

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. 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 (2011, No Supplements)**
- **Title 19, Code of Federal Regulations** (revised as of April 1, 2011 (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**
 - Glossary of Terms
- **Instructions for Preparation of CBP Form 7501 (3-17-2011)**
- **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 I: Customs Broker

1. The U.S. Department of Defense (DoD) hires a broker for the importation of injection mold equipment to be used in a new naval concept unmanned aerial vehicle. The DoD instructs the broker that a power of attorney is NOT required due to the nature and sensitivity of the importation and the fact that the equipment is for the account of the DoD. Based on this information, what statement is TRUE?

- A. A power of attorney is not required where the DoD is to act as the importer of record.
- B. The broker may not act as the importer of record.
- C. Military platforms and components thereof are exempt from examination by U.S. Customs and Border Protection.
- D. Injection mold equipment is identified in Chapter 4 of the Harmonized Tariff Schedule of the United States.
- E. Importations made for the account of a U.S. government agency are subject to the usual Customs entry requirements.

2. Customs and Border Protection Form _____ may be used to empower an agent other than an attorney-at-law or customs broker to file protests on behalf of an importer under section 514 of the Tariff Act of 1930, as amended.

- A. 4607
- B. 3124
- C. 5291
- D. 3311
- E. 7512-A

3. A recent college graduate receives her individually licensed U.S. Customs broker's license on December 5, 2009. On January 31, 2012, the individual is convicted of smuggling narcotics into the United States through the District of El Paso. On April 2, 2012, the broker applies for a District permit in Laredo, Texas. Which of the following statement is NOT true?

- A. U.S. Customs and Border Protection (CBP) may suspend the individual's license for a period not to exceed one year.
- B. CBP can revoke the individual's license.
- C. The Port Director may deny the issuance a District permit for Laredo, Texas.
- D. CBP may revoke the permit issued through El Paso.
- E. CBP may immediately revoke the broker's license.

4. A domestic express consignment operator that is also a licensed customs brokerage named Quick Logistics, LLC, acted as the importer of record in order to expedite its U.S. client's, Medical House, Inc., entry of surgical equipment. In February 2012, Quick Logistics, LLC, had a new customer: A Cut Above the Rest, Corp., also a domestic medical and surgical equipment wholesaler. Which statement is CORRECT?

- A. An express consignment operator that is also a licensed brokerage may not act as the importer of record.
- B. Due to health concerns, all surgical and medical equipment may not be imported from the People's Republic of China.
- C. Quick Logistics, LLC, must disclose its importation of medical and surgical equipment prior to engaging in "Customs business" on behalf of A Cut Above the Rest, Corp.
- D. Medical equipment may be classified in Chapter 4 of the Harmonized Tariff Schedule of the United States.
- E. A warehouse entry of surgical equipment is classified as Entry Type code 01 on the CBP Form 7501 "Entry Summary."

Section II: Classification

5. What is the classification of a girls 100% cotton (no flax fiber) woven dress, size 24 months (84-86 centimeters)?

- A. 6204.42.2000
- B. 6204.43.4040
- C. 6209.20.1000
- D. 6209.20.5050
- E. 6111.20.4000

6. What is the classification of a windshield for a motor vehicle composed of laminated glass?

- A. 7007.21.10
- B. 7007.29.00
- C. 7009.92.00
- D. 7020.00.60
- E. 8708.99.81

7. What is the classification of a 7 oz. can of sweet bell type peppers, packed in a liquid medium of water, salt and citric acid and imported from Spain?

- A. 2005.40.0000
- B. 2005.70.6050
- C. 2005.99.5510
- D. 2005.99.5590
- E. 2005.99.8500

8. What is the classification for boy's football shoes that have the provision for the attachment of cleats? The shoes cover the ankle and have outer soles of plastic and uppers of leather. They are valued at \$12.50 per pair.

- A. 6403.19.4090
- B. 6403.91.6040
- C. 6403.99.6060
- D. 6404.11.8090
- E. 6404.11.9080

9. What is the tariff classification for a shipment of human hair bundles imported into the port of Baltimore, which have been washed, dressed, waved, and dyed bleached-blonde, prepared for use in the making of wigs?

- A. 0501.00.0000
- B. 6703.00.3000
- C. 6704.11.0000
- D. 6704.19.0000
- E. 6704.20.0000

10. When classifying paper identified in Chapter 48 of the Harmonized Tariff Schedule of the United States what additional information is required on the invoice?

- A. Certificate of Origin
- B. Whether the paper is coated or impregnated
- C. Breakdown of basic color components
- D. Whether paper contains iron or iron oxide
- E. Weight in tons

11. What is the classification for fresh grapes entered on September 15, 2011?

- A. 0806.10.2000
- B. 0806.10.4000
- C. 0806.10.6000
- D. 2008.99.2900
- E. 2009.61.0020

12. When the tariff classification of any article is controlled by its actual use in the United States Customs territory, how many years must proof of use be furnished after the date the article is entered or withdrawn from warehouse for consumption?

- A. 30 days
- B. 90 days
- C. 3 years
- D. 5 years
- E. 10 years

13. Your client is importing 6,000 glass panels and 3,000 glass shelves, cut to size and shape, and drilled to be used in making 1,000 glass display cases. (It takes 6 panels and 3 shelves to make one glass display case.) The 3,000 glass shelves are of U.S. origin. Each unit requires one panel for the top, one panel for the bottom, one panel per each side, and three shelves. The shelves each have small color-coded dots to identify each type for quick assembly. Self-adhesive brackets with additional hardware will be included. For ease of shipment, the glass panels, glass shelves, and brackets with additional hardware, are packaged in separate boxes prior to import. After arrival into the U.S., the client will assemble the glass display cases and then will sell them to designer boutiques as finished units.

The Explanatory Notes of the Harmonized Tariff Schedule of the United States (in pertinent part) under Chapter 94, 'Parts', excludes (c) sheets of glass (including mirrors), marble or other stone or any other material referred to in Chapter 68 or 69, whether or not cut to shape, unless they are combined with other parts which clearly identify them as parts of furniture (e.g., a mirror-door for a wardrobe).

What is the classification for the 6,000 glass panels and 3,000 glass shelves being imported?

- A. 7006.00.40
- B. 7020.60.00
- C. 9403.70.80
- D. 9403.89.60
- E. 9403.90.80

14. The Brooklyn Alternative Music Store intends to import CD (compact disc) carrying cases. The carrying cases will hold up to five CDs. The carrying case is made with an outer surface of 100% nylon textile material. What is the classification for the carrying case?

- A. 4202.92.3031
- B. 4202.92.6091
- C. 4202.92.9026
- D. 4202.92.9050
- E. 4202.92.9060

15. PhoneMex is planning to set up a telephone repair and production facility in Mexico. PhoneMex will return all the telephones repaired or produced directly to the U.S. The returning telephones are not entitled to duty-free entry as “originating goods” under the North American Free Trade Agreement (NAFTA). Which PhoneMex operation(s) would NOT qualify as “repairs or alterations,” entitling the returned telephones to duty-free treatment under 9802.00.50?

- A. Fully functional, used telephones would be exported from the U.S. to Mexico, where they would be modified slightly by adding a “redial” capability.
- B. Telephone subassemblies would be exported from the U.S. to Mexico for assembly into completed telephones.
- C. Nonfunctional used telephones would be exported from the U.S. to Mexico, where they would be restored to their original condition.
- D. Black and beige telephones would be exported from the U.S. to Mexico for repainting in more popular colors.
- E. Telephones having defective or unacceptable ringer tones will be exported to Mexico from the U.S. to install an inexpensive, more pleasant and appealing sounding device.

16. Based on the following information, which statement is TRUE?

- Wool yarn formed in Canada
 - Elastomeric yarn formed in Korea
 - 96% wool; 4% spandex fabric woven in U.S.
 - Visible lining fabric of subheading 5512.19 woven in Korea
 - Fabric cut and sewn into women’s trousers with visible lining in Mexico
 - Trousers shipped from Mexico to the U.S.
- A. The elastomeric yarn from Korea disqualifies these trousers from NAFTA.
 - B. The Korean visible lining fabric does not disqualify these trousers from NAFTA.
 - C. The Korean visible lining fabric disqualifies these trousers from NAFTA.
 - D. The component that determines the classification of these trousers is classified in subheading 5512.19.
 - E. These trousers do not qualify for NAFTA because they do not make the necessary tariff shift.

17. Fully formed, stainless steel clamp bodies are imported into Canada from Spain. The landed cost for these clamp bodies is \$2 each. The Canadian importer adds a bolt and several washers to make the finished product, a constant tension clamp. The bolt, valued at \$2, is manufactured in the U.S. The washers, valued at \$2, are manufactured in Canada. This clamp is designed to provide constant tension, needed to counteract expansion and contraction of hose or pipe connections in a diesel engine. In condition as imported, these clamp bodies do not qualify as a part or accessory of a motor vehicle. What is the classification and duty rate for this product?

- A. 7326.90.8588 SPI CA, duty free under NAFTA
- B. 7326.90.8530 SPI CA, duty free under NAFTA
- C. 7326.90.8588 dutiable at 2.9%
- D. 7326.90.8530 dutiable at 2.9%
- E. 8708.99.8180 SPI CA, duty free under NAFTA

18. What is the classification of two garments (jacket and skirt) designed and sold to be worn together as a suit? The garments are made of 100% rayon and are lined. The jacket and skirt are made of identical fabric, style, color and composition. The jacket outer shell, exclusive of sleeves, consists of six panels that are sewn together lengthwise.

- A. Classify jacket under 6204.39.3010 and skirt under 6204.59.3010
- B. Classify jacket under 6204.33.5010 and skirt under 6204.53.3010
- C. Classify jacket and skirt under 6204.19.2000
- D. Classify jacket under 6204.23.0030 and skirt under 6204.23.0035
- E. Classify jacket under 6204.29.2010 and skirt under 6204.29.2015

19. What is the classification of disposable plastic sleeve protectors constructed of 100% polyvinyl chloride plastic from China?

- A. 3926.20.1020
- B. 3926.20.4010
- C. 3926.20.9050
- D. 3926.90.6090
- E. 6216.00.1900

20. Your client is importing a remote control device designed to control a television and operate a variety of traditional home entertainment equipment. Each unit is handheld, wireless, programmable and operates solely by infrared technology. What is the classification for the remote control device being imported?

- A. 8517.62.0050
- B. 8526.91.0040
- C. 8526.92.0000
- D. 8537.10.9070
- E. 8543.70.9650

21. Your client is importing ceramic funnels that are designed for use in a machine classified under 8479.20.0000 in the HTSUS. The ceramic of which the funnels are made is not porcelain or china, meets the terms of Chapter 69, Additional U.S. Note 1, as a refractory ceramic, and has a hardness equivalent to 9.5 on the Mohs scale. The funnels will be operating at a maximum temperature of 460 degrees Celsius. What is the classification for the funnels?

- A. 6903.90.0050
- B. 6909.11.2000
- C. 6909.12.0000
- D. 6914.90.8000
- E. 8479.90.9496

22. What is the classification for a porcelain ceramic tile, glazed and decorated with an elaborate floral design, measuring 25 cm long by 25 cm wide by 1.5 cm high, and designed for tiling a wall?

- A. 6907.90.0011
- B. 6908.90.0011
- C. 6913.10.5000
- D. 6913.90.2000
- E. 6914.10.8000

23. What is the classification for a collapsible guitar stand, suitable for use with both acoustic and electric guitars?

- A. 9202.90.4000
- B. 9207.90.0040
- C. 9209.92.2000
- D. 9209.94.4000
- E. 9209.99.8000

24. Your client is importing “WillGro,” a product described as a natural fertilizer that is manufactured from mustard seed meal. This fertilizer is suitable for fruits, vegetables, and turf. “WillGro” is a dry granule product imported from Costa Rica in 5 kg packages. What is the tariff classification for this product?

- A. 3101.00.0000
- B. 3102.90.0100
- C. 3105.10.0000
- D. 3824.90.9290
- E. None of the above

25. Italia Leather Company is importing backpacks into the United States for the first time. The backpacks are constructed with a cotton textile base. On the outside of the base there is a layer of polyvinyl chloride (PVC) plastic sheeting. The PVC is embossed to simulate leather. What is the classification of the backpacks?

- A. 4202.11.0030
- B. 4202.91.0030
- C. 4202.92.1500
- D. 4202.92.3020
- E. 4202.92.4500

26. A shipment of wooden armoires/entertainment centers was imported and an entry was presented for Import Specialist review and liquidation. Upon receipt of a Request for Information (CBP Form 28), the importer, through the broker, provided illustrative literature indicating that the armoires/entertainment centers are being marketed with a bed as observed from a picture in the catalog.

What is the classification of the armoires/entertainment centers?

- A. 9403.30.8000
- B. 9403.50.9045
- C. 9403.60.8081
- D. 9403.70.8020
- E. 9403.70.8031

27. What is the classification of an adjustable, portable, multi-purpose, aluminum stand designed to fit on a desk or table? The primary function is laptop computer usage.

- A. 7616.99.5090
- B. 8471.90.0000
- C. 8473.30.9100
- D. 9403.20.0018
- E. 9403.20.0030

Section III: Entry

28. Transfers of merchandise to the Customs territory for transportation to and exportation from a different port of importation will be made using which Customs and Border Protection Form?

- A. CBP Form 7512
- B. CBP Form 301
- C. CBP Form 3461
- D. CBP Form 3499
- E. CBP Form 6043

29. Which of the following satisfies compliance of Customs and Border Protection Form 4647 for FDA refusal?

- A. Letter of intent to destroy merchandise
- B. Replacement of refused goods
- C. Entry into a free trade zone
- D. Entry into a bonded warehouse
- E. Sale to a foreign company

30. When a commercial sales transaction is quoted in a foreign currency, the date used for conversion purposes is:

- A. the date the goods were sold.
- B. the date the goods were packaged.
- C. the date payment is transferred from the buyer to the seller.
- D. the date the goods were exported from the country of export to the U.S.
- E. the date the goods were imported into the U.S.

31. Your client intends to submit an Importer Security Filing (ISF). You advise them that the _____, _____, and _____ must be linked to one another at the line item level for shipments intended to be entered into the U.S. Customs territory.

- 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

32. Which of the following is NOT an invoice requirement?

- A. An adequate description of the merchandise
- B. The quantities of the merchandise
- C. The values or approximate values of the merchandise
- D. An attached sample of the merchandise
- E. The name and complete address of the foreign individual or firm who is responsible for invoicing

Answer questions 33 through 35 using the abbreviated Entry Summary for a shipment that arrived *via* Lufthansa airlines at the Chicago O’Hare airport below:

27. Line No.	28. Description of Merchandise			32. A. Entered Value B. CHGS C. Relationship	33. A. HTSUS Rate B. ADA/CVD Rate C. IRC Rate D. Visa No.	34. Duty and I.R. Tax	
	29. A. HTSUS No. B. ADA/CVD Case No	30. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units			Dollars	Cents
001	M 55217035541 LADIES / MEN’S POLO SHIRTS 384 CTNS Invoice Number – 24011 04/2011 APPL AGOA, FROM NON US FABRICS 9819.11.09			384 CTNS NOT-RELATED 0			0.00
D	WOMENS COTN BLOUS/SHIRS, NIT/C 6106.10.0010 DOZ CAT 339 KG)	905	225	9536 C 1339	FREE V3ET022805 DOE 08/18/11 0.010717 / KG		0.00 8.68
002	Cotton Fee KG		810	NOT RELATED 0			0.00
D	APPL AGOA, FROM NON US FABRICS 9819.11.09 MEN’S COTTON KNIT/CRCH. SHIRTS 6105.10.0010 DOZ CAT 338 KG)	5118	1240	53954 C 7578	FREE V3ET022805 DOE 08/18/11 0.010717 / KG		0.00 47.83
	Cotton Fee KG		4463				
Other Fee Summary for Block 39		35. Total Entered Value					

33. The International Standard Organizational country code identified at Block 10 of CBP Form 7501 is:

- A. ET
- B. LY
- C. US
- D. DE
- E. EG

34. The "Total Entered Value" at Block 35 is:

- A. \$8,917
- B. \$37,651
- C. \$54,573
- D. \$63,490
- E. \$72,407

35. The shipment is subject to Fee Class Code(s):

- A. 499 and 501
- B. 056 and 499
- C. 056 and 311
- D. 311 and 499
- E. 016 and 501

36. Broker A has permits in the Districts of Los Angeles, New York, and Dallas. Broker A services a Chinese widget manufacturer that ships merchandise subject to antidumping duties to its affiliated U.S. incorporated selling agent that is located at the Port of Long Beach, California. The selling agent has no financial interest in the commercial transaction. At the nominal consignee's request, the shipment of widgets is diverted to San Diego for entry. Broker A is in possession of a valid power of attorney (POA) from the Grantor, authorizing other Customs brokers to make entry. Broker A creates a sub agency POA to Broker B who is only permitted in the District of New York. Who would be the importer of record?

- A. Broker A
- B. Broker B
- C. the nominal consignee
- D. U.S. selling agent
- E. none of the parties

37. Merchandise subject to a countervailing duty order for which entry is required must be entered within:

- A. five working days after landing from an ocean vessel.
- B. five calendar days after arriving from an aircraft.
- C. ten calendar days after arriving from a vehicle.
- D. seven calendar days after arriving from a railroad car.
- E. fifteen calendar days after arrival at the port of destination in the case of merchandise transported in bond.

38. A broker may be listed as an ultimate consignee on a formal entry 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 to be exported through another port.

39. Which of the following is required for the importation of raw cane sugar from the Dominican Republic?

- A. Special Indicator "E"
- B. Special Indicator "J"
- C. Certificate of Quota Eligibility
- D. Certificate of Origin
- E. Centrifugal Form

40. Fish are caught by a Norwegian flagged vessel in international waters off the coast of Portugal. The fish are kept either whole or filleted on board. The fillets are sent to England, where they are seasoned, battered, and pre-fried. What is the country of origin of the battered fillets?

- A. Portugal
- B. England
- C. Norway
- D. European Union
- E. Spain

41. Using the information below, construct the manufacturer identification number.

Sanford and Sons Junkyard
114 Fender Avenue
Unit 1490
Cashew City, Bermuda

- A. BMSANSON114CAS
- B. BMSANSON1490CAS
- C. SANSON114CASBM
- D. CASSANSON1490BM
- E. BMSANAND1490CAS

42. The underscoring of a NAFTA trade classification rule subdivision designation in General Note (GN) 12(t) indicates which of the following:

- A. The underscoring in GN 12(t) should be disregarded if the good is a motor vehicle of chapter 87 or will be used in a motor vehicle of chapter 87.
- B. If the underscore applies to the classification of your goods then the valuation rules that apply are those found in Title 19 of the Code of Federal Regulations (CFR) 181 Appendix Section 6.
- C. The underscoring bears no significance unless it is found that the goods do not qualify for NAFTA.
- D. If the good is a motor vehicle of chapter 87 or will be used in a motor vehicle of chapter 87 then the valuation rules that apply are those found in 19 CFR 181 Appendix Section 9 or Section 10.
- E. If the good is a motor vehicle of chapter 87 or will be used in one, then the GN 12(c) valuation rules must be used.

43. Metal eyeglass frames are manufactured in Korea. The manufacturing process includes production of all metal parts, welding the parts together and polishing the eyeglass frames. The products from Korea are assembled and shaped metal eyeglass frames, including the temple tips and nose pads. All items are then shipped to Germany where the frames are plated, the country of origin is printed on the temple, the temple tips and nose pads are assembled onto the frame and the frame (without lenses) is packaged and prepared to be shipped to the United States. What is the country of origin and appropriate marking of metal eyeglass frames manufactured in Korea?

- A. Country of Origin Korea / "Made in Korea"
- B. Country of Origin Germany / "Frames made in Germany"
- C. Country of Origin Korea / "Frames made in Korea"
- D. Country of Origin Germany / "Made in Germany"
- E. Country of Origin Korea / "Frames made in Germany"

44. Which of the following is NOT an additional commercial invoice requirement?

- A. Aluminum and alloys of aluminum classifiable in 7601.10.60, 7601.20.60, 7601.20.90 or 7602.00.00 require a statement about the amount of percentages by weight of any metallic element contained in the article.
- B. Copper articles classifiable in 7404.00.60, 7408.19.00, 7412.10.00 or 7410.11 require a statement of percentage of the copper content and all other elements by weight to articles classifiable according to the copper content.
- C. Steel classifiable in heading 7308 requires a mill test certificate.
- D. Ferrosilicon manganese requires a mill test certificate.
- E. Used aluminum beverage container scrap is subject to the requirements of additional invoice requirements.

45. The importation of goods into the U.S. Virgin Islands is governed by the:

- A. Virgin Islands law
- B. U.S. Customs and Border Protection
- C. U.S. Department of the Navy
- D. U.S. Department of the Interior
- E. Secretariat of the Caribbean Community (CARICOM)

46. What is the timeframe for merchandise permitted for removal from a foreign trade zone for importation?

- A. Within 5 business days
- B. Within 30 business days
- C. Within 90 business days
- D. Within 120 business days
- E. None of the above

Section IV: Miscellaneous

47. For a shipment departing the United States which is not subject to an export license certain cargo information must be electronically forwarded to CBP via the Automated Export System. Which statement is FALSE regarding the transmission and acceptance of such data?

- A. For vessel cargo, the United States Principal Party of Interests (USPPI) or its authorized agent must transmit and verify system acceptance of export vessel cargo information no later than 24 hours prior to departure from the U.S. port where the vessel cargo is to be laden.
- B. For air cargo, the USPPI or its authorized agent must transmit and verify system acceptance of export air cargo information no later than 2 hours prior to the scheduled departure time of the aircraft from the last U.S. port.
- C. For truck cargo, the USPPI or its authorized agent must transmit and verify system acceptance of export truck cargo information no later than 1 hour prior to the arrival of the truck at the border.
- D. For rail cargo, the USPPI or its authorized agent must transmit and verify system acceptance of export rail cargo information no later than two hours prior to the arrival of the train at the border.
- E. For air express couriers, the USPPI or its authorized agent must transmit and verify system acceptance of export air cargo information no later than 1 hour prior to the scheduled departure time of the aircraft from the last U.S. port.

48. Which ISO Country Code is incorrect?

- A. HT – Haiti
- B. AZ – Azerbaijan
- C. DZ – Algeria
- D. CR – Cuba
- E. TW - Taiwan

49. Based on the following information, which statement is TRUE?

- Cotton fabric woven in the U.S. of U.S. yarn
- Fabric cut and assembled into trousers in South Africa
- Waistband formed in Korea
- Sewing thread from Korea
- Trousers washed, packed and shipped from Kenya to US

- A. These trousers qualify for African Growth Opportunity Act (AGOA).
- B. The Korean waistband disqualifies these garments for AGOA.
- C. The Korean sewing thread disqualifies these garments for AGOA.
- D. These trousers would be classified in Chapter 61 of the HTSUS.
- E. These trousers do not qualify for AGOA because they were not directly shipped from South Africa to the U.S.

50. Based on the following information, which statement is TRUE?

- Cotton fabric knit in U.S. of U.S. yarn
- Fabric cut in Guatemala
- Components sewn into a dress in Jamaica using U.S. sewing thread
- Dress embroidered in Guatemala using Guatemalan embroidery thread that comprises 26% of the value of the garment
- Dress shipped from Guatemala to the U.S.

- A. This dress qualifies for Caribbean Basin Trade and Partnership Act (CBTPA)
- B. This dress does not qualify for CBTPA because the fabric is cut in Guatemala.
- C. This dress does not qualify for CBTPA because the embroidery thread exceeds the permissible de minimis value for foreign findings or trimmings.
- D. This dress does not qualify for CBTPA because it does not meet the direct shipment requirement.
- E. This dress would be classified in heading 6204 of the HTSUS.

51. Who is charged with the responsibility of presenting a true manifest of an exportation of a self-propelled vehicle?

- A. Importer
- B. Manufacturer
- C. Broker
- D. Master of the Vessel
- E. Zone Operator

52. What additional information is required when importing iron or steel classifiable under Chapter 72 or headings 7301 to 7307 HTSUS?

- A. North American Free Trade Agreement (NAFTA) Certificate of Origin
- B. Mill Test Certificate or Mill Analysis containing percentage by weight or carbon and any metallic elements contained in the article
- C. Single Entry Bond
- D. Reimbursement Statement
- E. ASTM standard specifications for steel

53. A granite slab is imported into Canada from Italy. In Canada, the slab is further cut and polished to produce a granite countertop. The processing in Canada contributed over 60 percent of the transaction value of the finished product. Does the finished countertop qualify for preferential tariff treatment under the NAFTA?

- A. The countertop qualifies for NAFTA since over 60 percent of the value was added in a NAFTA country.
- B. The countertop qualifies for NAFTA since it was cut and polished in a NAFTA country and over 60 percent of the value was added in Canada.
- C. The Exporter's NAFTA Certificate of Origin must be reviewed before a determination of NAFTA eligibility can be made.
- D. The countertop does not qualify for NAFTA.
- E. The countertop qualifies for NAFTA because there is a tariff shift from Chapter 25 to Chapter 68.

54. Whose bond is liable when merchandise is delivered directly to a container station from an importing carrier?

- A. Importer
- B. Broker
- C. Container Station
- D. Importing Carrier
- E. Bonded Warehouse

55. When the quantity of tariff-rate quota merchandise exceeds the quota quantity, which of the following is the correct action to take?

- A. Ship the merchandise in-bond for immediate entry at another port.
- B. Warehouse the merchandise at a container station.
- C. Store the merchandise at the carrier's facility.
- D. Destroy the merchandise and provide proof to CBP.
- E. Export the merchandise.

56. Which of the following is the extension period for Admission Temporaire/Temporary Admission (ATA)Carnet's from the date of issue?

- A. No extension periods
- B. 1 year
- C. 2 years
- D. Up to three years in one year extensions
- E. Up to five years in one year extensions

57. Textile and apparel goods, that consist of 'originating and non-originating goods', classifiable as 'goods put in sets', and sold at retail as a set, will be regarded as 'originating goods' if the following applies:

- A. The non-originating goods do not exceed 20 percent of the adjusted value of the set.
- B. The non-originating goods are less than 15 percent of the adjusted value of the set.
- C. The original goods exceed the non-originating goods by 75 percent of the adjusted value of the set.
- D. The non-originating goods do not exceed 10 percent of the adjusted value of the set.
- E. The non-originating goods are less than 30 percent of the adjusted value of the set.

58. The importer of a shipment of chemical articles subject to the Toxic Substances Control Act, who has been notified of detention, will comply with which of the following:

- A. Export the shipment within 120 days of demand for redelivery.
- B. Bring the shipment into compliance within 180 days.
- C. Export the shipment within 90 days.
- D. Bring the shipment into compliance within 90 days of demand for redelivery.
- E. Bring the shipment into compliance or export the shipment within 180 days after notice of detention or 90 days of demand for redelivery, whichever comes first.

59. The withdrawal of general order merchandise can occur under which of the following conditions?

- A. Exportation within 9 months from the date of importation.
- B. Entry for immediate transportation within 9 months of importation to file a consumption entry at the port of destination.
- C. Exportation after 6 months from the date of importation.
- D. Entry for immediate transportation after 6 months from the date of importation to any port designated by the consignee.
- E. Exportation after 9 months from the date of importation.

60. Which of the following articles are unconditionally free of duty for institutions?

- A. Motion-picture films
- B. Stained glass windows
- C. Lithographs
- D. Sculptures
- E. None of the above

61. Which one of the following procedures constitutes an “assembly” operation for purposes of classification under 9802.00.80, the provision for foreign articles assembled with U.S. components?

- A. Mixing ingredients in a soup
- B. Painting
- C. Riveting
- D. Cutting thread to length
- E. Applying protective encapsulation


62. In the absence of a request for accelerated disposition, which one of the following issues requires the Port Director to act on a protest within 30 days from the date the protest was filed?

- A. Country of origin marking of imported merchandise
- B. Valuation of merchandise
- C. Drawback of duties
- D. Classification of merchandise
- E. The exclusion of merchandise

63. Distilled spirits warehoused under section 5214(a)(9), Internal Revenue Code, may be withdrawn only for the purpose of _____, either directly or after re-warehousing at the same or another port.

- A. exportation
- B. manipulation
- C. re-importation
- D. domestic consumption
- E. manufacturing

Answer questions 64 through 69 using the commercial invoice below.

FAR EAST EXPORTS, LTD. Schenzhen, China 				
Shipper/Exporter Far East Exports, Ltd. Bldg. 45, No 8002 Shennan Rd. Futian District, Shenzhen, China		No. and Date of Invoice US0001E February 14, 2012		
		Marks and No. of Pkgs. Subject to Antidumping Duty A-570-831 at 0.06 \$/kg.		
For Account and Risk of Messers O'Malley's Italian Kitchen 5423 Mission S. San Francisco, CA 45682		L/C Issuing Bank		
		Remarks DDP San Francisco P/O No.: OMAL587236 Chinese Origin		
Notify Party Jones Brokers, Inc. 658 Adams Plaza Dallas, TX 78045				
Port of Lading Qingdao, China	Final Destination Oakland, CA			
Carrier COSCO	Departure on or about February 14, 2012	<u>Agricultural Farm</u>		
Description of Goods		Quantity	Unit Price	Amount
Fresh whole peeled chilled garlic packed in water. Shipped in bulk		25,719 kgs.		49,167 USD
TOTAL				
\$49,167				
Master Bill: 001-63324833 House Bill: COSC6676406				

64. What is the classification of the imported merchandise?

- A. 0703.20.0010
- B. 0703.20.0020
- C. 0703.20.0090
- D. 0712.90.4040
- E. 2005.99.9700

65. The port code to be identified on Block 20 of CBP Form 7501 is:

- A. 0962
- B. 2809
- C. 2811
- D. 3881
- E. 5501

66. The party responsible for the payment of duties, taxes and fees is:

- A. the shipping line
- B. O'Malley's Italian Kitchen
- C. Jones Brokers, Inc
- D. Far East Exports, Ltd.
- E. the nominal consignee

67. The amount of the harbor maintenance and merchandise processing fees is:

- A. \$86.46
- B. \$103.25
- C. \$127.55
- D. \$164.71
- E. \$172.54

68. The amount of the duty due to U.S. Customs and Border Protection is:

- A. \$14,651.77
- B. \$5,506.70
- C. \$3,761.84
- D. \$211.42
- E. \$110.59

69. The antidumping duty amount is:

- A. \$657.27
- B. \$1,543.14
- C. \$1,654.00
- D. \$2,950.02
- E. \$4,782.96

Section V: Fines and Penalties

70. According to the degrees of culpability under Section 592, a violation is considered to be grossly negligent when:

- A. It results from an act or acts (of commission or omission) done through either the failure to exercise the degree of reasonable care and competence expected from a person in the same circumstance, or in communicating information in a manner that may be misunderstood by the recipient.
- B. It results from a material false statement, omission, or act in connection with a transaction and is committed or omitted knowingly, and is done intentionally and voluntarily.
- C. It results from a false statement or omission that is based on a bona fide belief as to the facts, so long as the belief itself did not result from negligence in ascertaining the accuracy of the facts.
- D. It results from an act or acts (of commission or omission) done with actual knowledge of or wanton disregard for the relevant facts and with indifference to or disregard for the violators obligations under the statute.
- E. It results from an error in the preparation, assembly or submission of import documentation or information provided to CBP that results from a mistake in arithmetic or transcription that is not part of a pattern.

71. In order to expedite a shipment, in lieu of the owner of the merchandise, a Broker decides to identify himself as the Importer of Record and submits a consumption entry to CBP. CBP requests documents supporting the NAFTA preferential duty claim and the Broker is unable to comply with the request. Which of the following statements is CORRECT?

- A. CBP will issue a Title 19 United States Code 1641 penalty against the Owner of the merchandise.
- B. CBP will issue a Title 19 United States Code 1509 penalty against the Importer of Record.
- C. The Importer shall be in possession of a NAFTA Certificate of Origin after the preferential duty claim is proffered.
- D. Products originating from a NAFTA signatory are not subject to antidumping duties.
- E. Brokers acting as the importer of record are not subject to recordkeeping requirements for CBP purposes.

72. What is the liquidated damages amount for failing to redeliver restricted or prohibited merchandise that fails to comply with the laws or regulations governing admission into the United States?

- A. Two times the unpaid duties, taxes and charges estimated to be due or \$1,000, whichever is greater.
- B. \$100.
- C. Equal to the value of the merchandise.
- D. \$1,000 for each default or any amount as may be authorized by law or regulation.
- E. Three times the value of the merchandise or any amount as may be authorized by law or regulation.

73. A liquidated damage claim may be cancelled by U.S. Customs and Border Protection if:

- A. a single entry bond is used
- B. the petition is filed untimely
- C. there is no viable bond
- D. the facts and circumstances surrounding the violation occurred
- E. all of the above

74. Which of the following is NOT considered to be voluntarily abandoned merchandise?

- A. Merchandise which is taken possession of by the port director at the request of the consignee.
- B. Merchandise abandoned by the importer to the United States within 30 days.
- C. Merchandise in a bonded warehouse abandoned by the consignee with 3 years.
- D. Merchandise with unpaid duties, remaining in a bonded warehouse beyond the 5-year warehouse period.
- E. None of the above.

75. Which of the following is true regarding Customs brokers?

- A. A penalty of \$2,000 shall be assessed against any broker who continuously makes the same errors on entry type 23.
- B. A penalty of \$10,000 against any broker who is unable to satisfy the deciding Customs official that he has a working knowledge of any operation material to his ability to render valuable service to others in the conduct of Customs business.
- C. A penalty of \$5,000 against any broker who, when requested, is unable to produce documents relating to specific Customs business which are material to that business.
- D. A penalty of \$1,000 against any broker who fails to exercise responsible supervision and control over the Customs business that it conducts.
- E. A penalty of \$100,000 against any broker who is found to have failed to maintain satisfactory accounting records or records of documents filed with Customs on any matter.

Section VI: Valuation

76. ABC ships line telephone sets with cordless handsets to Mexico, which are classifiable under HTS 8517.11.0000, for repairs and alterations. Upon re-importation the owner/importer claims 9802.00.5060. They declare that the cost for the repair/alteration was \$10,000 and the line telephone is valued on \$3,000. There are no other goods in this shipment. What is the correct duty and Merchandise Processing Fee (MPF) to be assessed on this importation?

- A. \$78.00 in duty and \$6.30 in MPF
- B. \$78.00 in duty and no MPF owed
- C. No duty or MPF owed
- D. No duty owed and MPF will be \$25.00
- E. No duty owed and MPF will be \$6.30

77. The price actually paid or payable price may be the result of additions, deletions or negotiations. Which of the following is NOT allowed?

- A. Cash/Terms of Payment Discount
- B. Trade Discount
- C. Quantity Discount
- D. Rebate
- E. Quality Discount

78. An importer furnished \$1,000 of materials and a machine which originally was purchased for \$10,000 to an overseas unaffiliated producer free of charge. The importer noted that the machinery was fully depreciated, pursuant to generally accepted accounting principles and the importer paid freight charges of \$50 and foreign duties of \$5. The importer furnished inspection equipment to the producer to test the quality of the goods after production in the amount of \$1. For accounting purposes, the machinery was depreciated over five years. The value of the assist is:

- A. \$0
- B. \$1,055
- C. \$3,055
- D. \$3,056
- E. \$11,056

79. If furnished free of charge by the buyer to the seller, which of the following items would NOT be considered an assist?

- A. Transportation cost to deliver molds to the foreign shipper.
- B. Materials incorporated in the imported merchandise.
- C. Designs from a U.S. engineering company.
- D. Tools necessary for production of the imported merchandise.
- E. Molds produced by a U.S. manufacturer.

80. AVC imports plastic widgets from an unrelated foreign London manufacturer. This manufacturer sells the widgets at a price of \$10,000. The terms of the sale are Free On Board (FOB), Mobile. In addition AVC provides the manufacturer an assist valued at \$1,000. The assist is depreciated over a five year period. The assist will be used for goods shipped to United States Virgin Islands. You discovered the importer paid a buying commission in the amount of \$10. The buying commission was invoiced separately and AVC paid the unrelated foreign manufacturer thirty days after receiving the goods. The invoice contains the following information:

\$10 for special (after being seaworthy condition) export packing
\$5 for sales commission
\$15 for insurance
\$20 Freight (London to Mobile)

What is the correct transaction value of the plastic widgets?

- A. \$10,020
- B. \$10,040
- C. \$10,050
- D. \$10,260
- E. None of the above

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.