
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 (2012, No Supplements)**
- **Title 19, Code of Federal Regulations** (revised as of April 1, 2012 (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 (7-24-2012)**
- **Directives**
 - 3510-04, Monetary Guidelines for Setting Bond Amounts
 - 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.**

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Customs Broker License Examination

Section I – Classification

Section II – Drawback

Section III – Entry

Section IV – Miscellaneous

Section V – Trade Agreements

Section VI – Valuation

Section I: Classification

1. Select the classification for a hand-operated mechanical floor sweeper, not motorized, with a plastic handle and cover. The sweeper contains an internal trash receptacle that is filled as the sweeper is pushed across the room and the brushes cause the trash to be swept into the receptacle. The correct classification is:
 - A. 8479.89.2000
 - B. 8479.89.6500
 - C. 8479.89.7000
 - D. 9603.90.8040
 - E. 9603.90.8050

2. What would be the correct classification of men's woven dress shirts of 85% cotton, 15% Jute and one color in warp and filling?
 - A. 6205.20.1000
 - B. 6205.20.2016
 - C. 6105.10.0010
 - D. 6205.20.2021
 - E. 6205.20.2026

3. Our Harmonized Tariff System is annotated, meaning it contains various notes in addition to those notes used at the international level. Which of the following notes are not legally binding in the United States?
 - A. Section notes
 - B. Chapter notes
 - C. Additional US Notes
 - D. Statistical Notes
 - E. General Notes

4. The commercial invoice received with the entry package at your desk for review indicates that the imported merchandise consists of a new 2012 Mazda3 i SV 4- doors passenger car, including the following manufacture's specifications: 2.0 liters; 2,000 cc; 4 cylinders; automatic transmission; and an interior dimension/volume of 2.6 m3. What would be the correct classification of the new 2012 Mazda3 i SV?
 - A. 8703.23.0022
 - B. 8703.23.0046
 - C. 8703.23.0044
 - D. 8703.23.0062
 - E. 8703.23.0090

5. What is the classification for women's knitted overcoats made of 100% cotton?
- A. 6102.10.0000
 - B. 6102.20.0010
 - C. 6102.20.0020
 - D. 6102.30.0500
 - E. None of the above
6. A shipment of bicycles is presented through a CBP Form 3461 (Entry/Immediate Delivery) for Import Specialist review. The bicycles (non-motorized) are invoiced as having an outer circumference of 53.34 cm. What would be the correct classification of the bicycles?
- A. 8712.00.1510
 - B. 8712.00.1520
 - C. 8712.00.1550
 - D. 8712.00.2500
 - E. 8712.00.3500
7. What is the classification for vulcanized neoprene rubber seals used in the engine of a motor vehicle?
- A. 3926.90.4590
 - B. 4016.93.5050
 - C. 4016.99.6010
 - D. 8409.91.5081
 - E. 8708.99.8180
8. What is the CLASSIFICATION for coffee oil that is an extract of coffee produced by the mechanical pressing of roasted coffee beans. It does not contain any essential oils or sugars, it is not decaffeinated and it is used in instant coffee?
- A. 0901.21.0045
 - B. 1515.29.0040
 - C. 1801.00.0000
 - D. 2101.11.2129
 - E. 2101.11.2131
9. What is the CLASSIFICATION of 500 dozen women's girdles produced from 100 percent man-made fiber polyester knitted fabric?
- A. 6108.91.0015
 - B. 6108.92.0015
 - C. 6212.20.0010
 - D. 6212.20.0020
 - E. 6212.20.0030

10. What is the CLASSIFICATION for a fish product described as cooked “Australian Herring” (species *Arripis georgianus*) fillets packed in water and spices in airtight cans?
- A. 1604.12.2000
 - B. 1604.12.6090
 - C. 1604.19.2100
 - D. 1604.19.8100
 - E. 1605.59.0500
11. What is the classification of frozen, uncooked, shrimp stuffed ravioli packaged with a white wine sauce made in Italy, which contains 51% by weight of shrimp?
- A. 1605.29.0500
 - B. 1605.29.1010
 - C. 1605.29.1040
 - D. 1902.19.4000
 - E. 1902.20.0040
12. Which classification is subject to Chapter 17 Subheading Notes 1?
- A. 1701.13.5000
 - B. 1702.90.2000
 - C. 1702.20.2210
 - D. 1703.10.3000
 - E. 1704.90.3590
13. A provision in the Harmonized Tariff Schedule of the United States (HTSUS) allows a free rate of duty for US goods returned (articles for temporary use while abroad) after being exported. But, these goods cannot be advanced in value or improved in condition by any process of manufacture or other means while abroad. Please indicate which HTSUS number is assigned for the above statement.
- A. 1501.10.00
 - B. 3925.90.00
 - C. 8402.19.00
 - D. 9801.00.10
 - E. None of the above
14. What is the CLASSIFICATION for this “heated blanket”? The electric blanket consists of electric wires that are sandwiched between two layers of 100% polyester knit fleece fabric that are hemmed on all sides. An electric controller and power cord are included.
- A. 6301.10.0000

- B. 6304.93.0000
- C. 8543.70.9650
- D. 8708.99.8180
- E. 9404.90.8505

15. What is the CLASSIFICATION of leather baseball batting gloves?

- A. 4203.21.2000
- B. 4203.21.8060
- C. 4203.29.0500
- D. 9506.91.0030
- E. 9506.99.1500

16. 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. How should you correctly classify 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

17. What is the classification for women's footwear with open toes or open heels, with an external surface area of the upper made of cotton and having outer soles with textile materials having the greatest surface area in contact with the ground?

- A. 6404.19.25.60
- B. 6404.19.36.60
- C. 6404.19.37.60
- D. 6404.19.42.60
- E. 6405.90.90.00

18. What is the classification for fresh or chilled boneless bovine meat not processed and imported from Australia with a beef export certificate?

- A. 0202.20.5000
- B. 0201.30.0600
- C. 0201.30.5000
- D. 0201.30.8090
- E. 0204.23.4000

Section II: Drawback

19. Which one of the following criteria is NOT used in the demonstration of a claimant in order to be exempt from the restructuring of a drawback claim?
- A. Complexities caused by multiple manufacturing locations
 - B. Complexities caused by significantly different methods of operation
 - C. Complexities caused by misinterpretation of the various regulations
 - D. Complexities caused by difficulty in adjusting accounting and inventory records
 - E. Complexities caused by multiple commodities or the applicable general manufacturing drawback ruling or the specific manufacturing drawback ruling
20. On March 15, 2005 a machine was imported into the United States and was tested for precision. The imported machine was then sold and exported to a customer in Canada. How much of the imported duty paid may be requested for a refund on a drawback claim?
- A. None
 - B. Partial
 - C. 99%
 - D. Lesser of the two
 - E. 100%
21. Importer A imported shirts into the United States on July 15, 2000. These shirts remained in a warehouse until sold. Importer A finds a foreign buyer for these shirts on September 20, 2002. The shirts were exported on October 15, 2002. The drawback claim must be filed within _____ years from the date of export?
- A. 6 years
 - B. 5 years
 - C. 4 years
 - D. 7 years
 - E. 3 years
22. Company ABC imported shoes from Italy on June 2, 2005. Company ABC sells the shoes to Company 123 (located in the U.S.) on June 30, 2005. Company 123 exports the shoes to Germany. In order for Company ABC to claim drawback on the imported shoes, they must obtain a _____.
- A. Certificate of manufacture from the exporter
 - B. Letter of credit from the exporter
 - C. Notice of intent to export from the exporter
 - D. Certificate of delivery from the exporter
 - E. Certification from the exporter waving the right to drawback

23. Which of the following duties and fees is not subject to drawback?

- A. Antidumping duties
- B. Duties paid on a warehouse withdrawal
- C. Duties paid on a prior disclosure
- D. Duties paid on after liquidation
- E. Internal Revenue Taxes

24. Which form must be presented to CBP timely to request to export merchandise intended to be claimed on a rejected merchandise drawback?

- A. CBP Form 7512
- B. CBP Form 6043
- C. CBP Form 7553
- D. CBP Form 3495
- E. CBP Form 3311

Section III: Entry

25. On a formal entry, a broker may be listed as an ultimate consignee if;
- A. The ultimate consignee has not been determined by importer, and the broker is not the owner of the merchandise
 - B. The delivery destination of the merchandise has not yet been determined by the importer
 - C. They own the merchandise, or there is no known U.S. buyer and the accompanying documentation shows the broker premises as the location to which the merchandise is to be delivered
 - D. The merchandise is owned by a foreign company and the location of the delivery for the merchandise is unknown
 - E. The merchandise is going to be exported through another port
26. What is the correct entry type code for a warehouse withdrawal with quota/visa and AD/CVD combination?
- A. 02
 - B. 03
 - C. 22
 - D. 38
 - E. 23
27. Which nonresident corporation can enter merchandise for consumption?
- A. German Company files an entry at the port of New York and hires a broker located in the area which they give power of attorney.
 - B. French company files an entry at the port of New York and has a resident agent located in Florida who is authorized to accept service of process for the corporation and files a bond on CBP Form 301 with conditions set forth in 19 CFR 113.62
 - C. Italian company files an entry at the port of New York and hires a broker here in New York in which they give power of attorney and also authorize them to accept service of process for the corporation and file the proper CBP Form 301 for the bond.
 - D. Chinese company files an entry at the port of New York and hires a broker here in New York in which they give power of attorney. They authorize their sister company located in Chicago to accept service of process for the corporation. They file the proper CBP Form 301 for the bond per 19 CFR 113.62
 - E. Russian company files an entry at the port of New York and hires local broker to file the entry at the port of New York.

28. What information is NOT required on a commercial invoice furnished with the entry, before release of the merchandise is authorized?
- A. An adequate description of the merchandise.
 - B. The values or approximate values of the merchandise.
 - C. The name and complete address of the foreign individual or firm responsible for invoicing the merchandise.
 - D. The in-bond number assigned at the U.S. port of unloading.
 - E. Quantities of the merchandise.
29. An importer places an order for beer steins in Germany on January 1 with a manufacturer, Gregor International GmbH (“Gregor”), who demands payment in Euros. The Euros are wire transferred to Gregor in Germany and received by Gregor on January 3. The steins are exported to the United States on January 4 by ship, and arrive at the CBP Port of Entry in New York on January 10. An Entry Summary is filed on January 17. Which date is used for conversion of the Euros into U.S. dollars for CBP purposes?
- A. January 1
 - B. January 3
 - C. January 4
 - D. January 10
 - E. January 17
30. _____ is NOT an acceptable format for reporting an IRS, social security, or a Custom and Border Protection (CBP) assigned number for the consignee on CBP Form 7501?
- A. NN-NNNNNNN
 - B. YYDDPP-NNNNN
 - C. NNN-NN-NNNN
 - D. NNNNN-YYDDPP
 - E. NN-NNNNNNNXX

Using the below-identified abbreviated CBP Form 7501 “Entry Summary” for questions 31 through 35.

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection			1. Filer Code / EntryNo. ABC-1234567-8	2. Entry Type 01 ABI/A	3. Summary Date 01/17/12
ENTRY SUMMARY			4. Surety No. 891	5. Bond Type 8	6. Port Code 3901
7. Entry Date 01/04/12		8. Importing Carrier MAERSK SENANG		9. Mode of Transport 11	
10. Country of Origin ID			11. Import Date 01/02/12		
12. B/L or AWB No. MAEU751824346		13. Manufacturer ID IDBAKFUR5896JAK		14. Exporting Country MY	
15. Export Date 12/03/11			16. I.T. No. V0670830522		17. I.T. Date 01/02/12
18. Missing Docs		19. Foreign Port of Lading 55700		20. U.S. Port of Unlading 3001	
21. Location of Goods/GO No.		22. Consignee No. SAME		23. Importer No. 04-0422353-	
24. Reference No.					

H572 BNSF LOGISTICS PARK - CHI		00	
26. Ultimate Consignee Name and Address	City State TX Zip	26. Importer of Record Number and Address	INSIDE INTERIORS, INC. 602 AVENUE J City LUBBOCK State TX Zip 79401

31. The _____ date is the date used for calculating the applicable rate of duty.
- A. Export
 - B. Import
 - C. Entry
 - D. Entry Summary
 - E. Immediate Transportation
32. A review of block 39 of CBP Form 7501 should reflect which Fee Class Code?
- A. 012
 - B. 013
 - C. 311
 - D. 501
 - E. 610
33. The entered merchandise is _____ .
- A. extruded rubber thread from Malaysia that is subject to an antidumping duty
 - B. oil circular tubular goods from Indonesia subject to a countervailing duty
 - C. tuna caught in Indonesian waters that is subject to a tariff rate quota
 - D. women's apparel that is placed in a foreign trade zone
 - E. wooden bedroom furniture from Indonesia
34. The merchandise was unladen at _____ .
- A. Lubbock, Texas
 - B. Chicago, Illinois
 - C. Seattle, Washington
 - D. Los Angeles, California
 - E. Miami, Florida
35. The minimum amount of the bond is _____ .
- A. Zero
 - B. \$8,000
 - C. \$25,000
 - D. \$50,000
 - E. \$100,000

Use the below-identified abbreviated CBP Form 7501, answer questions 36 through 39.

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 Dollars Cents
	29. A. HTSUS No. B. ADA/CVD Case No	30. A. Gross Weight B. Manifest Qty.	31. Net Quantity in HTSUS Units			
001	OLIV, OTH, CONT>8KG, WHOL STUFFED 2005.70.2520 12,320 KG	20,001 KG	80 DR	N	_____ per KG _____ % Exchange Rate 1.4164	_____ _____ Entered Value _____
	499 – Merchandise Processing Fee			+/- MMV		
	Totals for Invoice Value		Invoice			
	023 EUR		25,379.00			

36. The "Total Entered Value" is _____ ,

- A. Zero (commercial sample)
- B. \$17,918
- C. \$25,379
- D. 25,379 EUR
- E. \$35,947

37. The _____ date is for used currency conversion purposes


- A. export
- B. import
- C. entry
- D. entry summary
- E. immediate transportation

38. The amount of duty due is _____ .

- A. zero (stuffed olives from the European Union are Category 1 "Special Rate of duty)
- B. \$1,059.52
- C. \$1,184.04
- D. \$1,720.08
- E. \$2,779.60

39. The olives are subject to _____ .
- A. a tariff rate quota
 - B. an absolute quota
 - C. an antidumping duty order
 - D. the Federal Food, Drug and Cosmetic Act
 - E. a countervailing duty order

Using the below extract of the CBP Form 7501 answer questions 40 and 41.

41. DECLARANT NAME CHESLEY WALKER 05/22/2012	TITLE A.I.F.	SIGNATURE 	DATE
42. BROKER/FILER INFORMATION (Name, address phone no.) CDM LOGISTICS & CONSULTING INC. DBA QUICK CUSTOMS PO BOX 34552 LUBBOCK TX 79401 806-791-1319		43. Broker/Importer File No. 6551115	

CBP FORM 7501 (06/09)

40. The licensed U.S. Customs broker is _____
- A. Chesley Walker
 - B. CDM Logistics & Consulting Inc.
 - C. Quick Customs
 - D. Identified at Block 28 of CBP Form 7501
 - E. 6551115
41. _____ is a false statement.
- A. Chesley Walker is authorized by his employer, the licensed U.S. Customs broker, through a power of attorney to sign documents pertaining to Customs business.
 - B. The Declarant shall not be identified on the broker's employee list.
 - C. The electronic (facsimile) signature must be transmitted as part of the entry summary.
 - D. CBP Form 3124 may not be used in lieu of CBP Form 7501 for purposes of engaging in "Customs business."
 - E. The broker shall be in possession of a valid power of attorney from the Grantor prior to or received on May 22, 2012.

42. An express consignment operator named, Speedy Ship, LLC (who is not a licensed broker) has a shipment arrive at their facility in the New York district. Speedy hires a local licensed customs brokerage to make entry, in Speedy's name, and provides the broker with a power of attorney. The broker prepares the entry documents with Speedy Ship, LLC identified as the Importer of Record and prepares a continuous custodial bond. Should Speedy Ship, LLC be the Import of Record for this shipment?
- A. Yes, because they gave the broker proper power of attorney and they have a continuous bond on file with CBP
 - B. No, because they are a nominal consignee and do not have the right to make entry
 - C. Yes, because they hired the broker
 - D. Yes, because they are an Express Consignment Operator and gave the broker the proper power of attorney and they have a continuous bond on file
 - E. No, because Speedy does not possess a single transaction bond.
43. What is the correct entry summary type for bonded warehouse merchandise being withdrawn for consumption that is subject to quota and antidumping?
- A. 07
 - B. 21
 - C. 31
 - D. 34
 - E. 38
44. Fabric produced in Hong Kong is sent to China where it is cut into pieces and assembled into T-shirts. The completed T-shirts are sold and imported into the United States. After being entered into the U.S., the T-shirts are exported to Mexico for screen printing and then returned to the U.S. under HTSUS heading 9802. What country of origin should be shown on the CBPF 7501 when the T-shirts are imported into the U.S. from Mexico?
- A. US (United States)
 - B. MX (Mexico)
 - C. HK (Hong Kong)
 - D. NA (NAFTA)
 - E. CN (China)

Section IV: Miscellaneous

45. What is the minimum bond amount for a Single Transaction Bond for a non-quota consumption entry of onions valued at \$15,000 and with the total duty/taxes/fee amount of \$250?
- A. \$45,000
 - B. \$15,250
 - C. \$15,000
 - D. \$15,750
 - E. \$30,250
46. If merchandise can be legally entered into a Customs Bonded Warehouse (CBW), when does the five year period begin?
- A. Entry date into the CBW
 - B. Date the merchandise was Reworked
 - C. Date of Importation
 - D. Date the merchandise was exported from a foreign country
 - E. Date of entry summary
47. What method of country of origin marking is required for shears/scissors/knives/forks/blades?
- A. Adhesive labels
 - B. String tag
 - C. Die-stamping, cast-in-the-mold lettering, etching, or engraving
 - D. Imprinted
 - E. Cloth labels
48. Merchandise entered under a Temporary Importation Bond (TIB) is permitted to remain in the United States for a one-year period subsequent to the date of importation (with a maximum of two one-year extensions allowed). However, there are exceptions to this time period. Which tariff number is an exception to this maximum time?
- A. 9813.00.05
 - B. 9813.00.30
 - C. 9813.00.35
 - D. 9813.00.50
 - E. 9813.00.75
49. Which of the following is the equipment description code used to indicate an open hopper car when transmitting Entry Summary and related information through the Automated Commercial Systems (ACS)?

- A. HV
- B. HT
- C. HP
- D. HO
- E. HC

50. Which of the following exemptions for marking requirements is false?

- A. Articles which are incapable of being marked
- B. Articles imported for use by the importer and not intended for sale in their imported or any other form
- C. Articles which were produced more than 15 years prior to their importation into the United States
- D. Products of the United States exported and returned
- E. Products of possessions of the United States:

51. Which form is to be filed by the importer, at the port of entry, following the abandonment of goods entered under bond?

- A. DHS form 4613
- B. DHS form 4607
- C. CBP form 3499
- D. CBP form 3495
- E. CBP form 7553

52. Who is NOT required to maintain records regarding imported merchandise and render such records for examination and inspection by CBP?

- A. A traveler who declared goods under their personal exemption
- B. An owner who imports commercial merchandise
- C. An importer of record who imports commercial merchandise
- D. A person who exports goods to Canada or Mexico for which a NAFTA Certificate of Origin was completed and signed.
- E. An agent for a person who imports commercial merchandise.

53. A redelivery notice is issued by the Entry Branch for the return of produce that was refused entry by the Food and Drug Administration. The importer has 90 days from the date on the Notice of Redelivery CBP Form 4647 to return the merchandise for exportation and destruction. The importer fails to return the produce within the allotted time frame, this is in violation of what section of law?

- A. 19 CFR 10.39(d)(1)
- B. 19 CFR 18.8
- C. 19 CFR 134.51
- D. 19 CFR 141.113(c)(3)

E. 19 CFR 142.15

54. In-bond merchandise traveling by air must arrive at the port of destination or the port of exportation in;
- A. 15 days
 - B. 20 days
 - C. 30 days
 - D. 90 days
 - E. No time limit
55. If a container is entered into the US under 10.41(a) Instruments of International Traffic and does not exit the US within 365 days of the date of admission, when must a consumption entry be made?
- A. Within 180 calendar days from date of liquidation
 - B. Within 10 business days from the date of release
 - C. Exported from the US which are returned within 45 days after such exportation from the US as undeliverable and have not left the custody of the Carrier or foreign Customs Officials.
 - D. Within 10 business days after the end of the month in which the container is deemed removed from International Traffic.
 - E. Within 10 calendar days after the vessel has arrived at the Port of Unlading.
56. When the demand of the port director for return of merchandise to CBP custody is not complied with, liquidated damages shall be assessed in an amount equal to the value of the merchandise not returned or _____ time(s) the value of the merchandise not returned if the merchandise is restricted or prohibited merchandise or alcoholic beverages
- A. 1
 - B. 2
 - C. 3
 - D. 4
 - E. 5
57. Your client calls in a panic stating that she knows that goods require country of origin markings, but she doesn't know how she is going to mark 400 containers of 10,000 tiny bolts before importing them from Mexico on Tuesday. You advise your client that: (Choose the best answer.)
- A. The goods are too small to mark, so marking isn't necessary.
 - B. The goods are being sold to a domestic importer and are not required to be marked.
 - C. The goods are on the J-List exceptions and only the outer box must be marked.
 - D. The goods qualify under NAFTA, so they don't have to be marked.

- E. CBP will issue a marking notice and her company will have 30 days to mark the goods.
58. In accordance with title 19 of the code of federal regulations, who determines whether a mark, brand, stamp, label, is acceptable for markings for distilled spirits, wines, and malt liquors in bulk, based on the nature, surface, and composition of the container?
- A. The importer of record
 - B. The shipper
 - C. The Customs broker
 - D. The manufacturer
 - E. The Port Director
59. Cotton napkins were cut, sewn and finished in Vietnam. The cotton fabric was woven in China. The sewing thread was made in Taiwan. The finished napkins transited Singapore on their way to the United States where they were entered for consumption. What is the country of origin of the napkins?
- A. Vietnam
 - B. China
 - C. Taiwan
 - D. Singapore
 - E. United States
60. A person whose protest has been denied in whole or in part, may contest the denial by filing a civil action in the Court of International Trade within what designated time frame, after being notified of the denial?
- A. 180 days
 - B. 314 days
 - C. 2 years
 - D. 1 year
 - E. None of the above
61. Which form must be presented to CBP to request bills or refunds to be paid to a third party?
- A. CBP Form 7501
 - B. CBP Form 3461
 - C. CBP Form 7512
 - D. CBP Form 3347
 - E. CBP Form 4811
62. A valid Power of Attorney allows a Customs Broker to transact Customs business on behalf of a commercial importer that is not defined as a partnership for what period of time?

- A. One year
 - B. Two years
 - C. Five years
 - D. Ten Years
 - E. Indefinitely
63. Generally, the minimum amount for a Single Transaction Bond presented on form CBP 301 is \$_____.
- A. There is no minimum amount.
 - B. \$100
 - C. \$15,000
 - D. \$2,000
 - E. The minimum is solely based on the value of the shipment.
64. A _____ shall be presented to CBP to obtain release of a shipment containing wild animal parts.
- A. Department of State form 2031
 - B. Environmental Protection Agency form 3520-1
 - C. Department of Transportation form HS-7
 - D. Environmental Protection Agency form 3540-1
 - E. US Fish and Wildlife Service form 3-177
65. Which of the following is NOT required in order to obtain an individual broker's license?
- A. Be a citizen of the United States on the date of submission of the application for a broker's license.
 - B. Not be an officer or employee of the United States Government.
 - C. Attain the age of 18 prior to the date of submission of the application for a broker's license.
 - D. Be of good moral character.
 - E. Have attained a passing (75 percent or higher) grade on a written examination taken within the 3-year period before submission of the application for a broker's license.
66. The U.S. Air Force has developed a new, secret Stealth aircraft, XP-070. It is being sent to an undisclosed location in Germany for extensive testing, evaluation, and modification. Upon arrival in Germany, the new Stealth aircraft engine will not fire up and the foreign agency refuses to take possession. The carrier ships it back to the U.S. to the U.S. Air Force. Entry is made in the port of Buffalo, and the U.S. Air Force has filed all the necessary paperwork to clear the shipment. Which of the following is a true statement?

- A. The U.S. Air Force should pay duty on the Stealth aircraft because the merchandise is not a civil aircraft including parts, components, and subassemblies.
 - B. The U.S. Air Force should pay duty on XP-070 because it is subject to duty, taxes and fees upon its arrival in the U.S.
 - C. The U.S. Air Force should not pay duty because even though the Stealth XP-07 is an aircraft, the Air Force is part of the U.S Government and does not pay duty to itself.
 - D. The U.S. Air Force should not pay duty because the Stealth XP-070 is exempt from duty.
 - E. The U.S. Air Force should pay duty, taxes and fees on Stealth XP-070 and subsequently file a protest because the merchandise is not subject to any exemptions in the HTS.
67. What class of bonded warehouse is to be used for the storage of merchandise belonging or consigned to the proprietor of the warehouse?
- A. Class 1
 - B. Class 2
 - C. Class 6
 - D. Class 8
 - E. Class 9

Section V: Trade Agreements

68. When claiming NAFTA, a certificate of origin must be in the possession of the importer at the time preferential treatment is claimed. However this is not a requirement if:
- A. The shipment has a total value over \$2,500
 - B. The port director waives the requirement
 - C. The merchandise is textiles, electronics or pharmaceutical goods
 - D. The merchandise is originating
 - E. A post NAFTA claim is filed under 19 USC 1520d
69. Modified answer from NIS Bunin: In Italy, granite is simply cut or sawn with a flat or even surface. This stone is then shipped to Canada where further working takes place – including grinding and polishing – and a granite countertop is produced. The processing in Canada contributed to over 60 percent of the transaction value of the finished product. Does the finished countertop qualify for preferential treatment under the NAFTA?
- A. Yes, the countertop qualifies for NAFTA since over 60 percent of the value was added in a NAFTA country.
 - B. Yes, the countertop qualified for NAFTA since it was cut and polished in 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. No, the countertop does not qualify for NAFTA. An allowable tariff shift did not take place.
 - E. Yes, the countertop qualifies for NAFTA because there is a tariff shift from Chapter 25 to Chapter 68.
70. Which of the following is considered wholly obtained or produced as described under the NAFTA if imported from Canada?
- A. Steel wire classified under 7217 that has met the requirement of a change to heading 7217 from any heading except from 7213 to 7215
 - B. Waste and scrap provided it was derived from Canada
 - C. Knit t-shirts that has a de minimis of 7% in value
 - D. Agricultural good not subject to a quantitative restriction entering into Canada
 - E. Live animals born and raised in the territory of Guatemala
71. Rayon yarn from China was woven into fabric in India and then cut and sewn into a blouse in Morocco. The blouses were shipped from Morocco to France, where they were consolidated into a container bound for New York. Does the resulting garment qualify for the Moroccan Free Trade Agreement, and if so, under what portion of the agreement

- A. Yes, it qualifies as originating.
 - B. Yes, it qualifies for the Trade Preference Level provision
 - C. No, its country of origin is India.
 - D. No, its country of origin is Morocco, but it is not entirely of U.S./Moroccan materials.
 - E. No, it does not qualify because it was not directly shipped to the U.S.
72. Footwear is imported on 12/21/2009 with entry summary filed on 01/04/2010 on entry number ABC-12345678. At the time of entry summary, the footwear is entered at HTSUS 6402.12.0000/free/MPF. An import specialist reclassifies the footwear at HTSUS 6402.99.0800/37.5%/MPF on 04/10/2010. The entry liquidates with the changes on 04/30/2010. The importer of record receives a bill for additional duties due as a result of the reclassification. The importer completes its review and determines the footwear qualifies for NAFTA. By which below date *must* a valid NAFTA claim be filed to receive a refund in duties?
- A. 01/04/2011
 - B. 04/30/2011
 - C. 12/21/2010
 - D. 10/30/2011
 - E. 07/04/2010
73. In Italy, crude granite from the quarry is merely cut into a rectangular block or slab. The merchandise is not further worked in Italy. This stone is then shipped to Canada where it is further cut, ground 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. Yes, the countertop qualifies for NAFTA since over 60 percent of the value was added in a NAFTA country.
 - B. Yes, 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. No, the countertop does not qualify for NAFTA.
 - E. Yes, the countertop qualifies for NAFTA because there is a tariff shift from Chapter 25 to Chapter 68 in the NAFTA country
74. An importer who claims preferential tariff treatment on a good under NAFTA shall provide a copy of the Certificate of Origin pertaining to the good, at the request of the port director, which is in the possession of the importer. The Certificate of origin shall be signed by: The importer of record, since he is purchased and imported the goods.

- A. The importer of record, since he is purchased and imported the goods.
- B. The shipper since he is transporting the goods into the United States.
- C. The customs broker, since he is facilitating the entry documents.
- D. The exporter or the exporter's authorized agent having knowledge of the relevant facts.
- E. The Certificate of origin does not need a signature.

Section VI: Valuation

75. Importer ABC Company wishes to purchase trademarked shirts from seller 123 limited. The price of the shirts is \$75.00 each. 123 limited will not sell unless ABC pays an additional fee of \$3.00 per shirt for the right to the trademark. This fee is:
- A. Selling commission to be added.
 - B. A proceed of sale to be added.
 - C. A royalty to be added
 - D. An assist to be added
 - E. A right to reproduce charge
76. Merchandise that is authorized to be released under the Immediate Delivery procedure is exported from Mexico on April 29 and arrives in a CBP Port of Entry fifteen minutes before midnight on the same day. An Entry is filed with CBP cargo personnel, and the merchandise is released by CBP thirty-five minutes later at 12:20 A.M. on April 30. The merchandise is transported to the Importer's premises, stored one day, and released to the Importer's customers on May 1. The Entry Summary is filed on May 6 with all duties, fees, and taxes paid. Which date would be used to determine the rate of duty of the merchandise.
- A. The liquidation date of the Entry Summary (March 14, 314 days after filing).
 - B. The export date, April 29. The date the merchandise is released from CBP, April 30.
 - C. The date the Importer releases the merchandise to his customers, May 1.
 - D. The date the Entry Summary is filed, May 6.
 - E. The date the merchandise arrives at CBP port, April 29.
77. Wafer manufacturing equipment is sent to China for repair under warranty and returned. The value of the equipment prior to repair is \$18000. The value of the repairs is \$2000. The equipment is properly classified under 8486.10.0000 and 9802.00.4040 is properly claimed. The merchandise processing fee due is:
- A. \$0.00
 - B. \$6.93
 - C. \$25.00
 - D. \$62.35
 - E. \$69.28
78. BMW USA imports a purchase of 2500 brand new 2013 X5s invoiced at \$40,000 each, ex-factory, from its affiliated parent company, BMW of Germany. BMW of Germany normally charges an additional \$100.00 each for the X5s, however, they owed BMW USA \$250,000.00 paid on a previous shipment and have deducted this from the invoice price. The related party transaction does not influence the price paid to the parent company. The seller requires the buyer not to sell or exhibit the merchandise before the model year. Invoice values are also listed in the following

amounts: ocean freight \$2,000.00, marine insurance \$1,850.00. What is the transaction value of the merchandise?

- A. \$80,000,000.00
- B. \$76,150,000.00
- C. \$96,150,000.00
- D. \$100,250,000.00
- E. \$100,500,000.00

79. Toyota USA purchased a shipment of Solara 1,000 tires from Toyota Japan for a unit price of \$50.00 each. Toyota Japan is the parent company of Toyota USA and the relationship does not affect the price. The US importer supplied a \$500.00 design for work necessary to manufacture the tires to the U.S. importer's specifications, free of charge, to the foreign shipper. The designs were purchased from an engineering company in the U.S. for submission to the foreign supplier. What is the unit price of the shipment?

- A. \$50.00
- B. \$550.00
- C. \$5,550.00
- D. \$50,000.00
- E. \$50,500.00

80. Interest is assessed on the underpayment of duties and fees at a rate determined by the Secretary, from the _____ to the liquidation or re-liquidation date.

- A. date of Entry of the merchandise
- B. date the importer is required to deposit the estimated duties
- C. validation activity date
- D. date the importer files his entry summary
- E. export date