

U.S. 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 completely darken the corresponding space on your answer sheet.

You are responsible for having the following references:

- **Harmonized Tariff Schedule of the United States (2005)** (USITC Publication 3745)
- **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
 - 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
- **Directives**
 - 3510-004, Monetary Guidelines for Setting Bond Amounts
 - Amendment to 3510-004 for Certain Merchandise Subject to Antidumping/Countervailing Duty Cases
 - 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
 - 3550-079A, Ultimate Consignee at time of Entry or Release
 - 3560-001A, Census Interface-Processing Procedures
 - 5610-002A, Standard Guidelines for the Input of Names and Addresses Into Automated Commercial System (ACS) Files

There is no penalty for guessing, therefore, you should attempt to answer every question. **Each question is designed to have a single best answer.**

This 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.

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Customs Broker License Examination

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Section 1 GENERAL

1. What information goes into block 2 of CBP Form 7501, for an entry, type 01 live consumption entry transmitted via ABI with a single cash payment?
 - A. ABI/Live
 - B. 01 ABI/N/L
 - C. 01 Live
 - D. 01 ABI/L
 - E. 01 ABI/L/N

2. What is the actual loss of revenue an importer should submit, with a prior disclosure claim, involving five finally liquidated entries (all misclassified) with the following results:

For Entry 1, the importer underpaid \$1,350 in duty
For Entry 2, the importer underpaid \$350 in duty
For Entry 3, the importer overpaid \$1,350 in duty
For Entry 4, the importer underpaid \$15 in duty
For Entry 5, the importer overpaid \$10 in duty

 - A. \$355
 - B. \$1,715
 - C. \$1,700
 - D. \$350
 - E. \$1,360

3. "Keylining" is a technique to _____.
 - A. delete an entry from ACS
 - B. make a change to an entry summary during the final two weeks of liquidation
 - C. derive a manufacturer code from the name and address of a manufacturer or shipper by applying a specific set of rules
 - D. target an importer or broker via data queries in ACS
 - E. identify problem importers or brokers

4. What is the correct format for inputting the address of a new importer located at 123 Any Street, Hometown, Maine 12345 into ACS?
- A. 123 Any Street
Hometown ME 12345
 - B. 123 Any ST
Hometown MA 12345
 - C. 123 Any St.
Hometown ME 12345
 - D. 123 Any St
Hometown MA 12345
 - E. 123 Any St
Hometown ME 12345
5. Which of the following is **NOT** a J-list exception?
- A. Buttons
 - B. Cigars
 - C. Playing cards
 - D. Printed circuit board assemblies
 - E. Sponges
6. CBP may deny a prior disclosure of a violation pursuant to 19 USC 1592 because _____.
- A. a formal investigation of a commercial violation has **NOT** commenced
 - B. CBP has seized the merchandise that is the subject of the prior disclosure
 - C. the disclosing party proves that it did not know of a formal investigation
 - D. CBP has failed to inform the disclosing party of the violation in question
 - E. CBP is in the process of issuing a prepenalty notice to the disclosing party as to the violation
7. Which of the following countries is subject to the column 2 rate of duty?
- A. North Korea
 - B. Ethiopia
 - C. Panama
 - D. Russia
 - E. South Africa

8. Official CBP office hours for purposes of administering quotas are:
- A. 8:00 a.m. to 4:30 p.m. PST
 - B. 8:30 a.m. to 4:30 p.m. EST
 - C. 8:30 a.m. to 4:30 p.m. in all time zones
 - D. 8:00 a.m. to 4:30 p.m. in all time zones
 - E. 8:30 a.m. to 5:00 p.m. in all time zones
9. Which of the following is **NOT** subject to protest under 19 USC 1514?
- A. Exclusion of merchandise from entry or delivery
 - B. Valuation of merchandise
 - C. Classification of merchandise
 - D. Disallowance of drawback
 - E. Assessment of liquidated damages
10. CBP can demand redelivery of improperly marked merchandise within _____.
- A. 10 days from the date of liquidation of a formal entry
 - B. 30 days from the date of entry
 - C. 30 days after reconciliation
 - D. 90 days from when the merchandise is found to be improperly marked
 - E. 120 days from the date of entry
11. Which form must be on file with CBP to authorize the mailing of refunds, bills or notices of liquidation in care of an importer of record's agent?
- A. CBP Form 4811
 - B. CBP Form 6043
 - C. CBP Form 3299
 - D. CBP Form 3311
 - E. CBP Form 3461
12. A CBP power of attorney executed by a partnership is valid for _____.
- A. 2 years
 - B. 5 years
 - C. 7 years
 - D. 20 years
 - E. an unlimited period

13. When reviewing an ABI entry summary with Census Warning "28 C," the filer should:
- A. Submit the entry summary without any further review because CBP will do the review and correct the entry summary
 - B. Make pen and ink changes to the CBP Form 7501 and submit it to CBP for electronic correction
 - C. Review the entry summary information, and when applicable, make any necessary corrections and retransmit the information via ABI
 - D. Override the Census Warning because it is a "glitch" in the ABI system
 - E. Provide a note indicating the nature of the Census Warning and submit the entry non-ABI because corrections can no longer be made
14. Absolute quota merchandise imported in excess of the admissible quantity may **NOT** be _____.
- A. held in a FTZ for the opening of the next quota period
 - B. held in a warehouse for the opening of the next quota period
 - C. exported
 - D. destroyed under CBP supervision
 - E. entered at a higher rate of duty
15. Which CBP form is used to admit goods into a foreign trade zone?
- A. CBP Form 7512
 - B. CBP Form 214
 - C. CBP Form 216
 - D. CBP Form 3461
 - E. CBP Form 7501
16. Which of the following is **NOT** an accounting record or sales ticket register requirement for withdrawals from a duty-free store (class 9 warehouse)?
- A. Warehouse entry number
 - B. Sales ticket date and number
 - C. Current balance
 - D. Quantity
 - E. Gross weight

17. Which CBP Form provides a **COURTESY** notice of liquidation?
- A. 3311
 - B. 3347
 - C. 3347-A
 - D. 4333-A
 - E. 4333
18. Bills resulting from dishonored checks or dishonored ACH transactions are due within _____ days of the date of issuance of the bill.
- A. 10
 - B. 30
 - C. 15
 - D. 60
 - E. 90
19. The “customs territory of the United States” includes the 50 States, the District of Columbia and _____.
- A. Midway Island
 - B. the Marshall Islands
 - C. Puerto Rico
 - D. the U.S. Virgin Islands
 - E. Guam
20. A power of attorney to transact Customs business may be revoked by _____.
- A. hiring a new attorney
 - B. changing brokers and issuing a power of attorney to the new broker
 - C. revising the corporate power of attorney in the corporate files to reflect a change in corporate officers
 - D. written notice given to and received by the port director
 - E. issuing another power of attorney to CBP

Section 2 ENTRY

21. An entry summary was submitted to CBP on, June 1, 2005 (10 calendar days after entry), but was rejected for errors on, June 3, 2005. The entry summary was corrected and returned to CBP on, June 10, 2005. How many days late is the entry summary considered?

- A. 2
- B. 6
- C. 8
- D. 7
- E. 5

June 2005						
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		

22. What information is **NOT** required on a foreign commercial invoice for goods imported into the U.S.?

- A. Description
- B. Classification
- C. Conversion rate for foreign currency
- D. Any applicable discounts
- E. Invoice description in English or translated into English

23. Which identification number represents the following manufacturer?

Sanmenxia Lakeside Company
32 West High Road
Sanmenxia, Henan, China

- A. CNSANLAK32SAN
- B. SANLAK32SANCN
- C. 32CNSANLAKSAN
- D. SANLAKCOMPCN
- E. CN32SANLAKHEN

24. What is the date of exportation for the following shipment of memory modules imported into the U.S.?

July 1 - Memory modules are sold to a German buyer.

July 3 - Memory modules are loaded aboard a truck and are shipped from Italy to Germany.

July 4 - The goods cross into Germany.

July 6 - The memory modules arrive in Hamburg, Germany and are repacked.

July 10 - The memory modules are sold for export to the U.S.

July 14 - The memory modules are loaded on a vessel bound for New York.

July 16 - The vessel leaves Hamburg.

July 17 - The vessel arrives in Bremen, Germany to load additional cargo.

July 19 - The vessel departs Bremen for New York.

July 30 - The vessel arrives in New York.

July 31 - The entry for this shipment is filed and the merchandise is released.

- A. July 1
- B. July 4
- C. July 16
- D. July 19
- E. July 31

25. CBP will **NOT** reject an entry summary whose duties, taxes and fees total \$550 merely because _____.

- A. the CBP Form 7501 Block 39 Summary is missing or incorrect
- B. there is not a duty check attached and there is not a letter from the broker stating that the entry summary is submitted without payment
- C. the check submitted is made payable to CBP in the amount of \$556, and no authorization to collect excess monies is attached
- D. a single transaction bond for \$55 is attached to the entry
- E. payment is tendered with an uncertified check drawn on a bank in Puerto Rico

26. What is the **ENTRY TYPE CODE** for block #2 of the CBP Form 7501 to simultaneously enter tuna that is subject to tariff rate quota restrictions and honey that is subject to antidumping duties, if both commodities were entered into a warehouse, using entry type code 21, because the quotas were initially full?

- A. 02
- B. 03
- C. 07
- D. 34
- E. 38

27. For ABI entry summaries, entry summary selectivity occurs at the time of _____.
- A. transmission
 - B. presentation
 - C. release
 - D. the CBP Form 3461 review
 - E. the CBP Form 7501 review
28. What **QUANTITY** should be reported on the CBP Form 7501 for a shipment of 50% liquid caustic soda classified in 2815.12.0000 and weighing 8,836,165 pounds (4,008.022 metric tons) liquid and 4,442,823 pounds (2,015.233 metric tons) dry?
- A. 4,008,022 t
2,015,233 t
 - B. 4,008,022 kg
2,015,233 kg
 - C. 4,000,000 kg
2,015,233 kg
 - D. 8,836,165 lbs
4,442,823 lbs
 - E. 2,015,233 kg
4,008,022 kg
29. An entry summary rejected for failure to post bond/cash for merchandise subject to antidumping and/or countervailing duty must be resubmitted _____.
- A. within 10 working days from the date of reject
 - B. whenever the importer supplies information necessary to classify
 - C. within 10 calendar days from the date of reject
 - D. whenever the filer decides to resubmit
 - E. within 2 working days from the date of reject

Section 3 BROKER COMPLIANCE

- 30.** Records of broker-related financial transactions must be retained for at least _____.
- A.** 2 years
 - B.** 5 years
 - C.** 4 years
 - D.** 1 year
 - E.** 3 years
- 31.** The failure of a corporate broker to have at least one officer of the corporation with a valid individual broker's license during any continuous period of _____ days may result in the revocation (by operation of law) of the license and any permits issued to the corporation.
- A.** 180
 - B.** 30
 - C.** 100
 - D.** 120
 - E.** 90
- 32.** Requests for alternative methods of storage for records required to be maintained as original records must be made to the _____.
- A.** Port Director in the port where the records will be stored
 - B.** Broker Management Branch in Washington D.C.
 - C.** Regulatory Audit Division in Miami
 - D.** Director of Field Operations in the District where the records will be stored
 - E.** National Finance Office in Indianapolis
- 33.** After John Smith, an individual licensed broker, receives approval from CBP for use of the trade name First Time, he may:
- A.** Present documents to CBP as John Smith, AKA First Time LLP
 - B.** Execute powers of attorney as First Time CHB, Inc.
 - C.** Exercise Customs bonds in the name First Time, Inc.
 - D.** Submit CBP Form 7501 and CBP Form 3461 forms to CBP as, John Smith DBA First Time CHB, Inc.
 - E.** Engage in Customs business as John Smith DBA First Time

34. "Customs business" does **NOT** include:

- A. Foreign Trade Zone admissions
- B. Classification and valuation
- C. Drawback or refund of duties
- D. Payment of duties, taxes or other charges
- E. Filing of a non-ABI CBP Form 7501 with a check attached

35. BROKER hires EMPLOYEE A on January 3, 2005, to qualify BROKER's local permit. During his lunch hour on March 1, 2005, EMPLOYEE A dies. On June 1, 2005, BROKER hires EMPLOYEE B to qualify the local permit, but he quits on June 10, 2005. BROKER must hire a new permit qualifier by _____.

- A. September 29, 2005
- B. July 2, 2005
- C. August 29, 2005
- D. November 27, 2005
- E. December 6, 2005

January 2005	February 2005	March 2005	April 2005
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	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	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	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
May 2005	June 2005	July 2005	August 2005
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	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	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	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
September 2005	October 2005	November 2005	December 2005
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	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	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	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

Questions 36 and 37 are based on the following information.

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A BROKER receives his license through the port of Houston, is permitted in the Laredo district and has a national permit. When he fails to pay his annual user fees timely, CBP starts rejecting his entries at the port of Dallas. The BROKER discovers his permits have been revoked, and now he wants to reinstate them and participate in Remote Location Filing (RLF).

36. The BROKER must submit _____ to CBP to be operational with RLF.
- A. \$125
 - B. \$200
 - C. \$250
 - D. \$350
 - E. \$450
37. The BROKER must submit his payment for a national permit to _____.
- A. Laredo
 - B. Dallas
 - C. Washington, D.C.
 - D. Houston
 - E. Miami

Section 4 BONDS

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38. The purpose for requiring a bond is _____.
- A. to govern the different types of merchandise imported
 - B. to protect the revenue of the U.S. and ensure compliance
 - C. to maintain a tracking system for importer activity
 - D. to place restrictions on the importation of specific allotments
 - E. to place financial controls on an importer
39. What type of bond is required for an application for immediate delivery of an importation made by or for the account of any agency or office of the U.S. Government and **NOT** otherwise provided for in 19 CFR 10?
- A. None because this is a U.S. Government importation
 - B. A CBP continuous bond with the required stipulation attached
 - C. A CBP single entry bond with the required stipulation attached
 - D. None if a stipulation is filed with the port director
 - E. None, because U.S. Government importations are exempt from the requirement of an immediate delivery application
40. The amount of a single transaction Activity Code 1 bond for imported merchandise subject to quota and/or visa requirements is _____.
- A. the total entered value of the merchandise plus duty, taxes, and fees
 - B. \$50,000
 - C. \$10,000
 - D. 10% of the total entered value
 - E. **NOT** less than 3 times the total value of the merchandise
41. The minimum amount for a single transaction bond for a non-quota consumption entry of agricultural products that are subject to marketing orders and valued at \$15,000, if duty, taxes and fees total \$250, is _____.
- A. \$45,000
 - B. \$15,250
 - C. \$15,000
 - D. \$15,750
 - E. \$45,250

42. An importation which includes both merchandise subject to Other Government Agency (OGA) requirements and merchandise **NOT** subject to any additional requirements may require a single transaction **BOND** set at:
- A. An amount equal to the estimated duties
 - B. Three times the total entered value of the merchandise
 - C. The total entered value of the merchandise plus duties, taxes and fees
 - D. Three times the total entered value of the merchandise subject to OGA requirements plus the total entered value and all duties, taxes and fees for the remainder of the merchandise
 - E. 10% of the total entered value
43. What is the correct amount for a single entry bond covering a shipment of restricted merchandise **WITHOUT** quota/visa requirements?
- A. The total entered value plus duties, taxes and fees
 - B. Ten percent of the total entered value
 - C. Three times the total entered value plus duties, taxes and fees
 - D. The amount of the duties, taxes and fees only
 - E. Three times the total entered value
44. What is the minimum amount for a single transaction **BOND** for a consumption entry of German wine with an entered value of \$25,000 and total duties, taxes and fees of \$2,200?
- A. \$25,000
 - B. \$27,200
 - C. \$75,000
 - D. \$81,600
 - E. \$6,600
45. A bond for basic importation and entry does **NOT** require an agreement _____.
- A. to make or complete entry
 - B. for examination of merchandise
 - C. to pay duties, taxes and charges
 - D. to pay court costs for condemned goods
 - E. to rectify any noncompliance with provisions of admission

Section 5 DRAWBACK

46. AB IMPORTER imports engines from Germany through Chicago and sells them to CD COMPANY, which repackages and exports them to Germany through New York using FREIGHT FORWARDER. Drawback can rightfully be claimed by _____.
- A. CD COMPANY with a Certificate of Delivery issued by the AB IMPORTER
 - B. AB IMPORTER without any additional documentation
 - C. CD COMPANY with a Certificate of Delivery issued by FREIGHT FORWARDER
 - D. FREIGHT FORWARDER without any additional documentation
 - E. AB IMPORTER with a Certificate of Delivery issued by the CD COMPANY
47. Which party has the **RIGHT** to claim drawback under the provision for direct identification drawback?
- A. An importer who imports merchandise and sells it to another company that then exports it
 - B. An importer who delivers imported duty paid merchandise to another company under a Certificate of Delivery, and the merchandise is then exported
 - C. A broker who obtains a CBP Form 4811 from an importer who currently owes the broker for services rendered if that importer sells the imported merchandise to another company, which then exports it. The broker files a claim on the exported merchandise to recoup some of his losses.
 - D. Company A, which destroys imported merchandise under CBP supervision after obtaining it from the importer of record along with a Certificate of Delivery
 - E. Company B, which receives duty paid imported merchandise from the importer of record, manufactures it into a new and different article and sells it to Manufacturer B for further processing and subsequent export
48. Which Service Port has a Drawback unit/office?
- A. Boston
 - B. Detroit
 - C. Houston
 - D. Honolulu
 - E. Miami

49. Which is **NOT** considered an incidental operation for purposes of claiming same condition drawback for goods shipped to Canada or Mexico in 2005?
- A. Adding water to grape juice concentrate imported from Brazil and repackaging the juice into larger bottles
 - B. Painting anchors imported from Germany
 - C. Reconstituting imported dehydrated onions imported from France, adding them to broth and canning as soup
 - D. Testing a calibration device from Germany
 - E. Slitting stainless steel coils imported from Malaysia
50. Which situation does **NOT** require a CBP Form 7552 Certificate of Delivery to claim drawback?
- A. A U.S. importer sells 40 cases of imported ink pen cartridges to another company to be repackaged and exported to Turkey
 - B. A company in Newark imports French soap and sells it to a company in Miami that exports it to Argentina
 - C. A Florida company imports ball bearings from Singapore, intermingles them with other imported and domestic ball bearings, and sells them to a Seattle company, which manufactures them into office chairs for export
 - D. A Minneapolis company buys a shipment of Taiwanese seaweed from the importer of record in Los Angeles and exports it to Finland
 - E. A U.S. importer stores a shipment of imported shoelaces in another company's warehouse in California and later ships it to Argentina
51. Which importation is **INELIGIBLE** for a rejected merchandise drawback claim?
- A. A company in Fargo imports 150 cases of Italian wine that is cleared in Houston on January 15, 2005, and shipped the next day to Fargo, where it sits on the dock of the shipping company for two days. When the importer picks up the shipment and opens it, the wine is frozen.
 - B. A San Juan resort imports 125 dozen "personalized" golfing tees from China and discovers the tees have the resort's name misspelled
 - C. A San Francisco company opens what should have been a shipment of imported latex gloves and finds latex sheets instead
 - D. An importer finds a shipment of 3,000 crates of oranges, lemons and limes also includes 500 crates of unordered pineapples
 - E. Women's raincoats imported by a large U.S. retailer and sold in its stores are being returned by customers because the pockets were sewn shut

- 52.** Which of the following requires a CBP Form 7553 (Notice of Intent to Export or Destroy Merchandise for Purposes of Drawback) to claim drawback unless a drawback office has granted a Waiver of Prior Notice?
- A.** Stainless steel is imported into the U.S. from Korea, fashioned into faucets and then exported to Saudi Arabia
 - B.** Tubes of lipstick are imported into the U.S. from Germany, commingled with other lipsticks from the U.S. and France, and shipped to Australia
 - C.** Power window motors are imported into the U.S. from Korea and installed in cars intended for U.S. and foreign destinations
 - D.** Loose gems are purchased by a U.S. company in Burma and shipped to Italy to be set into jewelry
 - E.** Memory boards are put into computers imported into the U.S. from China and then exported to South Africa

Section 6 TRADE AGREEMENTS

53. CBP Form 7501 for a NAFTA Duty Deferral entry shall be filed no later than _____ working days after the date of exportation or _____ working days after being entered into a duty deferral program in Canada or Mexico.
- A. 10; 5
 - B. 15; 60
 - C. 10; 10
 - D. 30; 10
 - E. 45; 30
54. Estimated duty for goods imported into the U.S. under a NAFTA duty-deferral program is due within_____.
- A. 60 calendar days after the date of exportation to Canada or Mexico
 - B. 10 calendar days after the exportation to Canada or Mexico
 - C. 10 working days after the exportation to Canada or Mexico
 - D. 60 working days after the filing of a claim for a waiver or reduction of the duties is filed with CBP
 - E. 60 calendar days after the filing of a claim for a waiver or reduction of the duties is filed with CBP
55. Based on the following cost breakdown, a table made in and exported from Poland and invoiced at \$16.50 is **INELIGIBLE** for preferential treatment under the Generalized System of Preferences because _____.
- \$6.00 Wood from Germany
 - \$4.25 Glass from Russia
 - \$3.35 Paint from Poland
 - \$2.90 Labor in Poland
- A. the direct cost of processing operations in Poland is less than 35 percent
 - B. Russia is **NOT** a designated beneficiary developing country
 - C. the product was **NOT** directly exported from Germany
 - D. Poland is **NOT** a designated beneficiary developing country
 - E. labor **CANNOT** be included in the direct processing costs

56. Which of the following does **NOT** contribute towards GSP eligibility?
- A. Fringe benefits of production workers
 - B. Maintenance of production machinery
 - C. Electricity to power production machinery
 - D. Taxes on building space related to the manufacturing process
 - E. Salesperson's salary
57. What is the total amount due to CBP at the time of summary for a commercial shipment, which is valued at \$2,200 and qualifies for GSP, that is unloaded from a commercial vessel at Long Beach, California?
- A. \$27.57
 - B. \$ 0.00
 - C. \$ 7.37
 - D. \$ 2.75
 - E. \$30.75

Section 7 VALUE

58. What is the **TRANSACTION VALUE** of a shipment invoiced at \$100,000 if the terms of sale are Delivered Duty Paid (DDP), the Ocean Freight paid is \$6,000, the insurance paid is \$850, the Duty Rate is 6.5%, and a Harbor Maintenance Fee and Merchandise Processing Fee are paid at .125% and .21% respectively?
- A. \$93,600
 - B. \$87,191
 - C. \$86,765
 - D. \$100,000
 - E. \$87,465
59. Which of the following must be added to the price actually paid or payable, to the extent that each such amount is not otherwise included and is based on sufficient information
- A. Packing costs, the value of assists, proceeds, customs duties, and other Federal taxes incurred by the buyer
 - B. Packing costs, the value of assists, proceeds, royalties, and selling commissions incurred by the buyer
 - C. Packing costs, the value of assists, proceeds, brokerage costs, and selling commissions incurred by the buyer
 - D. Selling and buying commissions
 - E. Inland U.S. freight
60. Which is an acceptable basis of appraisement?
- A. Deductive value using merchandise imported from the same country as well as other countries as the merchandise being appraised if the transaction value of similar merchandise **CANNOT** be determined
 - B. The selling price in the U.S. of merchandise produced in the U.S
 - C. The price of merchandise for export to a country other than the U.S.
 - D. A system that provides for the appraisement of imported merchandise at the higher of two alternative values
 - E. The price of merchandise in the domestic market of the country of exportation

61. Based on the following information, what is the **APPRAISED VALUE** for a shipment of 10,000 computer monitors with a unit value of \$75 CIF, Los Angeles?

- The seller received the cathode ray tubes used in the manufacture of these computer monitors free of charge from a third party that was satisfying a debt owed to the seller of the finished computer monitors.
- The cathode ray tubes, including transportation and insurance, would have cost \$25 each.
- There is no through bill of lading associated with this entry.
- Foreign inland freight is \$1 each.
- Ocean freight is \$2.50 each.
- Marine insurance is \$0.50 each.

- A. \$1,000,000
- B. \$720,000
- C. \$750,000
- D. \$710,000
- E. \$970,000

62. Based on the following information, determine the **TRANSACTION VALUE** of a shipment of 5,000 imported LCD computer monitors.

- The computer monitors have a per-unit contract price of \$50 FOB.
- The importer gave the manufacturer, free of charge, design work undertaken in the U.S. and 5,000 U.S.-originating LCD modules to be incorporated in the production of the computer monitors. The costs associated with the design work and the LCD modules is as follows:

Design work

Cost of acquiring:	\$10,000
Cost of transporting to place of production:	\$100

LCD modules

Cost of acquiring:	\$75 each
Cost of transporting all modules to place of production:	\$5,250

- A. \$640,350
- B. \$635,000
- C. \$630,250
- D. \$625,000
- E. \$250,000

63. Based on the following invoice cost breakdown, what is the entered value of a mobile telephone manufactured in and imported from Japan?

Telephone Component	\$15
Blue Face Plate	\$1
Red Face Plate	\$1
Research, Development, and Design Work (U.S.)	\$20
Battery Pack (Germany)	<u>\$10</u>
	\$47

- A. \$47
- B. \$15
- C. \$27
- D. \$20
- E. \$37

Section 8 **CLASSIFICATION**

64. What is the **CLASSIFICATION** for pancake syrup composed of 38% refined sugar, 22% palm sap, 20% coconut juice flavoring, and 20% water? The product is blended, packaged in 25 ounce bottles, and heat sterilized.
- A. 1701.91.3000
 - B. 1702.30.4080
 - C. 2106.90.4600
 - D. 2106.90.9990
 - E. 2106.90.9998
65. What is the **RATE OF DUTY** for an imported soup preparation that is the product of France as provided for under HTS subheading 2104.10?
- A. 100%
 - B. 3.2%
 - C. 35%
 - D. 2.5%
 - E. 20%
66. What is the **CLASSIFICATION** for “Pork in Chile Verde Sauce” that is cooked, vacuum-packed in 32-ounce jars, 60% pork, 40% salsa (consisting of water, tomato, green onion, and hot pepper), and ready to consume?
- A. 1602.49.2000
 - B. 1602.49.4000
 - C. 2005.90.9700
 - D. 2004.90.8580
 - E. 1602.49.9000
67. What is the **CLASSIFICATION** for lime juice that is **NOT** concentrated, has a brix value of 4.1, and is fortified with Vitamin C (ascorbic acid), pasteurized, and packaged in a 32-ounce retail container ready for immediate consumption?
- A. 2009.31.1020
 - B. 2009.31.2020
 - C. 2009.39.2000
 - D. 2202.90.3600
 - E. 2202.90.9090

68. What is the **CLASSIFICATION** for a 25,000-liter shipment of chocolate ice cream from Belgium if 950,000 liters of the quota have been used in the calendar year?
- A. 2105.00.1000
 - B. 2105.00.2000
 - C. 2105.00.3000
 - D. 2105.00.0500
 - E. 2105.00.5000
69. What is the **RATE OF DUTY** for Bitrex, also known as denatonium benzoate, imported from Singapore and classified in HTS 2924.29.7100? Bitrex is an aromatic, cyclic amide indicated for use as a denaturant and bittering agent. Its Chemical Abstract Service number is 3734-33-6.
- A. 6.5%
 - B. FREE
 - C. 3.7%
 - D. 5.9%
 - E. 15.4%/kg + 58%
70. What is the **CLASSIFICATION** of 100% cotton women's knit dresses from Guatemala?
- A. 6204.42.3050
 - B. 6104.41.0010
 - C. 6104.42.0010
 - D. 6204.41.2020
 - E. 6104.43.2010
71. What is the **CLASSIFICATION** for a watch with a 31-jewel mechanical movement, automatic winding and a stainless steel case and bracelet?
- A. 9102.21.10
 - B. 9102.21.70
 - C. 9102.21.30
 - D. 9102.29.55
 - E. 9102.21.90
72. What is the **CLASSIFICATION** for hot rolled steel coil with .25% carbon, .15% silicon, .15% chromium, .1% aluminum, .04% titanium, and boron of .0001%. The coil is 785 mm in width, 3.7 mm thick with trimmed edges (**NOT** patterned) and is **NOT** high strength? The steel is **NOT** pickled.
- A. 7225.40.7000
 - B. 7208.38.0090

- C. 7209.15.0000
D. 7211.19.7560
E. 7225.30.3050
73. What is the **CLASSIFICATION** for a machined and splined shaft used to transmit power within the transmission housing of a passenger automobile?
- A. 7215.90.5000
B. 8483.10.1030
C. 8483.10.5000
D. 8708.99.6790
E. 8708.99.8080
74. What is the **CLASSIFICATION** for a removable 1-gigabyte flash memory card with EEPROM memory and controller integrated circuits that is used to download sound or video images from a personal computer and play them on a cell phone, DVD player, CD player, video game or a laptop computer?
- A. 8473.30.1040
B. 8543.89.9695
C. 8523.90.0000
D. 8542.21.8049
E. 9504.10.0000
75. What is the **CLASSIFICATION** for front-end loaders made for attachment to an agricultural tractor with a power take-off (PTO) of 20.6 kW if the loaders are imported mounted to the tractors and ready for use?
- A. 8701.90.1010
B. 8708.99.4960
C. 8708.99.2400
D. 8428.90.0090
E. 8429.51.5010
76. What is the **CLASSIFICATION** and **RATE OF DUTY** for coaxial cable from Singapore that has connectors on both ends?
- A. 8544.20.0000/2.6%
B. 8544.20.0000/5.3%
C. 8536.69.4010/FREE
D. 8544.41.8000/2.6%
E. 8544.41.8000/FREE
77. What is the **CLASSIFICATION** for silver coins dating from the Roman Empire?
- A. 9706.00.0060
B. 7118.10.0000
C. 9705.00.0030
D. 7118.90.0020

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E. 9705.00.0060

GO ON TO THE NEXT PAGE

78. What is the **CLASSIFICATION** for a man's knitted coat that is 50% wool and 50% polyester?
- A. 6101.30.2010
 - B. 6101.30.1500
 - C. 6101.10.0000
 - D. 6101.90.9020
 - E. 6113.00.9025
79. What is the **CLASSIFICATION** for a children's tricycle that is **NOT** chain-driven but is propelled by pumping foot pedals attached to the front wheel?
- A. 8712.00.4800
 - B. 9501.00.2000
 - C. 8712.00.5000
 - D. 9501.00.4000
 - E. 8713.90.0030
80. What is the **CLASSIFICATION** for an electrically operated analog pocket watch **WITHOUT** jewels that is imported together with a silver metal chain?
- A. 9102.91.40 and 7117.19.9000
 - B. 9102.99.20 and 7117.19.9000
 - C. 9102.21.10 and 7117.19.9000
 - D. 9102.11.50
 - E. 9105.21.40

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 your address will delay notification of the results of the exam. If your address does not fit into the appropriate boxes, please provide the Test Administrator with your full address AFTER the exam.

OCTOBER 2005 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

QUESTION	ANSWER	
1	B	Directive 3550-061 Part 2 – Entry Type Code
2	B	19 C.F.R. 162.74
3	C	Directive 3550-055 Section 2, Background
4	E	Directive 5610-002A; 19 CFR 24.5
5	D	19 CFR 134.33
6	B	19 CFR 162.74(i)(1)(v)
7	A	HTS – General Note 3(b)
8	C	19 CFR 132.3
9	E	19 CFR 174.11
10	B	19 CFR 141.113(a)
11	A	19 CFR 141.61(d)(3)
12	A	19 CFR 141.34
13	C	Directive 3560-001A
14	E	19 CFR 132.5(c)
15	B	19 CFR 146.32 (a)
16	E	19 CFR 144.37(h)(3)
17	D	19 CFR 159.9(d)
18	C	19 CFR 24.3(e)
19	C	HTS – General Note 2
20	D	19 CFR 141.35
21	B	Directive 3550-067, Section E
22	C	19 CFR 141.86; 142.6
23	A	Directive 3550-055
24	D	19 CFR § 152.1(c); General Statistical Note 1(b).
25	E	19 CFR 24.1(a)(3)(i)
26	E	Directive 3550-061, Section 2 Entry Type Code
27	A	Directive 3550-067, Section 3, B, 1 a)
28	B	HTS 2815.12.0000; General Statistical Note 4(c)
29	A	Directive 3550-067, Section 3, E
30	B	19 CFR 111.23 (a)(2)
31	D	19 CFR 111.45(a)
32	C	19 CFR 163.5 (b) (1)
33	E	19 CFR 111.30(c)
34	A	19 CFR 111.1; 171 Appendix C, Section II, D 3
35	C	19 CFR 111.45(b); 171, Appendix C, Section XI, C 8 a
36	E	19 CFR 111.19(c)
37	D	19 CFR 111.19(c)
38	B	Directive 3510-004, Section 3 B
39	D	19 CFR 10.101(d)
40	E	Directive 3510-004, Attachment, Activity 1
41	A	Directive 3510-004, Attachment, Activity 1
42	D	Directive 3510-004, Attachment, Activity 1

43	E	Directive 3510-004, Attachment, Activity 1
44	C	19 CFR 113.62
45	D	19 CFR 113.72
46	A	19 CFR 191.33; 191.34; 191.82
47	D	19 CFR 191.28; 191.33(a)
48	C	19 CFR 101.3(b)(1)
49	C	19 CFR 181.45(b)(1)
50	E	19 CFR 191.34(a)
51	A	19 CFR 191.41
52	B	19 CFR 191.35(a)
53	C	19CFR 181.53(a)(iii)(B)
54	A	19CFR 181.53(a)(iii)(C)
55	D	HTS – General Note 4(a)
56	E	19 CFR 10.178(b)(2)
57	B	19CFR 24.24(e)(2)(ii)
58	B	HTS General Statistical Note 1(a)(xiii) & (xiv); 19 CFR 152.103(a) and 152.102(f);
59	B	19 CFR 152.103(b)(i); (ii); (iii); (iv); (v)
60	A	19 CFR 152.101(b)(4); 152.105(b)
61	B	19 CFR 152.102 (a)
62	C	19 CFR 152.102(a)(1)(i); 19 CFR 152.103(d)(1); 152.103(d)(1); 152.102(a)(1)(iv); 152.103(d)(2)
63	C	19 CFR 152.102(a)(iv)
64	D	HTS Chapter 17, Additional U.S. Note 4; Heading for HTS 2106.90.42 – 46; NY Ruling Letter L83627
65	A	HTS Footnote 1 for 2104.10.0000; 9903.02.41
66	E	HTS Chapter 20 Note 1 B; Heading for 1602.49.2000
67	D	HTS Chapter 22 eo nominee
68	A	HTS Chapter 21, Additional U.S. Note 5
69	B	HTS General Note 13; Table 1, Pharmaceutical Appendix
70	C	HTS Chapter 61 eo nominee
71	B	HTS Chapter 91 eo nominee
72	B	HTS Chapter 72, Note 1(f), (k); GRI 1
73	D	HTS Section XVI, Note 1(l);
74	C	HTS Section XVI, Note 2(a); Chapter 85, Note 6; GRI 1
75	D	HTS Headings 8428 and 8429; Chapter 87, Note 2; GRI 1;
76	A	HTS Chapter 85 eo nominee
77	E	HTS Chapter 97 eo nominee; Chapter 97 Note 4(b)
78	B	HTS Chapter 61 eo nominee
79	D	HTS Section XVII, Note 1; Chapter 87, Note 4; GRI 1; NY Ruling Letter I81314
80	A	HTS Chapter 91, Note 1; GRI 1; NY Ruling Letter F84099