

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 (2013, No Supplements)**
- **Title 19, Code of Federal Regulations** (revised as of April 1, 2013; Parts 0 to End)
- **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 (July 24, 2012)**
- **Right to Make Entry Directive, 3530-002A**

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

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Section I: Classification

1. Stainless steel tattooing needles are designed for use in a hand-held, tattooing machine that features a self-contained electric motor? The needles are dipped in ink and placed in the hand-held machine that utilizes a vibratory action to drive the needle in an up-and-down fashion. This causes the needle tips to pierce the top layer of skin and deposit the ink into the second or dermal skin layer. What is the classification of the stainless steel tattooing needles?
 - A. 8207.90.6000
 - B. 8453.90.5000
 - C. 8467.99.0190
 - D. 8479.90.9496
 - E. 8487.90.0080

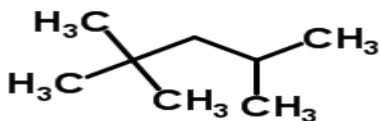
2. Your client is importing “Grobig,” a product described as a natural fertilizer manufactured in Peru, exclusively from plant matter. This fertilizer is used to grow fruits and vegetables. “Grobig” is imported in tablet form, in eight kilogram, retail-ready packages. What is the tariff classification for this product?
 - A. 3101.00.0000
 - B. 3105.10.0000
 - C. 3105.20.0000
 - D. 3105.90.0050
 - E. 3824.90.9290

3. What is the tariff classification of a utility knife with a retractable steel blade?
 - A. 8208.90.6000
 - B. 8211.92.9045
 - C. 8211.93.0060
 - D. 8211.93.0035
 - E. 8211.94.5000

4. A woman's reversible outerwear jacket is constructed with one side made from 50% polyester and 50% cotton knit fabric; the other side is made from 100% polyester woven fabric. A recent CBP laboratory analysis found that the polyester fabric meets the requirements for water resistance in Chapter 62 Additional U.S. Note 2 to the Harmonized Tariff Schedule of the United States (HTSUS). The garment reaches the mid-thigh area and features a full front opening secured by seven snap button closures and a hemmed bottom. What is the classification of the described woman's reversible outerwear jacket?

- A. 6102.30.2010
- B. 6201.13.4030
- C. 6202.13.4020
- D. 6202.93.4500
- E. 6210.30.5000

5. What is the classification of 2,2,4-Trimethylpentane?



- A. 2901.10.3000
- B. 2901.10.5000
- C. 2901.29.1050
- D. 2902.90.9000
- E. 2903.19.6050

6. What is the classification of a plastic "toy" bone with nubs designed specifically for a dog such that, when squeezed, will emit a squeaking sound?

- A. 3924.90.5650
- B. 3926.90.9980
- C. 4016.99.2000
- D. 6307.90.7500
- E. 9503.00.0090

7. The advertising material and marketing literature on a decorative glass bottle indicate that it will be marketed exclusively as a decorative article, and that it was not designed to hold food or beverages. The glass comprising this bottle was engraved. The article has a blue color; the manufacturer of the product indicates that the outer surface of the glass was painted blue. The manufacturer also states that the glass contains 7.0 % lead monoxide by weight. The bottle is being sold by the foreign shipper to the American importer for the price of \$3.50 FOB. What is the applicable HTSUS subheading for this merchandise?
- A. 7010.90.5009
 - B. 7013.49.3000
 - C. 7013.91.3000
 - D. 7013.99.1000
 - E. 7013.99.6000
8. A warp knit cut pile of fabric is composed of 100% polyester and has been embellished with four widely spaced parallel rows of embroidery of cotton thread running the length of the fabric. The product weighs 260 g/m², measures 138 centimeters in width, and will be imported from India in the piece. Without the embroidery, the knit cut pile fabric would be classified in HTS 6001.92 with a duty rate of 17.2% ad valorem. What is the classification and rate of duty of the described warp knit cut pile fabric?
- A. 5810.10.0000 / 14.1%
 - B. 5810.91.0010 / none
 - C. 5810.91.0010 / 17.2%
 - D. 5810.92.9080 / 7.4%
 - E. 5810.92.9080 / 17.2%
9. A fabric is woven of carded wool and chenille yarns, with the chenille yarns visible on only one side of the fabric. The fabric is composed of 86% carded wool and 14% polyester filament, weighs 426 g/m², is 60 inches in width, and will be used for upholstery. What is the classification for the described fabric?
- A. 5111.11.7060
 - B. 5111.19.1000
 - C. 5111.20.0500
 - D. 5801.10.0000
 - E. 5801.26.0010

10. What is the classification of a wine made from fresh white grapes, with an excess pressure of 3.5 bars at 20 degrees C, with an alcohol content of 12 percent by volume, imported in 1 liter bottles, and valued at \$4.50 per liter?
- A. 2204.10.0065
 - B. 2204.10.0075
 - C. 2204.21.2000
 - D. 2204.21.5015
 - E. 2205.10.3000
11. An aileron servo-control assembly, also known as a flap actuator, is a fly by wire electro-hydraulic servo-actuator positions in-board flight control surfaces on an aircraft in response to commands from the flight control computer system. The flap actuator is essentially comprised of a hydraulic cylinder with a position sensing transducer and various control valves. Fluid flow to the actuator is supplied by the aircraft's hydraulic systems. What is the classification of an aileron servo-control assembly?
- A. 8412.21.0075
 - B. 8412.31.0080
 - C. 8481.80.9020
 - D. 8483.40.5010
 - E. 8803.90.9060
12. What is the tariff classification of a computerized walk-through metal detector at an airport that allows an individual to pass through its archway and will generate signals including a flashing light and audible alarm to warn the operator that a metal article has been detected?
- A. 8530.80.0000
 - B. 8531.80.0040
 - C. 8531.80.0050
 - D. 8543.20.0000
 - E. 8543.70.9650
13. Cranberry flavored fruit snacks are comprised of apple and carob fruit extract, apple juice concentrate, peach juice concentrate, mashed apple concentrate, cranberry juice concentrate, fruit pectin and trace amounts of the following: other flavoring agents, glazing agent and wheat starch. The product is described as gummy-like, bite-sized fruit shaped snacks, packaged for resale in small individual pouches. What is the classification for the described cranberry flavored fruit snacks?
- A. 0810.40.0030
 - B. 1704.90.3550
 - C. 1806.90.9090
 - D. 2007.99.1000

- E. 2106.90.9700
14. What is the classification of a bleached, plain weave linen fabric, 130 centimeters in width and weighing 225 g/m², containing 87% flax fibers, 10% silk fibers and 3% textured polyester filament?
- A. 5007.90.6090
 - B. 5209.21.0090
 - C. 5309.11.0010
 - D. 5407.91.2090
 - E. 5515.91.0090
15. Golfing International Inc. is importing golf bags into the port of Miami from China. The bags are constructed with a base of molded plastic that is fully covered on the outermost surface with 100% nylon textile material. The top component of the bag is fitted for the clubs and holds them in place. The clubs are imported and sold separately. What is the classification for the golf bags?
- A. 4202.91.0010
 - B. 4202.92.1500
 - C. 4202.92.3031
 - E. 4202.99.1000
 - D. 6307.90.9889
16. What is the classification for lentils?
- A. 0708.10.2000
 - B. 0708.20.2005
 - C. 0708.90.0500
 - D. 0708.90.1500
 - E. 0709.99.1400
17. What is the classification for a liquid “coffee creamer” said to be a blend of fresh milk, fresh cream and sucralose (a sweetener)? The product’s fat content is 14%.
- A. 0401.50.2500
 - B. 0402.91.9000
 - C. 0402.99.9000
 - D. 0403.90.9500
 - E. 0901.11.0055

18. Copper wire from Germany is exported to Japan where the wire is processed with coaxial insulation. The wire is then imported into the US, cut to length and attached to connectors. What is the classification of the product?

- A. 7320.10.3000
- B. 7408.19.0030
- C. 7413.00.5000
- D. 7413.00.9000
- E. 8544.20.0000

19. Importer “Sail for a Dream” buys sails for boats of synthetic fibers from Mexico at a unit price of \$22.95 per sail. What is the classification for this merchandise?

- A. 6306.30.0010
- B. 6306.40.4900
- C. 9506.21.4000
- D. 9506.21.8000
- E. 9506.29.0020

20. A round, steel wire measures 1.25 millimeters in diameter is described as stainless steel and contains by weight less than 1.2 % of carbon, more than 10.5% chromium, and 2.0% nickel? What is the classification for the described round, steel wire?

- A. 7223.00.1031
- B. 7223.00.1046
- C. 7223.00.1061
- D. 7229.90.5008
- E. 7229.90.5031

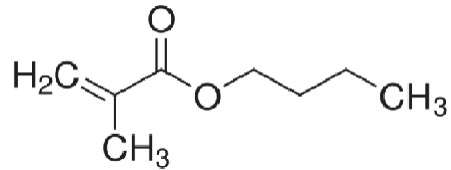
21. A woman’s pullover blouse is constructed from 100% polyester woven fabric. The sleeveless garment features a round neckline, partial self-fabric tightening at the waist, and a hemmed bottom. What is the classification of the described woman’s pullover blouse?

- A. 6206.30.3003
- B. 6206.40.2000
- C. 6206.40.3025
- D. 6206.40.3030
- E. 6206.90.0020

22. What is the classification of artificial flowers that resemble a bouquet of daisies, are made of paper, and are assembled by binding with flexible materials?

- A. 4823.70.0000
- B. 6702.10.2000
- C. 6702.90.3500
- D. 6702.90.6500
- E. 9505.10.5020

23. What is the classification of Butyl methacrylate? Its chemical formula can be pictured as:



- A. 2905.13.0000
- B. 2916.11.0000
- C. 2916.12.5050
- D. 2916.13.0000
- E. 2916.14.2050

24. A new, disassembled, non-military helicopter (with an unladen weight of 1,900 kilograms) and associated equipment (fire extinguisher, logbooks and flight manuals, medical stretcher) are imported together from France. Each finished helicopter is disassembled prior to export to the United States to avoid damage and for ease of shipment. Consequently, all models of the helicopter have basic standard equipment (fuselage, landing gear, rotor assembly, tail assembly, etc.) at the time of importation. However, some models are unique for particular uses, and their MSRP (Manufacturer Suggested Retail Price) reflects these individual features. What is the classification of the described helicopter and its associated equipment?

- A. 8424.10.0000
- B. 8802.11.0045
- C. 8802.11.0060
- D. 8802.12.0040
- E. 8803.20.0030

25. What is the classification of a fabric 60 inches in width and weighing 345 g/m², woven in a satin weave using blue yarns in the warp and black yarns in the weft, with a composition by weight of 90% cotton and 10% elastomeric yarns?

- A. 5208.49.2000
- B. 5209.32.0020
- C. 5209.42.0020
- D. 5209.49.0090
- E. 5210.49.2000

26. What is the classification for a women's 90% cotton and 10% polyester outerwear knit T-shirt?

- A. 6109.10.0012
- B. 6109.10.0040
- C. 6109.10.0060
- D. 6109.90.1050
- E. 6109.90.1090

Section II: Free Trade Agreements

27. Which Free Trade Agreement (FTA) does not provide an exemption from paying Merchandise Processing Fees (MPF)?
- A. Korea FTA
 - B. Oman FTA
 - C. Morocco FTA
 - D. Chile FTA
 - E. Singapore FTA
28. A woven cotton dress is shipped from Israel directly to the United States as a finished product. The cotton fabric for the dress was woven in Pakistan and comprises 64% of the value of the finished garment. The polyester contrast trim fabric was woven in Puerto Rico and constitutes 5% of the value of the finished garment. The labor to cut and sew the dress in Israel constitutes 31% of the value. The dress is imported directly from Israel to the United States. Which of the following is true?
- A. The country of origin of the dress is Israel and it qualifies for the United States Israel Free Trade Area Agreement (ILFTA).
 - B. The country of origin of the dress is Israel and the Pakistani fabric disqualifies the woven dress for the United States Israel Free Trade Area Agreement (ILFTA).
 - C. The country of origin of the woven dress is Israel and there is insufficient value added to qualify it for the United States Israel Free Trade Area Agreement (ILFTA).
 - D. The country of origin of the woven cotton dress is the United States of America.
 - E. The finished garment is classified in Chapter 61 of the Harmonized Tariff Schedule of the United States of America.
29. Which Special Program Indicator (SPI) identifies the African Growth and Opportunity Act (AGOA - non-textiles) products?
- A. SPI "C"
 - B. SPI "R"
 - C. SPI "D"
 - D. SPI "AU"
 - E. SPI "E"

30. Which country is not a signatory to the Dominican Republic-Central America-United States Free Trade Agreement?
- A. Costa Rica
 - B. El Salvador
 - C. Guatemala
 - D. Haiti
 - E. Nicaragua
31. Where in the HTS can the general “NAFTA Change in Tariff Classification Rules” be located?
- A. Section XI Notes
 - B. Chapter Notes
 - C. General Note 3
 - D. General Note 4
 - E. General Note 12
32. Assuming that substantial transformation, 35 percent value added, and other conditions listed under the Generalized System of Preferences (GSP) are met, which of the following products would not qualify for preferential tariff treatment under the GSP?
- A. 0712.31.10 imported from Cambodia
 - B. 2308.00.95 imported from Ecuador
 - C. 4412.31.91 imported from Indonesia
 - D. 8215.99.30 imported from Benin
 - E. 9107.00.40 imported from St. Lucia
33. Which of the following does not qualify as a “wholly obtained good or a good produced entirely in the territory of Korea and/or the United States” under the U.S.-Korea Free Trade Agreement?
- A. Goods taken from outer space if obtained by Korea or the U.S. and not processed in a third country
 - B. Waste and scrap derived from manufacturing or production operations in the territory
 - C. Non-originating materials used in the production of the good that undergo an applicable change in tariff classification
 - D. Recovered goods derived in the territory
 - E. Goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory

34. Marcel, a U.S. importer, imports certain traditional baskets from producers in South Sudan. These baskets are shipped by way of Greenland, where all invoices and other documents show Greenland as the final destination they remain under the relevant Customs authority's control. Upon arrival in Greenland, the baskets are coated with a unique fish oil to improve shine and enable the bowl to stick to slippery glass surfaces. The baskets are then loaded onto new shipping pallets due to severe damage to the old pallets from the initial transatlantic shipment; without this reloading, the baskets would be damaged with any further shipment. The JFK port director, where the baskets are ultimately to be imported, is satisfied that the import stems from the transaction between the producers and Marcel. Which of the following is the principle reason that the baskets imported into the United States through JFK should not be considered direct imports from South Sudan to the United States?
- A. Because the baskets were given a fish oil coating
 - B. Because the baskets were loaded onto new pallets
 - C. Because the invoices and other documents showed the export's final destination as Greenland
 - D. Because the baskets had a stopover in Greenland
 - E. None of the above. Based on the facts of the question, the baskets are direct imports from South Sudan.

Section III: Penalties

35. A proposed civil penalty at the culpability level of fraud will be assessed at:
- A. Two times the loss of duties
 - B. Four times the loss of duties
 - C. Eight times the loss of duties
 - D. An amount not to exceed the domestic value of the merchandise
 - E. None of the above
36. An importer of record received a penalty at the culpability level of negligence for violation of 19 U.S.C. § 1592. The loss of duties is \$30,000 and domestic value is \$100,000. What is the civil penalty amount that can be assessed?
- A. \$20,000
 - B. \$30,000
 - C. \$60,000
 - D. \$100,000
 - E. \$130,000
37. An importer (petitioner) files an initial petition on a liquidated damages case and it was denied. There is more than one year remaining on the statute of limitations. How many days does the importer have to file supplemental petition?
- A. 10 days from the date of the notice
 - B. 30 days from the date of the notice
 - C. 60 days from the date of the notice
 - D. 60 days from the date of the violation
 - E. 120 days from the date of the notice
38. CBP has discovered that ABC IMPORT SERVICES COMPANY (“ABC”) has conducted customs business without a license on behalf of an importer. This is the third such violation by ABC. If CBP finds these circumstances to be “particularly aggravated,” what is the maximum penalty that can be assessed against ABC?
- A. \$1,500
 - B. \$5,000
 - C. \$10,000
 - D. \$30,000
 - E. \$60,000

39. An importer discloses violations of 19 USC § 1592 that were the result of gross negligence. The violations resulted in \$10,000 in actual loss of duty, which the importer tendered to CBP. How is the penalty for these violations calculated?
- A. An amount ranging from 2.5 times the total loss of duty to a maximum of 4 times the total loss of duty.
 - B. An amount equal to the interest on the actual loss of duty computed from the date of liquidation to the date of payment.
 - C. An amount equal to 100 percent of the total loss of duty resulting from the violation.
 - D. An amount ranging from a minimum of 0.5 times the total loss of duty to a maximum of 2 times the total loss of duty.
 - E. When an entity submits a prior disclosure, they are not penalized for the violations.
40. A person who is a non-participant in the Recordkeeping Compliance Program fails to comply with a lawful demand for the production of an entry record as a result of negligence. Such person shall be subject to a monetary penalty of:
- A. 0.5 to 2 times the total loss of duty, not to exceed the domestic value of the merchandise.
 - B. 5 to 20 percent of the dutiable value, not to exceed the domestic value of the merchandise.
 - C. \$10,000 or 40% of the appraised value of the merchandise, whichever is less.
 - D. \$100,000 or 75% of the appraised value of the merchandise, whichever is less.
 - E. \$0 – In lieu of a monetary penalty, CBP shall issue a written notice of violation.

Section IV: Miscellaneous

41. Which if the following people may request confidential treatment of its name and address contained in an inward manifest?
- A. A common carrier
 - B. An ultimate purchaser
 - C. A licensed customs broker not acting as the importer of record
 - D. A non-vessel operating common carrier
 - E. An importer
42. The Port Director shall notify the importer on a _____ to arrange to properly mark the articles or containers, or to return all released articles to Customs and Border Protection's custody for marking, exportation, or destruction. A Customs form is a CBP form.
- A. CBP Form 1051A
 - B. CBP Form 3299
 - C. CBP Form 3495
 - D. CBP Form 4647
 - E. CBP Form 7523
43. Which process listed below is not considered an operation incidental to assembly?
- A. Chemical treatment of components to impart new characteristics
 - B. Cutting wire to length
 - C. Cleaning
 - D. Removing rust
 - E. Trimming
44. The CBP Regulations specify that written notice of the alternative storage method for records must be provided to CBP at least _____ before implementation of the alternative storage method.
- A. 10 working days
 - B. 30 calendar days
 - C. 30 working days
 - D. 60 calendar days
 - E. 120 calendar days

45. Articles for the Commodity Credit Corporation can be entered duty-free into the United States. Which of the following statements is not true?
- A. These materials are classified in 9808.00.70.
 - B. These materials must be certified to the CBP Commissioner.
 - C. These materials must be acquired by the Commodity Credit Corporation.
 - D. These materials are for launch services agreements.
 - E. These materials resulted from barter or exchange of agricultural commodities or products.
46. The conditional release of products subject to section 801(a) of the Federal Food, Drug, and Cosmetic Act may be extended if written or electronic notice of sampling, detention, or other U.S. Food and Drug Administration (FDA) action is issued to the bond principal (i.e. importer of record). Within how many days of the release of the merchandise can the action be issued to the bond principle?
- A. 15
 - B. 30
 - C. 45
 - D. 60
 - E. 90
47. Which U.S. government agency administers and enforces economic and trade sanctions?
- A. Treasury Department's Office of Foreign Assets Control (OFAC)
 - B. State Department's Directorate of Defense Trade Controls (DDTC)
 - C. Commerce Department's International Trade Administration (ITA)
 - D. Treasury Department's Internal Revenue Service (IRS)
 - E. None of the above
48. CBP facilitates the enforcement of Environmental Protection Agency regulations. When importing vehicles regulated under the Clean Air Act, the vehicle must have a certificate of conformity. This certificate validates compliance with emission standards to meet admissibility requirements. However, if the importer is a/an _____, then a certificate of conformity is not required.
- A. Independent Commercial Importer
 - B. Trusted Trader
 - C. Retailer
 - D. Foreign Government
 - E. None of the above

49. Which of the following information is CBP not specifically required to provide to the importer or interested party when commercial merchandise is detained?

- A. The specific reason for the detention
- B. The provision of law the shipment is suspected of violating
- C. The anticipated length of detention
- D. The nature of the tests or inquiries to be conducted.
- E. The nature of any information that, if supplied to CBP, may accelerate the disposition of the detention

Section V: Valuation

50. An antique upholstered oak chair, valued at \$15,000, manufactured in Germany was entered under 9706.00.0040 by an importer/retailer. Upon review, import documentation revealed that the chair was made in 1915. What is the duty owed to CBP?
- A. \$0.00
 - B. \$99.00
 - C. \$990.00
 - D. \$3750.00
 - E. \$6000.00
51. An importer provides a machine to a manufacturer for use in the production of imported merchandise, free of charge. The cost of the machine was \$50,000 and the cost for transporting the machine to the manufacturing facility was \$4,500. Which declaration is appropriate for the entered value of the machinery?
- A. On the first shipment, declare \$50,000, the value of the machine.
 - B. Pro-rate the cost of the machine, \$50,000, over the number of units produced up to the time of the first shipment.
 - C. Pro-rate the cost of transporting the machine to the manufacturing facility, \$4,500, over the number of units produced up to the time of the first shipment.
 - D. On the first shipment, declare \$54,500, the value of the machine plus the cost of transporting the machine to the place of production.
 - E. It is not necessary to report the machinery to CBP since it is not imported into the United States.
52. The following items are all grounds for rejection of the use of transaction value, EXCEPT:
- A. There are restrictions on the disposition or use of the goods.
 - B. Price is subject to any condition or consideration for which a value cannot be determined.
 - C. Part of the proceeds accrue to the seller without an adjustment.
 - D. The importer plans to file more than one transaction with CBP.
 - E. Buyer and seller are related and the price is not acceptable as transaction value.

53. 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 Company pays an additional fee of \$3.00 per shirt for the right to the trademark. What type of additional fee is this?
- 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
54. Hyundai USA imports a purchase of 2,500 brand new 2014 Elantras invoiced at \$40,000 each, ex-factory, from its affiliated parent company, Hyundai South Korea. Hyundai South Korea normally charges an additional \$200 per Elantra. However, Hyundai South Korea owed Hyundai USA \$250,000 which was 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, and marine insurance \$1,850. What is the transaction value of the merchandise?
- A. \$76,150,000
 - B. \$80,000,000
 - C. \$96,150,000
 - D. \$100,550,000
 - E. \$100,800,000
55. A C.F. shipment has an invoice value of \$5,000 and a weight of 12,000 kilograms. The duty rate is 10% plus two cents per kilogram. Included in the invoice price are: brokerage fees of \$50, ocean freight costs of \$600, and duty. (Minimum merchandise processing fee of \$25 applies, and there are no other applicable fees.) The merchandise was imported January 31, 2012. However, the buyer and seller agreed to a price reduction of \$500 on February 4, 2012 (before the entry summary) to reflect a 'new customer' discount. What should the entered value of the shipment be?
- A. \$3,214
 - B. \$3,259
 - C. \$3,652
 - D. \$3,714
 - E. \$4,327

56. The computed value of imported merchandise would include all of the following EXCEPT:

- A. The cost or value of the materials, fabrication, and other processing used in the production of the imported merchandise
- B. An amount for any tax imposed on the merchandise by the government of the exporting country that is refunded to the producer upon exportation of the merchandise
- C. The cost of any containers, coverings, and/or packing required to ship the merchandise
- D. The value (apportioned as appropriate) of any assist used in the production of the imported merchandise which is not otherwise attributed as a processing cost or general expense
- E. An amount for the producer's profit and general expenses

57. Angels Accessories imports barrettes and sells them to retail stores in the United States. Angels Accessories pays Sunshine Manufacturing Company (an unrelated company) in China \$5,000 to produce 10,000 barrettes. Angels Accessories also:

- (1) Pays an additional \$500 to Sunshine Manufacturing Company for a mold to be used in the production of the imported shipments of barrettes. The mold will be used in the production of this shipment only.
- (2) Provides Sunshine Manufacturing Company with Angels Accessories own U.S. produced detailed sketches of design specifications for the barrettes, free of charge, although it costs Angels Accessories \$100 to produce them.
- (3) Provides Sunshine Manufacturing Company with certain metal fasteners, which Angels Accessories acquires from an unrelated company in Thailand, for \$300, to be incorporated in the imported barrettes.

Which one of the following is the correct appraised value for the imported barrettes?

- A. \$5,000
- B. \$5,500
- C. \$5,800
- D. \$5,900
- E. \$6,000

58. Entry value must be reported to CBP in U.S. dollars. When a transaction is in foreign currency, the date that should be considered for converting that currency to dollars is:

- A. The date the goods were exported from the country of export for the United States
- B. The date the goods were sold
- C. The date the goods were imported into the United States
- D. The date the goods were packed
- E. The date the payment is transferred from the buyer to the seller

59. Which of the following is the transaction value of a shipment whose details are as follows:

- \$200,000 entered amount
- CIF LA Duty Paid, merchandise processing fee (MPF) included
- Price includes \$2,000 ocean freight charges and \$300 marine insurance.
- The actual duty rate is 10%
- The actual MPF rate is 0.21%

- A. \$177,445
- B. \$179,008
- C. \$179,033
- D. \$179,385
- E. \$197,700

Section VI: Entry

60. Port code _____ is not a part of the Customs territory of the United States.
- A. 0401
 - B. 1701
 - C. 2402
 - D. 5102
 - E. 5503
61. What is the appropriate form used to file a protest with CBP?
- A. CBP Form 17
 - B. CBP Form 19
 - C. CBP Form 255
 - D. CBP Form 434
 - E. CBP Form 4455
62. A Customs bonded warehouse proprietor must take a physical inventory of all merchandise in the warehouse, or periodic cycle counts of selected categories of merchandise. Merchandise must be counted at least _____ each year.
- A. Once
 - B. Twice
 - C. Three times
 - D. Six times
 - E. Twelve times
63. Small Manufacturing Inc. imports aluminum sheets to be molded into air conditioning covers. The sheets were imported on July 3, 2011 under a Temporary Importation under Bond. What is the maximum amount of time (including extensions) that Small Manufacturing Inc. has to export the air conditioning covers?
- A. 1 year from the date of importation
 - B. 2 years from the date of importation
 - C. 3 years from the date of importation
 - D. 4 years from the date of importation
 - E. 5 years from the date of first extension

64. When filing an application for admission of merchandise into a Foreign Trade Zone, what form is used to apply for a zone status?
- A. CBP Form 214
 - B. CBP Form 214-A
 - C. CBP Form 214B
 - D. CBP Form 214C
 - E. CBP Form 216
65. Which of the following pieces of information is not a required data element on an invoice of imported merchandise?
- A. A detailed description of the merchandise
 - B. The name of the importing carrier
 - C. The kind of currency
 - D. The name of a responsible employee of the exporter
 - E. The port of entry to which the merchandise is destined
66. Pursuant to drawback recordkeeping requirements, all records that pertain to the filing of a drawback claim shall be retained for a minimum of :
- A. 1 year from the date of shipment release
 - B. 3 years from the date of shipment release
 - C. 3 years after payment of drawback claim
 - D. 5 years from the date of shipment release
 - E. 5 years from the date of entry
67. What term is defined as the final computation or ascertainment of duties on entries for consumption?
- A. Reconciliation
 - B. Final consumption
 - C. Duty drawback
 - D. Liquidation
 - E. Entered merchandise
68. What is the appropriate entry type for quota merchandise with Anti-Dumping Duties/ Countervailing Duties withdrawn from a warehouse?
- A. Entry Type 21
 - B. Entry Type 22
 - C. Entry Type 31
 - D. Entry Type 32
 - E. Entry Type 38

69. A Customs-Trade Partnership Against Terrorism (C-TPAT) Certified nominal consignee designates a C-TPAT Certified licensed customs broker to make entry on its behalf. What entity must appear as the importer of record on the entry?

- A. The freight consolidator acting on behalf of a client to handle customs matters
- B. The freight forwarder of the goods
- C. The carrier of the goods
- D. The licensed customs broker
- E. The nominal consignee

Section VII: Intellectual Property Rights

70. A gray market good is a:
- A. good bearing a spurious mark that is identical to, or substantially indistinguishable from a good that bears a recorded mark.
 - B. foreign produced article that has been imported into the U.S. without paying the appropriate duty.
 - C. good bearing a mark that resembles a recorded mark and is likely to cause the public to associate the copying mark with the genuine mark.
 - D. foreign produced article that bears a genuine mark identical with or substantially indistinguishable from a mark owned and recorded by a U.S. citizen or U.S. corporation, and is imported without the authorization of the U.S. owner.
 - E. good bearing a mark that is registered with the U.S. Patent and Trademark Office, but is not recorded with CBP
71. CBP may detain a good that bears a copying or simulating (i.e., confusingly similar) trademark for _____ days.
- A. 9
 - B. 14
 - C. 30
 - D. 60
 - E. 365
72. The recordation of a copyright with CBP shall remain in effect for _____ unless the copyright ownership expires before that time.
- A. 1 year
 - B. 5 years
 - C. 10 years
 - D. 16 years
 - E. 20 years

Section VII: Broker Compliance

73. Of the following, which is not among the required duties and responsibilities of a licensed customs broker?
- A. Maintenance of a current record of all financial transactions as a licensed customs broker
 - B. Notification to CBP of a change of a business address
 - C. Performance of due diligence in paying duties and taxes
 - D. Reporting of membership in a national brokers association
 - E. Maintenance of records, other than Powers of Attorney, for at least 5 years
74. Each licensed customs broker must file a status report with CBP every three years. What is the required fee that must accompany this report?
- A. \$100.00
 - B. \$125.00
 - C. \$138.00
 - D. \$150.00
 - E. \$200.00
75. How long is a licensed customs broker required to retain Power of Attorney documentation if it is still in effect?
- A. Three years after the date the Power of Attorney is signed
 - B. Five working days from receipt of the payment by the licensed customs broker
 - C. The first six months the client is active and filing entries
 - D. Three years after the date of entry
 - E. Must be retained until revoked
76. A licensed customs broker receives a check payment for duties and fees applicable to an entry from his or her client after the payment due date is passed. An importer sends a check, payable to a licensed customs broker, for duty and fees applicable to an entry where the duty and fees were not paid timely to CBP. When is the licensed customs broker required to remit the payment for duties and fees to CBP?
- A. The same day the payment is received from the client
 - B. The day after the client's check clears in the licensed customs broker's bank account
 - C. Within five working days from receipt of the payment by the licensed customs broker
 - D. Within ten calendar days from receipt of the payment by the licensed customs broker
 - E. Estimated duties shall be immediately deposited with the CBP officer designated to receive the duties

77. What written notification must be provided by a licensed customs broker to his or her client on, or attached to, a Power of Attorney executed on or after September 27, 1982?

- A. Written notification that payment to the licensed customs broker will not relieve the importer of record of liability for customs charges (duties, taxes, or other debts owed CBP) in the event the charges are not paid by the licensed customs broker
- B. Written notification that the customs broker is licensed by the U.S. government
- C. Written notification that the execution of the Power of Attorney gives the licensed customs broker the right to cancel shipments
- D. Notarized agreement to certify that the licensed customs broker is affiliated with the client
- E. None of the above

78. The licensed customs broker has obtained a new client, a nonresident corporation located in Germany. The corporation is not qualified to conduct business under law in the state with the customs district in which its agent is empowered to perform the delegated authority. What documentation must the licensed customs broker obtain prior to filing the entry?

- A. German certificate of incorporation
- B. Power of Attorney supported by documentation establishing the authority of the grantor designated to execute the Power of Attorney on behalf of the corporation
- C. Internal Revenue Service Form 1120-F, U.S. Income Tax of a Foreign Corporation
- D. Internal Revenue Service Form 8453 Foreign Corporation Income Tax Declaration
- E. None of the above

79. Matthew Geller took the Customs broker license exam in April 2008, at the port of Portland, Oregon, and obtained his license on October 2008 through the port of Seattle. One month later, Matthew started working for Chuang's Customhouse Brokers (CCB). CCB has an employer-employee agreement that specifically requires CCB to pay the triennial status report fees of all employees who hold broker licenses. Matthew discovers that his name and license number are listed as revoked in an August 8, 2013 Federal Register for non-payment of his triennial fee. Today is October 1, 2013. However, CCB's corporate license qualifier assures Matthew with the following statement: "Don't worry. The triennial fee payment responsibility falls on CCB because Matthew designated CCB as agent to pay it. Since CCB's license qualifier signed off on the agency agreement, the responsibility for all employee triennial filings rests with CCB. I do, however, suggest informing CBP of the employer-agency agreement before the next triennial is due." The port of Seattle had complied with suspension notice requirements.

Which of the following is a true statement?

- A. CCB's license qualifier is correct. While CCB could face a fine from CBP for not paying Matthew's triennial, Matthew cannot lose his license due to CCB's failure to pay.
- B. While Matthew's license has been revoked due to non-payment of his triennial, Matthew has the right to seek reinstatement of his license based on certain principal-agent liability provisions. Matthew should submit a well-formed appeal to CBP headquarters in Washington, D.C.
- C. While Matthew could have brought his license out of suspension had he paid his triennial fee in the appropriate timeframe, there is no further recourse for Matthew after his license has been revoked for non-payment of the fee.
- D. Matthew may reinstate his license by submitting a post-triennial report directly to the port of Seattle, but still, Matthew does not have to pay the fee as it remains CCB's responsibility.
- E. CBP's revocation was in error because Matthew's triennial was deemed covered by CCB's corporate license triennial payment. Matthew should contact CBP's Broker Management Branch to rectify their error.

80. Broker Nelson Pliakas hires Eric Brennan, a former world-renowned badminton star, who fell from grace after being convicted of committing felony assault against a rival badminton player. CBP denies Nelson's request for approval to employ Eric. Nevertheless, Nelson continues to employ Eric, which comes to CBP's attention after Eric makes a threat to one of Nelson's clients with the intent to defraud that client.

Based on the information provided, which of the following is a true statement?

- A. CBP may fine Nelson only for Eric's threats to clients.
- B. Any delinquent activities and any convictions are the responsibility of the employee alone, and therefore, all liability for CBP purposes remains solely with Eric, not Nelson.
- C. Nelson was required to obtain approval from CBP to employ Eric. As a result of not obtaining that approval, CBP could assess a monetary penalty against Nelson.
- D. Eric was required to obtain approval from CBP to be employed by a licensed customs broker. Because Eric did not obtain approval, Nelson could face penalties limited to his license (non-monetary), while CBP will hold Nelson and Eric jointly liable for the monetary penalties.
- E. Badminton is on CBP's list of prohibited broker activities, and CBP can discipline Nelson, without right of review, for having associated with someone who engaged, professionally, in that sport.

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.