. Pursuant to the Harmonized Tariff Schedule of the United States, what information below is used to determine the classification as babies' garments and clothing accessories?
- A. Weight
  - B. Age
  - C. Height
  - D. Gender
  - E. Ethnicity
22. What is the classification and rate of duty for frozen egg yolks from Mexico?
- A. 0407.00.0030/Free
  - B. 0408.11.0000/47.6 cents/kg
  - C. 0408.19.0000/24.3 cents/kg
  - D. 0408.19.0000/9.7 cents/kg
  - E. 0408.19.0000/Free
23. What is the classification for a woman's orthopedic shoe with a rubber sole and an upper of textile material?
- A. 6404.19.2060
  - B. 6404.19.3560
  - C. 6405.20.3060
  - D. 6405.20.9060
  - E. 9021.10.0090
24. An entry of artificial flowers of plastic (as invoiced) manufactured and exported from China was filed. The Import Specialist issued a CBP Form 28 (Request for Information) and obtained a sample. The flowers received from the instant shipment were actually artificial, made of plastic and held with wire (finished product and not including parts). What is the correct classification of the referenced artificial flowers?
- A. 6702.90.3500
  - B. 6702.90.1000
  - C. 6702.10.4000
  - D. 6702.10.2000
  - E. 9505.10.4010
25. What is the classification of an automobile exhaust pipe?
- A. 7307.19.3085
  - B. 7326.90.8588
  - C. 8708.29.5060
  - D. 8708.92.5000
  - E. 8708.99.8180

26. What is the classification for a diffusing apparatus used for the commercial extraction of sugar juice?
- A. 8419.40.0040
  - B. 8421.22.0000
  - C. 8435.10.0000
  - D. 8438.30.0000
  - E. 8509.40.0030
27. What is the classification for coiled flat springs made from sheet metal (stainless steel) that have the property of returning to their original form even after considerable displacement?
- A. 7222.20.00
  - B. 7223.00.10
  - C. 7320.90.50
  - D. 7326.20.00
  - E. 9607.20.00
28. What is the classification of finger jointed and edged glued pine flat jambs?
- A. 4409.10.4090
  - B. 4409.10.5000
  - C. 4409.29.4000
  - D. 4418.90.4695
  - E. 4421.90.9400
29. When goods are claimed to be free of duty under subheading 9801.00.10 or 9802.00.20, of the Harmonized Tariff Schedule of the United States, and are not being returned for repairs or rejected by the purchaser, a declaration by the foreign shipper is required when the articles are valued over \_\_\_\_\_.
- A. \$ 2,000
  - B. \$ 4,000
  - C. \$ 6,000
  - D. \$ 8,000
  - E. \$10,000
30. What is the classification for a woven scarf that is 58cm by 58cm containing 78% silk and 22% polyester?
- A. 6213.90.0500
  - B. 6213.90.2000
  - C. 6214.10.1000
  - D. 6214.30.0000
  - E. 6214.90.0090

31. What is the classification for a base metal bell which is non-electric and can be attached to the handlebar of a bicycle?
- A. 7326.90.8585
  - B. 8306.10.0000
  - C. 8712.00.4800
  - D. 8714.99.6000
  - E. 8714.99.8000
32. What is the classification for a custom made window curtain constructed of 50% silk and 50% cotton knit fabric?
- A. 6303.19.1100
  - B. 6303.19.2120
  - C. 6303.91.0010
  - D. 6303.99.0030
  - E. 6303.99.0060
33. A lighted nylon safety vest is designed to fit over the upper torso. It is neither embedded nor completely covered in plastics. The safety vest fits over the upper torso and features a hook and loop strip front closure and open sides except for a 3 inch seam near the bottom. There are two 2-inch wide reflective plastic strips sewn from the front to the back of the vest and one 2-inch wide reflective strip around the waist. The reflective plastic strips on the outside contain 12 flashing lights that run by battery. It contains an inside pocket that holds a battery pack with an on/off switch, and a switch to arrange the light at either regular intervals or on a continuous basis. The lighted wearer is visible from a longer distance than someone who is wearing a "regular" safety product without a self contained light source. What is the classification for the vest?
- A. 3926.20.9050
  - B. 6117.80.9570
  - C. 8513.10.4000
  - D. 8531.80.0050
  - E. 9405.60.4000
34. What is the classification for an alloy steel, non-welded gas line with an outside diameter of exactly 114.3mm?
- A. 7306.11.0010
  - B. 7306.19.5110
  - C. 7306.19.5150
  - D. 7306.19.1010
  - E. 7306.19.1050

35. A non-clad/plated/coated, hot-rolled coil that has a width of less than 600mm and thickness of 5mm. The element weights are 95% Iron (FE) and 5% Nickel (Ni). What is the classification for the coil?
- A. 7211.14.00.90
  - B. 7211.19.60.00
  - C. 7211.19.60.00
  - D. 7211.23.20.00
  - E. 7211.23.60.85
36. A women's footwear has a closed toe and heel type not covering the ankle. The external surface area of the upper is 98.8% composition leather and 1.2% rubber/plastic. The outer sole is composed of plastic/rubber. The value per pair is \$37.00. What is the classification for the footwear?
- A. 6403.91.3010
  - B. 6403.99.9065
  - C. 6405.10.0060
  - D. 6405.10.0090
  - E. 6405.20.3060
37. A bicycle equipped with and propelled by both pedals and/or a 250-watt or 350-watt brushless, geared hub motor powered by a 36-volts battery affixed behind the seat tube. The approximate dimensions are 62 inches in length, by 10 inches in width and 44 inches in height, with a weight of approximately 60 pounds and a top motor-assisted speed of 16 mph. What is the classification number (HTS) for the bicycle?
- A. 8711.10.0000 / Free
  - B. 8711.20.0030 / Free
  - C. 8711.50.0060 / 2.4%
  - D. 8711.90.0000 / Free
  - E. 8712.00.4800 / 11%
38. What is the classification for a combination ball and needle roller bearing?
- A. 8482.40.0000
  - B. 8482.50.0000
  - C. 8482.80.0040
  - D. 8482.80.0060
  - E. 8482.91.0040

39. Pursuant to heading(s) 6103 and 6104 of the Harmonized Tariff Schedule of the United States, which of the following may NOT be classified as a suit?
- A. Morning dress
  - B. Evening dress
  - C. Coat with shorts
  - D. Coat with two trousers
  - E. Dinner jacket
40. An Automatic Data Processing (ADP) System consists of a Central Processing Unit (CPU), a keyboard (input unit), and visual display unit (output unit). What is the classification for the ADP System?
- A. 8471.60.2000
  - B. 8471.50.0150
  - C. 8471.49.0000
  - D. 8471.60.3500
  - E. 8471.60.8000

### Section 3: Trade Agreements

41. Articles sewn or otherwise assembled in a designated beneficiary Caribbean Basin Trade Partnership country with thread formed in the United States from fabrics wholly formed in the United States. The articles are cut in one or more such countries from yarns wholly formed in the United States, or from components knit to shape in the United States from yarns wholly formed in the United States, or both including fabrics not formed from yarns if such fabrics are classifiable under heading 5602 or 5603 of the tariff schedule and are wholly formed in the United States. What is the classification for these articles?
- A. 9809.00.30
  - B. 9810.00.90
  - C. 9813.00.20
  - D. 9815.00.60
  - E. 9820.11.06
42. The following statements define an 'indirect material' EXCEPT:
- A. A good used in the testing or inspection of a good, but not physically incorporated into the good
  - B. A good used in the maintenance of buildings or the operation of equipment associated with the production of a good
  - C. A good used in the production of a good whether or not it is physically incorporated into the good
  - D. An indirect material shall be considered to be an originating material without regard to where it is produced
  - E. A good that is not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production
43. When importing softwood lumber products from any country into the United States, what additional entry requirements are present?
- A. Export Price, Estimated Export Charge, if any, and Importer Declaration
  - B. Quota/Visa
  - C. Import License Number
  - D. Toxic Control Substance Act Certificate
  - E. Lacey Act Declaration

44. A woven cotton dress is shipped from Israel directly to the United States. The cotton fabric for the dress was woven in Pakistan and comprises 64% of the value of the finished garment, a woven cotton dress. A polyester contrasting trim fabric was woven in Puerto Rico and constitutes 5% of the value of the finished garment. The dress was cut and sewn in Israel which constitutes 31% of the value. Which of the following statements is TRUE?
- A. The country of origin of the dress is Israel and it qualifies for the United States Israel Free Trade Area (USIFTA)
  - B. The country of origin of the dress is Israel and the Pakistani fabric disqualifies the woven dress for the United States Israel Free Trade Area (USIFTA)
  - C. The country of origin of the woven dress is Israel and there is insufficient value added to qualify it for United States Israel Free Trade Area (USIFTA)
  - D. The country of origin of the woven cotton dress is the United States of America
  - E. The finished garment is classified in Chapter 61 of the Harmonized Tariff Schedule of the United States of America
45. The nation of Montserrat is a qualifying member of which association of countries under the Generalized System of Preferences?
- A. The West African Economic and Monetary Union (WAEMU)
  - B. The Caribbean Common Market (CARICOM)
  - C. The South Asian Association for Regional Cooperation (SAARC)
  - D. The Southern Africa Development Community (SADC)
  - E. The Association of South East Asian Nations (ASEAN)



## GENERAL

46. Which of the following items are excepted from the country of origin marking?
- A. Firewood
  - B. Picture frames
  - C. Toys
  - D. Bunches of artificial flowers
  - E. Bagged carrots packaged for retail sale
47. The Food and Drug Administration (FDA) has decided to examine your shipment. The FDA took a sample, analyzed the sample, and has timely issued all applicable FDA notices to the importer. Unfortunately, FDA has refused admission of your shipment into the United States. FDA communicates this fact to Customs and Border Protection (CBP). Which of the following happens next?
- A. CBP will issue a Notice to Redeliver (CBP Form 4815) within 30 days from the Entry Summary date on the CBP Form 7501
  - B. CBP will issue a Notice to Redeliver (CBP Form 4815) within 90 days
  - C. CBP will issue a Notice to Redeliver (CBP Form 4815) within 30 days from the date the product was refused admission by the FDA
  - D. CBP will issue a Notice to Redeliver (CBP Form 4815) within 30 days from the date the product was sampled by the FDA
  - E. CBP will issue Notice to Redeliver (CBP Form 4815) because FDA has refused the merchandise and it is within FDA's authority to demand redelivery of the merchandise on a CBP Form 4815
48. An importer shall file an application on Customs and Border Protection (CBP) Form 4315 within \_\_\_\_ days from the date of discovery of merchandise damaged while in CBP custody.
- A. 3
  - B. 5
  - C. 10
  - D. 30
  - E. 90
49. \_\_\_\_\_ must be completed by the importer and retained on file before making a customs entry for nonroad engines/equipment/vehicle.
- A. Environmental Protection Agency (EPA) Form 3520-1
  - B. EPA Form 3520-21
  - C. EPA Form 3540-1
  - D. Department of Transportation Form HS-7
  - E. US Fish and Wildlife Service Form 3-177

50. Merchandise which CBP permits for transfer to U.S. Custom 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.
- A. 1 calendar days
  - B. 5 working days
  - C. 10 business days
  - D. 15 working days
  - E. 30 calendar days
51. Which of the following is within the Customs territory of the United States?
- A. Guam
  - B. Northern Mariana Islands
  - C. American Samoa
  - D. U.S. Virgin Islands
  - E. Puerto Rico
52. Customs and Border Protection has issued a Notice of Detention on a shipment of potato chips suspect of being subject to Gray Market Lever-Rule protection. Goods subject to Lever-Rule protection are goods physically and materially different from the goods authorized by the U.S. trademark for importation. The potato chips have been approved entry by all applicable other government agencies. This means the goods:
- A. Will be denied entry
  - B. Are considered counterfeit and will be seized
  - C. Will be released, and CBP will demand redelivery using a CBP Form 4647 if later found to be prohibited
  - D. May not be brought into compliance and may not be allowed entry because the goods are subject to lever-rule protection
  - E. May be brought into compliance and allowed entry if a label informing the ultimate purchaser that the goods are physically and materially different and its importation is not authorized by the U.S. trademark holder
53. On a formal entry, a broker may be listed as an ultimate consignee if:
- A. The ultimate consignee has not been determined by importer, and the broker is not the owner of the merchandise
  - B. The delivery destination of the merchandise has not yet been determined by the importer
  - C. They own the merchandise, or there is no known U.S. buyer and the accompanying documentation shows the broker premises as the location to which the merchandise is to be delivered
  - D. The merchandise is owned by a foreign company and the location of the delivery for the merchandise is unknown
  - E. The merchandise is going be exported through another port

54. Imported merchandise was released by CBP and placed in a bonded warehouse on January 1. The merchandise was withdrawn from the warehouse under ten separate withdrawals beginning on March 15 and ending on December 2. Which of the following is correct?
- A. The warehouse entry must be liquidated on or before January 1 of the following year
  - B. The warehouse entry must be liquidated within one year of March 15 of the following year
  - C. Liquidation will be extended until all merchandise covered by the entry is accounted for
  - D. The warehouse entry must be liquidated within one year of December 2
  - E. Liquidation will be suspended until all merchandise covered by the entry is accounted for
55. Intentional removal, defacement, destruction, or alteration of a marking of the country or origin may result in criminal penalties of up to:
- A. \$ 1,000 per entered container and imprisonment for 5 years
  - B. \$ 5,000 and/or imprisonment for 1 year
  - C. \$10,000 and/or imprisonment for 5 years
  - D. \$25,000 and/or imprisonment for 15 years
  - E. \$50,000 and imprisonment for 1 year
56. The *de minimis* value applicable to foreign material applies to all of the following chapters of the Harmonized Tariff Schedule of the United States EXCEPT:
- A. Chapter 10
  - B. Chapter 12
  - C. Chapter 21
  - D. Chapter 55
  - E. Chapter 88
57. Which of the following ports of entry is not subject Harbor Maintenance Fee payment?
- A. Port 0401 – Boston, Massachusetts
  - B. Port 0901 – Buffalo, Niagara Falls
  - C. Port 3126 – Anchorage, Alaska
  - D. Port 4904 – Fajardo, Puerto Rico
  - E. Port 5401 – Washington, D.C.

58. As a licensed broker, you filed entry summaries on behalf of Spyglass, Inc. for five shipments of binoculars invoiced at \$50,000 per shipment. Weeks later your client discovered that a computer error had generated incorrect invoices. The correct value of each shipment was actually \$150,000. Because the merchandise was duty-free, Spyglass, Inc. decided it was not necessary to notify you or Customs and Border Protection (CBP). A year later CBP discovered the discrepancies through an audit. A penalty was assessed under 19 U.S.C. 1592 for gross negligence against the five shipments. The amount of the penalty assessed would have been:
- A. \$80,000
  - B. \$150,000
  - C. \$300,000
  - D. \$750,000
  - E. Zero, since there was no loss of duties involved
59. A client intends to submit the Importer Security Filing (ISF). Which of the following must be linked to one another at the line item level for shipments intended to be entered into the U.S. Customs territory at the lowest bill of lading level, if applicable?
- A. Vessel name, country of lading the vessel, and the tenth digit harmonized tariff schedule number
  - B. Unique Customs Trade Partnership Against Terrorism identifier, country of exportation, and buyer
  - C. Standard Carrier Alpha Code (SCAC Code), city code, and entry summary number
  - D. Manufacturer (or supplier), country of origin, and the sixth digit harmonized tariff schedule number
  - E. Manufacturer identification number, importer of record number, and consignee number
60. With respect to the conversion of foreign currency, for the currency of certain foreign countries, there will be published in the Customs Bulletin, for the quarter beginning January 1, and for each quarter thereafter, the rate or rates first certified by the \_\_\_\_\_ for such foreign currency for a day in that quarter.
- A. Bureau of Customs and Border Protection
  - B. Department of the Treasury
  - C. National Customs Broker and Freight Forwarders Association of America
  - D. International Monetary Fund
  - E. Federal Reserve Bank of New York

61. Which of the following is NOT included in the guidelines for determining amount of bond?
- A. The prior record of the principal in timely payment of duties, taxes, and charges with respect to the transaction(s) involving such payments.
  - B. The number of importations during the previous 3 fiscal years.
  - C. The value and nature of the merchandise involved in the transaction(s) to be secured.
  - D. The degree and type of supervision that Customs and Border Protection will exercise over the transaction(s).
  - E. The prior record of the principal in honoring bond commitments, including the payment of liquidated damages.
62. What is the type of bond that would cover an obligation to redeliver widgets when, during transportation, the widgets were delivered to an unauthorized location?
- A. Basic Importation Bond
  - B. Basic Custodial Bond
  - C. International Carrier Bond
  - D. Instrument of International Traffic
  - E. Foreign Trade Zone Operator Bond
63. Upon a written request from the importer, CBP shall provide a written explanation of how the value of the imported merchandise was determined within \_\_\_\_\_ after liquidation.
- A. 24 hours
  - B. 48 hours
  - C. 30 days
  - D. 90 days
  - E. 180 days
64. The computed value of imported merchandise would include all of the following EXCEPT:
- A. The cost or value of the materials, fabrication, and other processing used in the production of the imported merchandise
  - B. An amount for any tax imposed on the merchandise by the government of the exporting country which is refunded to the producer upon exportation of the merchandise
  - C. The cost of any containers, coverings, and/or packing required to ship the merchandise
  - D. The value (apportioned as appropriate) of any assist used in the production of the imported merchandise which is not otherwise attributed as a processing cost or general expense
  - E. An amount for the producer's profit and general expenses.

### Section 5: Drawback

65. Company A imported shoes from Italy on November 12, 2009. Company A sells the shoes to Company B on November 25, 2009. Company B exports the shoes to Germany. In order for Company A to claim drawback on the imported shoes, they must obtain a \_\_\_\_\_.
- A. Certificate of manufacture from the exporter
  - B. Letter of credit from the exporter
  - C. Notice of intent to export from the exporter
  - D. Certificate of delivery from the exporter
  - E. Certification from the exporter waving the right to drawback
66. Company A imports widgets, and then sells to Company B. Company B exports the widgets and is now filing for unused merchandise drawback. Which document is required to document the transfer, assign the right to drawback, and identify the widgets?
- A. A certificate of manufacture and delivery
  - B. A bill of sale
  - C. A copy of the original invoice
  - D. A certificate of delivery
  - E. A copy of the consumption entry
67. A broker files a drawback claim on behalf of its client on February 1, 1999. The exports on the claim range from April 1, 1998 to January 4, 1999. In April, 2000, the client asks the broker to amend the claim. The drawback entries covered by the claim have not yet been liquidated. May the broker file the amended claim?
- A. No, because filed drawback claims cannot be amended
  - B. Yes, because unliquidated drawback claims can be amended any time up to the date of liquidation of the drawback entries
  - C. No, because amendments to unliquidated drawback claims must be made within 90 days of the date that the claims were filed
  - D. Yes, because unliquidated drawback claims may be amended within 3 years after the date of exportation or destruction of the articles which are the subject of the original drawback claim
  - E. No, because unliquidated drawback claims must be protested

68. Which of the following is NOT specifically established for recordkeeping as related to direct identification manufacturing?
- A. The date or inclusive dates of manufacture or production
  - B. The quantity and identity of the imported duty-paid merchandise or drawback products used in or appearing in the articles manufactured or produced
  - C. The quantity and description of the articles manufactured or produced
  - D. The quantity of waste incurred, if applicable
  - E. That the finished articles on which drawback is claimed were exported or destroyed within 7 years after the importation of the duty-paid merchandise, without having been used in the United States prior to such exportation or destruction

## Section 6: Broker Compliance

69. Any record required to be made, kept, and rendered for examination and inspection by CBP shall be maintained:
- A. For 1 year on-site then 4 years off-site
  - B. For 3 years
  - C. For 5 years
  - D. For 7 years
  - E. Indefinitely
70. Which of the following is required to have a license to transact customs business?
- A. A foreign trade zone operator warehousing merchandise to be exported to Canada
  - B. An importer acting on his own behalf
  - C. The district permit qualifier of a customs broker
  - D. A bonded carrier transporting merchandise for another party making entry to transport said merchandise in bond
  - E. An employee of a customs broker who has been authorized to sign documents
71. “Customs business” includes all of the following activities involving transactions with CBP EXCEPT:
- A. Payment of duties assessed by CBP on imported merchandise
  - B. Internal corporate compliance activity
  - C. Activities concerning drawback of duties
  - D. Activities concerning entry of merchandise
  - E. Preparation of electronic entry documents
72. An appeal from the order of the Secretary of Homeland Security, or his designee, suspending or revoking a license or permit, or assessing a monetary penalty, may be filed by the broker in the \_\_\_\_\_.
- A. Municipal Court of the municipality where the broker’s license is filed.
  - B. State Court of the state where the broker’s license is filed.
  - C. U.S. District Court in the jurisdiction where the broker’s license is filed.
  - D. Court of International Trade.
  - E. U.S. Court of Appeals.



73. If the final determination by the Fines, Penalties, and Forfeitures Officer is that the broker or other person is liable for a monetary penalty, the broker or other person must pay the monetary penalty, or make arrangements for the payment of the monetary penalty, within \_\_\_\_\_ calendar days of the date of the written decision.
- A. 15
  - B. 30
  - C. 45
  - D. 60
  - E. 90
74. When a broker is employed for the transaction of “Customs business” by an unlicensed person who is not the actual importer, the broker must transmit to the actual importer either a copy of his bill for services rendered or a copy of the entry, unless the merchandise was purchased on a \_\_\_\_\_ basis or unless the importer has in writing waived transmittal of the copy of the entry or bill for services rendered.
- A. Delivered duty-paid
  - B. Delivered duty-unpaid
  - C. Free on board
  - D. Cost and freight
  - E. Cost, insurance and freight
75. Payments received by a broker from a client after the due date must be transmitted to the government \_\_\_\_\_ from receipt by the broker.
- A. Within 5 working days
  - B. Within 10 working days
  - C. Within 15 calendar days
  - D. Within 180 days
  - E. Before the entry liquidates
76. Where a broker who is licensed as a corporation and fails to have at least one officer of the corporation who holds a valid individual broker license, for any continuous period of 120 days, Customs and Border Protection will, regardless whether the broker consents, have the corporation’s broker license and permit:
- A. Suspended by operation of law
  - B. Revoked by operation of law
  - C. Suspended after a 60-day grace period
  - D. Revoked after a 60-day grace period
  - E. Suspended after a 90-day grace period

### **Section 7: Valuation**

77. A shipment of merchandise valued between \_\_\_\_\_ and \_\_\_\_\_, which qualifies for informal entry may be entered, using reasonable care, by the owner or purchaser of the shipment or, when appropriately designated by the owner, purchaser, or consignee of the shipment, a Customs broker.
- A. \$0 and \$200
  - B. \$100 and \$1,000
  - C. \$200 and \$1,000
  - D. \$200 and \$2,000
  - E. \$200 and \$2,500
78. What is the transaction value of commercial samples invoiced as \$5,000 worth of leather wallets, ex-works (outside of factory door), with actual foreign inland freight charges of \$200?
- A. \$0
  - B. \$200
  - C. \$4,800
  - D. \$5,000
  - E. \$5,200
79. A U.S. resident importer purchased from an unrelated supplier widgets invoiced at \$10,000 DDP (delivered duty paid) to New York. Actual air freight to New York from the supplier was \$1,500. The rate of duty is 7.5 percent ad valorem. The entry is not subject to additional fees such as the harbor maintenance and the merchandise processing. Both parties agree that if the U.S. importer is able to sell the merchandise within 48 hours upon the entry that the importer will pay an additional \$500 to the supplier. The merchandise is sold after 10 working days. What is the entered value?
- A. \$7,863
  - B. \$7,907
  - C. \$8,408
  - D. \$8,500
  - E. \$10,000
80. Interest is assessed on the underpayment of duties and fees at a rate determined by the Secretary, from the \_\_\_\_\_ to the liquidation or re-liquidation date.
- A. date of Entry of the merchandise
  - B. date the importer is required to deposit estimated duties
  - C. validation activity date
  - D. date the importer files his entry summary
  - E. export date

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

**You may use the remaining time to go back and check your answers.**  
**Please double check that your address is CORRECTLY bubbled in on your answer sheet.**  
**Your entire address must be filled in, including apartment numbers. Incorrectly bubbling**  
**of your address will delay notification of the results of the exam. If your address does not**  
**fit into the appropriate boxes, provide the Test Administrator with your full address**  
**AFTER the exam.**

## April 2011 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

<u>Question</u>	<u>Answer</u>	<u>Citation(s)</u>
1	B	CD 3550-079A
2	C	19 CFR 158.21(a)
3	D	19 CFR 141.89(a)
4	A	19 CFR 18.5(a)
5	E	19 CFR 132.1, 141.68(d), Chptr. 4, Additional U.S. Note 18
6	E	19 CFR 159.2
7	C	19 CFR 122.119(b)
8	C	19 CFR 163.6(a)
9	D	19 CFR 143.44(e)
10	B	19 CFR 143.23(d) and 18.10
11	E	CD 3550-079A
12	E	19 CFR 111.19
13	C	CD 3550-079A
14	D	CD 3550-079A
15	C	CBP Form 7501 Instructions1
16	A	19 CFR 19.2(e)
17	B	Section XV, Legal Note 5
18	B	General Rules of Interpretation
19	A	General Statistical Note 4
20	D	Harmonized Tariff Schedule of the United States
21	C	Chptr. 61, Note 6(a) and Chptr. 62, Note 4(a)
22	E	Chptr. 4, Heading 0408
23	E	Chptr. 64, Note 1(e)
24	D	GRI 1
25	D	Chptr. 73 and 87 Notes
26	D	GRI 3(a), Chptr. 84, Note 2(c)
27	C	Section XV Notes 1, 2, and 3. Chptrs. 72 and 73
28	D	Chptr. 44, Additional U.S. Note 1(b)
29	A	19 CFR 10.1(a)
30	A	Chptr. 62, Note 7
31	B	Section XV, Chptr. 83 and Section XVII, Note 2(d)
32	B	Section XI, Note 2(A)
33	D	GRI 3(c)
34	B	Chptr. 73
35	A	GRI 3(a) and Chptr. 72, Note 1(f)
36	C	GRI 1
37	D	GRI 1
38	C	GRI 1
39	D	Chptr. 61, Note 2
40	C	HTS 8471.49.0000
41	E	GRI 1
42	C	General Note 12(i)
43	A	19 CFR 12.142(c)(1),(2) and (3)
44	A	General Note 8(b) and 3(a) and (v)

45	B	General Note 4
46	A	19 CFR 134.33
47	C	19 CFR 141.113(c)(3)
48	D	19 CFR 158.23
49	B	19 CFR 12.74(b)
50	B	19 CFR 146.71(c)
51	E	19 CFR 101.1
52	E	19 CFR 133.23(d)(3), 133.25 and 133.23(b)
53	C	CD 3550-079A
54	D or E	19 CFR 159.52
55	B	19 CFR 134.4
56	B	19 CFR 102.13(b)
57	D	19 CFR 24.24
58	C	19 CFR 162.73(a)(2)
59	D	19 CFR 149.3(a)
60	E	19 CFR 159.34
61	B	19 CFR 113.13(b)
62	B	19 CFR 18.8 and 113.63
63	D	19 CFR 152.101(d), 152.2 and 141.113(a)(5)
64	B	19 CFR 152.106
65	E	19 CFR 191.33(a)(2)
66	D	19 CFR 191.10(a)
67	D	19 CFR 191.52(c)
68	E	19 CFR 191.26(a)(IV)
69	C	19 CFR 111.23
70	C	19 CFR 111.1 and 111.19
71	B	19 CFR 111.1
72	D	19 CFR 111.75
73	D	19 CFR 111.92
74	A	19 CFR 111.36
75	A	19 CFR 111.29
76	B	19 CFR 111.45
77	D	19 CFR 143.26(a)
78	D	19 CFR 152
79	B	19 CFR 152
80	B	19 CFR 24.3(b)(2)