

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 (2006)** (USITC Publication 3833)
- **Title 19, Code of Federal Regulations** Revised as of April 1, 2005 (**Parts 1-199**)

(Note: You may use other editions of these references. However, this examination is based on the April 1, 2005 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
- **Instructions for Preparation of CBP Form 7501 (8-30-2005)**
- **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
 - 3550-067, 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 your answer sheet to the test administrator. **You may take this booklet with you.**

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GO ON TO NEXT PAGE

Customs Broker License Examination

Section 1 - ENTRY	Questions 1-15
Section 2 - CLASSIFICATION	Questions 16-30
Section 3 - BROKER COMPLIANCE	Questions 31-40
Section 4 - DRAWBACK	Questions 41-45
Section 5 - TRADE AGREEMENTS	Questions 46-50
Section 6 - VALUE	Questions 51-55
Section 7 - BONDS	Questions 56-60
Section 8 - WAREHOUSE	Questions 61-65
Section 9 - GENERAL	Questions 66-80

Section 1 ENTRY

1. What is the **Manufacturer Identification Code (MID)** for Macedon Group of Israel, located at 23 Sargon Avenue in Ashdon, Israel?
 - A. IRMACGRO23SAR
 - B. ILMACGRO23ASH
 - C. ILMACGRO23SAR
 - D. ISMACGRO23ASH
 - E. ILMACEDO23ASH

2. A formal entry is legally liquidated _____.
 - A. When the import specialist makes final computation of duty
 - B. When the courtesy notice of liquidation is mailed (postmarked)
 - C. When the entry appears on the bulletin notice of liquidation posted or lodged in the Customhouse
 - D. When the courtesy notice of liquidation is received
 - E. 90 days from the date of the bulletin notice of liquidation

3. Which of the following cannot be entered on a carnet?
 - A. Mail importations
 - B. Road vehicles
 - C. Commercial samples
 - D. Advertising films
 - E. Perishables

4. If a consumption entry has **NOT** been liquidated by CBP and its liquidation has not been extended or suspended, it will be deemed liquidated by operation of law within:
 - A. 1 year from the date of importation
 - B. 1 year from the date of entry
 - C. 3 years from the date of entry
 - D. 3 years from the date of importation
 - E. 90 days from the date of importation

5. Quota priority and status are determined by:
 - A. Date and time of entry into a Foreign Trade Zone
 - B. Date and time of warehouse entry
 - C. Date and time of presentation of entry summary or withdrawal for consumption in proper form
 - D. Date and time of presentation of entry documentation
 - E. Date and time of special permit for immediate delivery

GO ON TO NEXT PAGE

6. An entry for _____ is **NOT** a form of in-bond movement.
- A. Immediate transportation without appraisalment
 - B. Transportation and removal
 - C. Transportation and exportation
 - D. Exportation
 - E. Warehouse or re-warehouse withdrawal for transportation
7. The port director may demand return of non-textile merchandise to Customs custody no later than _____ calendar days after a shortage, misdelivery, or nondelivery is discovered by CBP.
- A. 5
 - B. 10
 - C. 15
 - D. 30
 - E. 90
8. A shipment of shirts manufactured in Taiwan and subject to absolute quota arrives in the U.S. when the quota for this merchandise from Taiwan is closed. However, the quota for Mexico is open. The broker should:
- A. Export the merchandise to Mexico and re-import into the U.S. as a product of Mexico
 - B. Make a warehouse entry
 - C. Request a visa waiver from the Taiwanese Embassy
 - D. Request quota priority status
 - E. Make a consumption entry and pay column 2 rates
9. What is the reporting quantity on the CBP Form 7501 for a shipment of polyester woven fabric, classified as 5407.74.0060, that is imported on 430 rolls, each measuring 52 inches in width by 60 yards in length? (Note: One meter = 39.37 inches.)
- A. 866 square meters
 - B. 655 square meters
 - C. 37,266 square meters
 - D. 34,077 square meters
 - E. 31,160 square meters

10. A warehouse entry is entry type _____.
- A. 21
 - B. 11
 - C. 01
 - D. 23
 - E. 24
11. On the CBP Form 7501, the correct entry type code for a Duty Deferral entry is _____.
- A. 34
 - B. 22
 - C. 08
 - D. 62
 - E. 05
12. Which is **NOT** required to complete the CBP Form 7501?
- A. The signature of the importer or authorized agent
 - B. The identification number for merchandise subject to an antidumping or countervailing duty order
 - C. The importer's identification number
 - D. The marks and numbers previously provided for packages released or withdrawn
 - E. The broker's identification number when a broker is used
13. What **International Standard Country Code (ISO)** should be used when constructing a Manufacturer Identification code (MID) for a shipment of textiles from Nunavut, Canada?
- A. XV
 - B. NU
 - C. NT
 - D. NN
 - E. XN
14. The _____ is acceptable for international commercial goods to be temporarily entered, or temporarily entered and transported.
- A. In-transit bond
 - B. Formal entry
 - C. A.T.A. carnet
 - D. Informal entry
 - E. Customs bond

15. Based on the following scenario, which answer is **INCORRECT**?

- An importer orders a shipment of 100 garments from Germany to arrive in New York under one bill of lading.
 - Due to weight limitations the carrier splits the shipment.
 - Eighty (80) garments arrive in New York on June 1, 2005.
 - The other 20 garments arrive in North Carolina on June 3, 2005, are sent to New York in-bond on an immediate transportation entry, and arrive on June 5, 2005.
 - On June 6, 2005, the importer notifies CBP in New York that the ordered shipment was split at the carrier's initiative.
 - The same day the carrier transmits manifest information to CBP for each portion of the split shipment.
-
- A. If the importer chooses to make entry on a special permit prior to the arrival of the entire shipment, the entry summary is due 10 days from the date of the first release of a portion of the split shipment.
 - B. If Customs denies the special permit for immediate delivery prior to the arrival of the entire shipment, the importer may make entry after all portions of the entire shipment have arrived.
 - C. Merchandise comprising separate portions of a split shipment on one entry will be classified as if they were imported together.
 - D. If any portion of a split shipment is subject to quota, no portion may be released incrementally.
 - E. The importer may file a special permit for immediate delivery of the first portion of the cargo on June 6, 2005, and the cargo will be released in separate portions.

Section 2 CLASSIFICATION

16. What is the **CLASSIFICATION** for a shipment of maraschino cherries preserved in syrup?
- A. 1207.20.0090
 - B. 0603.10.6060
 - C. 0809.20.0000
 - D. 2006.00.4000
 - E. 2008.60.0020
17. What is the **CLASSIFICATION** of a nuclear reactor?
- A. 4011.30.0050
 - B. 3926.90.5000
 - C. 8401.10.0000
 - D. 8603.10.0000
 - E. 8401.40.0000
18. What is the **CLASSIFICATION** of a woven nylon scarf measuring 55 cm x 50 cm?
- A. 6214.30.0000
 - B. 6214.40.0000
 - C. 6213.90.1000
 - D. 6117.10.2030
 - E. 6117.10.6020
19. What is the **CLASSIFICATION** for a shipment of 100% wool knit collars and cuffs, which are considered parts of a jacket and will be sewn onto a jacket after importation?
- A. 6117.90.9045
 - B. 6103.21.0070
 - C. 6203.29.2060
 - D. 6214.20.0000
 - E. 6217.90.9030

20. What is the **CLASSIFICATION** of a mini umbrella hat composed of woven polyester fabric? It is a folding umbrella with a spring-loaded top. When unsnapped from its folded position it opens up to an umbrella with an adjustable headband that enables it to be worn on the head.
- A. HTS 6601.10.0000
 - B. HTS 6601.91.0000
 - C. HTS 6505.90.2060
 - D. HTS 6603.20.9000
 - E. HTS 6505.90.8090
21. What is the **CLASSIFICATION** for a 1995 road tractor pulling a 1995 dry van trailer?
- A. 8701.20.0080
 - B. 8701.20.0080 and 8716.39.0040
 - C. 8704.23.0000 and 8716.39.0040
 - D. 8704.21.0000
 - E. 8716.39.0040
22. What is the **CLASSIFICATION** for a battery-operated portable plastic flashlight?
- A. 9405.40.8000
 - B. 9405.50.4000
 - C. 8539.29.3020
 - D. 3926.90.9880
 - E. 8513.10.2000
23. What is the **CLASSIFICATION** for a blank (without holes or lines) porcelain ceramic substrate that is used for technical purposes and not dedicated to any specific use?
- A. 8546.20.0090
 - B. 8548.90.0000
 - C. 6914.90.8000
 - D. 8542.90.0000
 - E. 6909.11.4000

24. What is the **CLASSIFICATION** for a woman's girdle constructed from 100 percent man-made fiber polyester knitted fabric?
- A. 6108.91.0015
 - B. 6212.20.0020
 - C. 6108.92.0015
 - D. 6212.20.0010
 - E. 6212.20.0030
25. What is the **CLASSIFICATION** for an all-white short sleeve shirt constructed from 100 percent cotton "not knit" fabric? The shirt extends to the waist, features a full frontal opening with ten "left over right" button closures at the front of the garment, and has darts stitched to its front and rear panels for shaping.
- A. 6206.30.3040
 - B. 6205.20.2025
 - C. 6211.42.0056
 - D. 6211.32.0060
 - E. 6206.30.3010
26. What is the **CLASSIFICATION** and **RATE OF DUTY** for an electron beam microscope fitted with semiconductor wafer handling equipment at the time of import? The country of origin is Australia.
- A. 9031.41.0040/FREE
 - B. 9012.10.0000/3.5%
 - C. 9012.10.0000/FREE
 - D. 9031.80.8085/1.7%
 - E. 9031.80.4000/FREE
27. What is the **CLASSIFICATION** of an 8-ounce handheld cellular phone imported as a complete unit incorporating a transceiver, speaker, microphone, buttons, display and antenna?
- A. 8517.11.0000
 - B. 8525.20.9070
 - C. 8517.80.1020
 - D. 8518.30.1000
 - E. 8517.19.8070

28. Plain weave fabric, weighting not more than 170 grams per square meter, of average yarn numbers 43-68, containing more than 33 singles yarns per square centimeter and not containing multiple (folded) or cabled yarns, of square construction, is _____.
- A. Poplin
 - B. Flat fabrics
 - C. Broadcloth
 - D. Square Construction fabric
 - E. Printcloth
29. What is the **CLASSIFICATION** for live chickens weighing 2500g?
- A. 0105.11.00
 - B. 0105.12.00
 - C. 0104.20.00
 - D. 0105.93.00
 - E. 0106.31.00
30. What is the **CLASSIFICATION** of liquefied propane with a purity of 89 liquid volume percent?
- A. 2711.29.0010
 - B. 2711.12.0010
 - C. 2711.19.0020
 - D. 2711.29.0015
 - E. 2711.12.0020

Section 3 BROKER COMPLIANCE

31. Payments of duty received by a broker from a client after the due date must be transmitted to CBP within _____ working days from receipt by the broker.
- A. 1
 - B. 3
 - C. 5
 - D. 10
 - E. 30
32. A monetary penalty will **NOT** be assessed under 19 CFR 111.91 (a) against a :
- A. person for transacting Customs business without a license
 - B. broker who has deceived, misled or threatened a client
 - C. broker who has made a material false statement
 - D. broker who knowingly employed a convicted felon without approval
 - E. broker who has made an application containing false or misleading information
33. A broker must provide written notification to CBP within _____ calendar days after terminating any employee "other than the license qualifier" the broker had employed longer than 30 consecutive days.
- A. 10
 - B. 15
 - C. 20
 - D. 25
 - E. 30
34. The triennial status report and fee must be addressed to _____.
- A. The director of the port through which the permit was delivered
 - B. The Broker Management Chief in Washington, D.C.
 - C. The director of the port through which the license was delivered to the licensee
 - D. The quota branch
 - E. Any port where the broker is permitted, even though the broker did not receive a broker license at that port

35. Once a corporate broker learns an employee was arrested and convicted of a felony charge back in 1992, and actually served 5 years in prison, the broker:
- A. May continue to employ the employee since the conviction occurred over 10 years ago
 - B. Must immediately terminate the employee
 - C. Must notify the port director where the broker is licensed to report the employment as a convicted felon
 - D. Must send written notification informing the Assistant Commissioner of CBP that the broker is employing a convicted felon and request a waiver to continue this employment
 - E. Must terminate the employee within 30 days or lose the corporate license
36. An individually licensed broker who is permitted in Pembina, North Dakota, and wishes to enter merchandise in Warroad, Minnesota, _____.
- A. shall obtain an additional permit to conduct Customs business in Warroad
 - B. shall hire a licensed broker in Warroad
 - C. shall apply for a waiver from the requirement to have a licensed employee in Warroad
 - D. shall incorporate in the State of Minnesota before he may perform any Customs business in Warroad
 - E. may make entry
37. ABC, Inc., an express consignment courier that is also a licensed broker, enters merchandise where ABC, Inc. acts as the importer of record. CBP determines the merchandise to be counterfeit and seizes the merchandise. This is the third instance where ABC, Inc. has been identified in the importation and seizure of counterfeit merchandise by means of acting as the importer of record and broker. For aiding and abetting the importation of the counterfeit merchandise, CBP will issue a _____.
- A. fine against the ultimate consignee not more than three times the value that the merchandise would have had if it were genuine, according to the U.S. manufacturer's suggested retail price (MSRP)
 - B. fine against the broker not more than twice the value that the merchandise would have had if it were genuine, according to the U.S. MSRP
 - C. fine against the carrier not more than one and half times the value that the merchandise would have had if it were genuine, according to the U.S. MSRP
 - D. fine against the supplier of not more than the U.S. MSRP
 - E. CBP Form 3461 with the broker

GO ON TO NEXT PAGE

38. A broker may **NOT** be assessed a penalty under 19 USC1592 unless the:
- A. violation solely involves a failure to exercise responsible supervision and control over the customs business it conducts
 - B. violation involves gross negligence or negligence and the broker did NOT share in the benefits of the violation
 - C. broker is culpable and the violation involves gross negligence or negligence and the broker shared in the benefits of the violation or if the violation involves fraud
 - D. broker has an activity code 1 Customs Bond on file prior to the issuance of the penalty
 - E. broker's license or permit has been revoked or suspended before the issuance of the penalty
39. A Customs broker license is required for a(n) _____.
- A. person who transacts business in connection with the entry or clearance of vessels
 - B. person who works for himself or herself to transact customs business on behalf of other companies
 - C. Foreign Trade Zone (FTZ) operator who engages in activities within the FTZ that do not involve the transfer of merchandise to the customs territory of the U.S.
 - D. carrier who makes entry on merchandise for transportation in-bond
 - E. importer who is transacting customs business solely on and for his or her own account
40. The license of a broker that is a corporation or association can be revoked by operation of law if it fails for _____ continuous days to have at least one officer of the corporation or association who holds a valid individual broker license.
- A. 120
 - B. 160
 - C. 60
 - D. 30
 - E. 180

Section 4 DRAWBACK

41. Which must be submitted with a notification of a name change by a corporation filing drawback to determine drawback successorship?
- A. Resolution from the Board of Directors
 - B. Amended Articles of Incorporation
 - C. CBP Form 5106
 - D. Notification of action by the Secretary of State in which the company is incorporated
 - E. Amendment to the Certificate of Incorporation
42. Which inventory accounting method is acceptable for direct identification for filing drawback claims under the provisions of 1313(a) or 1313(j)(1)?
- A. Foreign in, foreign out
 - B. Deductive
 - C. High-to-low
 - D. Quarterly close out
 - E. Last-in, first out
43. How much of the duty paid can be refunded on a drawback claim for a machine imported into the U.S. in 2005, tested for precision, then sold and exported to a customer in Canada?
- A. None
 - B. Partial
 - C. 99%
 - D. The amount allowed under the lesser of the two rule
 - E. 100%
44. When must a drawback claim be filed for shirts imported into the U.S. and warehoused July 15, 2000, sold to a foreign buyer September 20, 2002, and exported October 15, 2002?
- A. No later than July 15, 2006
 - B. No later than October 15, 2007
 - C. No later than July 15, 2004
 - D. No later than July 15, 2007
 - E. No later than October 15, 2005

45. What is the proper amount of drawback per unit due to a U.S. producer who imports material from Japan, pays \$2 per unit in duty, deposits \$1 in anti-dumping duties per unit, and then uses the material as a component in the manufacture of a NAFTA-originating product he exports to Canada? (Note: The product is entered in Canada at a FREE rate of duty.)
- A. \$0
 - B. \$1
 - C. \$2
 - D. \$3
 - E. \$2 plus the portion of the Merchandise Processing Fee apportioned to the material

Section 5 TRADE AGREEMENTS

46. Would a garment classifiable in Chapter 62 and shipped to the U.S. qualify for treatment under the U.S. - Australia Free Trade Agreement (UAFTA) if it is manufactured in Australia of Australian silk (94%), elastomeric yarn made in Peru (3%) and cotton lace made in Ethiopia (3%)?
- A. Yes, because the chief weight of the fabric is made in the territory of a UAFTA party
 - B. No, because the cotton lace trimming is not made in the territory of a UAFTA party
 - C. Yes, because the de minimus rule states “an originating textile or apparel good may contain 7% by weight of foreign fibers or yarns”
 - D. No, because the fact that the cotton lace is made in Ethiopia would shift the garment to be considered under the African Growth and Opportunity Act
 - E. No, because the elastomeric yarn is made in Peru
47. For CBP record keeping purposes, where must an importer maintain records related to its claim of preferential treatment of textile articles under the African Growth and Opportunity Act?
- A. At the foreign port of lading
 - B. At the exporter’s premises
 - C. At the U.S. Embassy in the preferential country
 - D. Within the U.S.
 - E. At the first European port of arrival
48. Which is **TRUE** regarding the Dominican Republic-Central America-United States Free Trade Agreement?
- A. Panama is a party to the agreement
 - B. The letter “P” or “P+” in the “Special” column indicates the article is eligible for preferences
 - C. There are no quantitative limitations for any goods
 - D. The rules of origin are the same as the North American Free Trade Agreement
 - E. “DR” in the “Special” column refers to eligible products originating in the Dominican Republic

49. Under NAFTA, the value of non-originating materials that do **NOT** undergo the applicable change in tariff classification when incorporated into a good of Chapter 22 of the HTS may be disregarded as ***de minimus*** if the value of those materials is no more than _____ of the value of the good.
- A. 5%
 - B. 7%
 - C. 10%
 - D. 15%
 - E. 20%
50. Where would you find the specific rule of origin to determine whether socket wrenches imported from Canada and classified under HTS # 8204.20.0000 qualify as NAFTA originating goods?
- A. 19 CFR 102.11
 - B. 19 CFR 102.20
 - C. 19 CFR Pt 181, App.
 - D. HTSUS, General Note 12(t)
 - E. HTSUS, General Note 25(o)

Section 6 VALUE

51. Which is **NOT** a requirement for an assist?
- A. It must be for use in connection with the production or the sale for export to the U.S. of the imported good
 - B. It must be supplied by the seller to the buyer
 - C. It must be furnished directly or indirectly
 - D. It must be furnished free or at reduced cost
 - E. It must be supplied by the buyer to the seller

52. What is the dutiable value for the following transaction? The terms of sale are delivered, duty and fees paid, Chicago. The commercial invoice appears as follows:

12,000 dozen baseball caps, @ \$30 per dozen	\$360,000
International freight charges	2,500
International insurance	800
Brokerage charges	150
Total DDP Price	<u>\$363,450</u>

The caps are classified 6505.90.8090 @ \$0.187 per kg. + 6.8%. The net weight of the shipment is 8,000 kgs. The actual ocean freight charges were \$2,800. Transaction Value is the appropriate basis of appraisalment.

- A. \$335,207
 - B. \$334,348
 - C. \$333,398
 - D. \$334,927
 - E. \$336,325
53. What is the **ENTERED VALUE** for a shipment of 1,000 closed circuit television camera lenses with a unit value of 472 Euros F.O.B. (including a 4 Euro per unit testing charge)? The exchange rate is 1.29 U.S. dollars per Euro.
- A. U.S. \$608,880
 - B. U.S. \$614,040
 - C. U.S. \$472,000
 - D. 472,000 Euros
 - E. 476,000 Euros

54. The price actually paid or payable for imported merchandise when sold for exportation to the U.S. is the _____.

- A. Transaction Value minus the value of an assist
- B. Deductive Value
- C. Fair Market Value
- D. Transaction Value
- E. Computed Value

55. What is the basis of appraisement for the following situation?

- A U.S. produce distributor imports Grade "A" tomatoes from Mexico on consignment.
- Within a week after importation, the distributor sells this produce to unrelated retailers for \$1.00 each and receives a 5% commission from the Mexican grower for its services.
- All such tomatoes imported from Mexico are sold in this manner.
- CBP possesses sufficient information to appraise this merchandise.

- A. Transaction value
- B. Transaction value of identical merchandise
- C. Transaction value of similar merchandise
- D. Deductive value
- E. Computed value

Section 7 BONDS

56. The minimum amount of any Customs bond, unless otherwise provided for by law or regulation, is:
- A. \$1,000
 - B. \$50,000
 - C. \$100
 - D. \$10
 - E. 10 percent of the total duties, taxes, and fees paid to CBP the preceding year
57. Each person who is required by law, regulation, or specific instruction to post a bond to secure a Customs transaction or multiple transactions must submit the bond application on a CBP Form _____.
- A. 301
 - B. 434
 - C. 178
 - D. 216
 - E. 1302
58. The surety and the _____ remain liable on a terminated bond for obligations incurred prior to termination.
- A. exporter
 - B. broker
 - C. principal
 - D. ultimate consignee
 - E. carrier
59. If the termination of a bond is requested by the principal but no termination date is requested, the termination shall take effect on the _____ following the date of receipt of the request by the port director, or drawback office in the case of bonds relating to repayment of erroneous drawback payment.
- A. fifth day
 - B. tenth day
 - C. fifth business day
 - D. tenth business day
 - E. thirtieth business day

60. The minimum amount for a new continuous bond for an importer that paid \$2,575,000 in duty and \$215,000 in fees the preceding calendar year is _____.

- A. \$300,000
- B. \$50,000
- C. \$200,000
- D. \$280,000
- E. \$279,000

Section 8 WAREHOUSE

61. Any proprietor of a bonded warehouse may be required on _____ days notice from the port director to furnish a new bond on CBP Form 301.
- A. 5
 - B. 10
 - C. 15
 - D. 30
 - E. 90
62. When preparing a warehouse withdrawal, a written statement of _____, including three specific amounts, is required.
- A. Value
 - B. Charges
 - C. Quantity
 - D. Duty
 - E. Liability
63. A _____ bonded warehouse, known as a general order warehouse, is established exclusively for the storage and disposition of general order merchandise.
- A. Class 3
 - B. Class 5
 - C. Class 8
 - D. Class 9
 - E. Class 11
64. How long can merchandise remain in a bonded warehouse beyond the date of importation?
- A. Six years
 - B. Seven years
 - C. Five years
 - D. Ten years
 - E. Eight years

65. Which Entry Type Code is used for a **WAREHOUSE WITHDRAWAL** of 100% Vietnamese synthetic fabric that is subject to Quota/Visa requirements and Chinese bedroom furniture that is subject to Antidumping?

- A. 38
- B. 32
- C. 31
- D. 34
- E. 23

Section 9 GENERAL

- 66.** Which one of the following choices best defines involuntarily abandoned merchandise?
- A.** Imported merchandise upon which any duties or charges are unpaid, remaining in a bonded warehouse beyond the 5-year warehouse period
 - B.** Merchandise the port director takes possession of at the request of the consignee, or owner or master of the vessel, or person in charge of the vehicle in which the merchandise was imported
 - C.** Merchandise abandoned by the importer to the United States within 30 days after entry in the case of merchandise not sent to the public stores for examination, or within 30 days after the release of the examination packages or merchandise in the case of merchandise sent to the public stores for examination
 - D.** Articles entered for a trade fair under the provisions of section 3 of the Trade Fair Act of 1959 (19 U.S.C. 1752), which have been abandoned to the United States within 3 months of the closing of the fair
 - E.** Merchandise in a bonded warehouse abandoned by the consignee within 3 years from the date of original importation
- 67.** Carriers are liable for payment of liquidated damages under the carriers bond for any _____, _____, or _____, as provided in such bond.
- A.** irregular delivery, early delivery, or uninsured delivery
 - B.** early delivery, uninsured delivery, or shortage
 - C.** unprotected delivery, uninsured delivery, or shortage
 - D.** shortage, failure to deliver, or irregular delivery
 - E.** uninsured delivery, failure to deliver, or early delivery
- 68.** A petition for relief from a notice of a claim for liquidated damages must be filed by the bond principal within:
- A.** 30 days from receipt of the notice
 - B.** 60 days from the date of mailing of the notice
 - C.** 90 days from receipt of the notice
 - D.** 120 days from the date of mailing of the notice
 - E.** 180 days from receipt of the notice

69. Which port is **NOT** subject to the harbor maintenance fee?
- A. 0411 – Hartford, Connecticut
 - B. 0712 – Champlain, New York
 - C. 0401 – Boston, Massachusetts
 - D. 1601 – Charleston, South Carolina
 - E. 5301 – Houston, Texas
70. Which of the following forms of payment are acceptable to CBP for duties, taxes, fees and/or other charges for commercial entries?
- A. Credit or charge cards
 - B. Checks with different written and numeric amounts that differ by \$2
 - C. Checks presented to CBP in which the date is 8 months older than the current date
 - D. Signed travelers' checks that are not countersigned
 - E. Bank drafts, cashiers' checks, certified checks, and personal checks drawn on U.S. financial institutions and payable in U.S. funds
71. Which is **NOT** a proper International Standard Country Code (ISO)?
- A. CU
 - B. EN
 - C. CH
 - D. WS
 - E. CD
72. A Canadian furniture distributor purchases upholstered chairs produced in France from fabric woven in Italy. The purchase order is sent to the manufacturer's sales office in Germany. The producer delivers the chairs by ocean carrier from its warehouse in Antwerp, Belgium to Montreal, Quebec. Six months after the chairs arrive in Canada, the distributor receives an order from a New York City retailer and ships the chairs to the U.S. For CBP purposes, what is the country of exportation of the merchandise?
- A. Belgium
 - B. Canada
 - C. France
 - D. Germany
 - E. Italy

73. A restricted "gray market" article is a good bearing a _____.
- A. Counterfeit trademark registered to a U.S. citizen or business for sale in the U.S.
 - B. Counterfeit trademark registered to a U.S. citizen or business for sale in a country other than the U.S.
 - C. Confusingly similar mark that is similar to a trademark registered to a U.S. citizen or business that has been applied without the permission of the trademark holder
 - D. Genuine trademark on a foreign-made article, recorded by a U.S. citizen or business that has been imported without the authorization of the U.S. owner
 - E. Genuine trademark recorded by a U.S. citizen or business that has been imported with the authorization of the U.S. owner
74. Which location does **NOT** have a preclearance office?
- A. Halifax, Nova Scotia
 - B. Vancouver, British Columbia
 - C. Edmonton, Alberta
 - D. Oranjestad, Aruba
 - E. Freeport, Bahamas
75. What ABI indicator is placed in Block 2 of the CBP Form 7501 for an ABI processed entry type '01' consumption entry that will be paid on a periodic monthly basis?
- A. ABI/S
 - B. ABI/A
 - C. ABI/P
 - D. ABI/N
 - E. ABI/N/L

Questions **76-80** are based on the following importation.

On April 12, 2005, an importer in the U.S. receives 500 single action economy stopwatches shipped by air from Munich, Germany. The shipment was entered and released through ABI by CBP April 8, 2005. The stopwatches are packaged for retail sale and are invoiced at U.S. \$ 24 F.O.B per stopwatch. The Watch Information Sheet indicates the following:

Manufacturer: Bern Watch Inc.
Model: A1020 Single Action Stopwatch
Features: * Perfect for industrial use
* Start/stop by crown, reset by 10 o'clock button
* Preset push button
* Long hand 60 sec per turn, 1/100 min. increments
* 30 minute short hand
* Rugged steel case
* 1 year warranty
* Quality movement made in Switzerland

Type of Display: Mechanical with hands
Type of Movement: Mechanical Value US\$ 18.50
Type of Case: Base Metal, Chrome Plated Value US\$ 5.00
Type of Packaging: Clear Plastic Blister Pack Value US\$ 0.50
Battery Powered: No
Automatic Winding: No
Number of jewels in movement: 13
Country of Origin: Switzerland

76. What is the **DUTY** due on this entry?

- A. \$ 560.00
- B. \$ 535.00
- C. \$ 235.00
- D. \$ 730.00
- E. \$ 23.50

77. What is the merchandise processing fee due on this entry?

- A. \$40.00
- B. \$25.00
- C. \$25.20
- D. \$ 2.00
- E. None

78. What is the **International Standard Country Code (ISO)** for the country of origin?
- A. CF
 - B. CH
 - C. CN
 - D. SZ
 - E. DE
79. Which statement regarding the plastic blister packaging is **TRUE**?
- A. The packaging is classified with the stopwatches
 - B. The packaging is classified separately as articles of plastic
 - C. The packaging costs are deducted from the entered value
 - D. The importer's name must be on the packaging
 - E. The manufacturer's name must be on the packaging
80. Six months after the entry summary for the stopwatches was filed, the importer informs the broker he gave a die (purchased from a nonrelated U.S. firm at a cost of U.S. \$500) to Bern Watch Inc., without charge, to be used only for the manufacturing of the 500 stopwatches. Transportation and duty costs to the importer to get the die to Bern were an additional U.S. \$70. Based on this information, the broker should:
- A. Take no action because the entry summary is already projected for liquidation.
 - B. Submit a SIL to CBP with a check for US \$570 because this is a proceed to the seller, Bern Watch Inc.
 - C. Submit a SIL or a Prior Disclosure to CBP because this is an assist valued at US \$500.
 - D. Submit a SIL or a Prior Disclosure to CBP because this is an assist valued at US \$570.
 - E. Submit as a SIL requesting that the entered value be reduced by the amount of the assist and that the subsequent difference in duty and fees be refunded.

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.

OCTOBER 2006 CUSTOMS BROKER LICENSE EXAM ANSWER KEY

QUESTION	ANSWER	
1	B	Customs Directive 3550-055
2	C	19 CFR 159.9(c)(1)
3	A	19 CFR 114.31(a)
4	B	19 CFR 159.11(a); 159.12
5	C	19 CFR 132.11(a)
6	B	19 CFR 18.10
7	D	19 CFR 18.6 (b)
8	B	19 CFR 132.5(c)
9	E	19 CFR 159.3
10	A	Instructions for Preparation of CBP Form 7501 (8-30-2005)
11	C	Instructions for Preparation of CBP Form 7501 (8-30-2005)
12	D	19 CFR 141.61(a)(2)
13	A	Instructions for Preparation of CBP Form 7501 (8-30-2005), Appendix 2
14	C	19 CFR 114.22
15	E	19 CFR 141.57(d)(2)
16	E	Ch. 20 eo nominae; Ch. 20 Note
17	C	Ch. 84 eo nominae
18	C	Ch. 62, Note 7
19	A	General Rules of Interpretation, Rule 1; Additional U.S. Rules of Interpretation, Rule 1(c); Chapter Notes to Ch. 61 and 62.
20	E	Ch. 65 eo nominae
21	B	Ch. 87, Note 2; Ch. 87, Additional U.S. Note 1
22	E	Ch. 85 eo nominae
23	E	Ch. 69 Heading for 6909
24	B	Ch. 62 eo nominae
25	A	Ch. 62, Note 8
26	E	Heading for 9031.80.4000
27	B	Ch. 85 eo nominae
28	E	Ch. 54, Statistical Note 1(e)
29	D	Ch. 01 eo nominae
30	E	Ch. 27 eo nominae
31	C	19 CFR 111.29(a)
32	A	19 CFR 111.91(b)
33	E	19 CFR 111.28(b)(2)
34	C	19 CFR 111.30(d)(1)
35	D	19 CFR 111.53
36	E	19 CFR 111.1; 111.19(b); Harmonized Tariff Schedule Annex C, Schedule D
37	B	19 CFR 133.27
38	C	19 CFR 171, App B (K)
39	B	19 CFR 111.2(a)

40	A	19 CFR 111.45(a)
41		Credit will be granted to all.
42	E	19 CFR 191.14
43	C	19 CFR 181.45(b)
44	E	19 CFR 191.51(e)(i)
45	A	19 CFR 181.42; 181.44
46	E	Harmonized Tariff Schedule, General Note 28 (d)(i)
47	D	19 CFR 10.216(a)
48		Credit will be granted to all. The answer for this question was not found in the required reference materials.
49	C	19 CFR 102.13(a)
50	D	Harmonized Tariff Schedule, General Note 12(t)
51	B	19 CFR 152.102(a)
52		Credit will be granted to all.
53	A	19 CFR 152.103
54	D	19 CFR 152.103
55	D	19 CFR 152.101
56	C	19 CFR 113.13(a)
57	A	19 CFR 113.11
58	C	19 CFR 113.3
59	D	19 CFR 113.27(a)
60	A	Customs Directive 3510-004 Monetary Guidelines for Setting Bond Amounts
61	B	19 CFR 19.2(e)
62	C	19 CFR 144.32(a)
63	E	19 CFR 19.1(a)(11)
64	C	19 CFR 144.5
65	A	Instructions for Preparation of CBP Form 7501 (8-30-2005)
66	A	19 CFR 127.12(a)(2)
67	D	19 CFR 18.8(b)
68	B	19 CFR 172.3(b)
69	B	19 CFR 24.24(b)(1)
70	E	19 CFR 24.1
71	B	Harmonized Tariff Schedule, Section XXII Statistical Annex B
72	B	19 CFR 152.23
73	D	19 CFR 133.23
74	A	19 CFR 101.5
75	C	Instructions for Preparation of CBP Form 7501 (8-30-2005)
76	D	9102.99.60 eo nominae
77	C	19 CFR 24.23(b)(1)(i)(A)
78	B	Instructions for Preparation of CBP Form 7501 (8-30-2005)
79	A	General Rules of Interpretation 5(b)
80	D	19 CFR 152.103(b)(iii); 152.103(d)(2)