

# LEAPHART + ASSOCIATES, INC.

## Placement Test - 1

1. The Customs territory of the United States is:
  - a) Continental U.S., Puerto Rico, and District of Columbia
  - b) The States, District of Columbia, and Washington, D.C.
  - c) The States, Puerto Rico, and the District of Columbia
  - d) Continental U.S., Puerto Rico, and U.S. Virgin Islands
  
2. In a F.O.B. Kobe transaction, the seller is responsible for charges to place the cargo on board the vessel at Kobe.
  - a) True
  - b) False
  
3. The consignee is the person, firm or representative who sells the merchandise to the U.S. party.
  - a) True
  - b) False
  
4. On a CIF Oakland transaction, Korean inland drayage, ocean freight, insurance and terminal charges may be deducted from the invoice total to obtain the correct transaction value for U.S. Customs purposes.
  - a) True
  - b) False
  
5. Your importer has purchased a shipment of 300 widgets from a supplier overseas. The terms of sale are CIF. Charges are broken out below. What is the entered value of the shipment?

EXW Hong Kong	\$ 300.00
International Freight	50.00
Insurance	5.00
Foreign Inland Drayage	20.00
Export Packing	10.00

CIF Oakland \$ 385.00

Entered Value: \$ \_\_\_\_\_

- a) \$215
- b) \$225
- c) \$245
- d) \$300
- e) \$330

6. **For each of the following abbreviations** or acronyms, select whether it refers to a **governmental agency** or a **special trade agreement**. (Question #1 6a through 6e)

**For each governmental agency** listed, select two product lines from the list provided that U.S. Customs enforces for that agency.

List of Products: Laser, Ball Point Pens, Automobile, Mug, Computer Keyboard

**For each Special Trade Agreement**, note two countries receiving benefits under the treaty.

- a. FDA 1. Circle one: Government Agency Special Trade Agreement  
2.  
3.
- b. FCC 1. Circle one: Government Agency Special Trade Agreement  
2.  
3.
- c. GSP 1. Circle one: Government Agency Special Trade Agreement  
2.  
3.
- d. CBERA 1. Circle one: Government Agency Special Trade Agreement  
2.  
3.
- e. EPA 1. Circle one: Government Agency Special Trade Agreement  
2.  
3.
7. Ordinary throw away retail packing containers must be marked:
- a) With their country of origin
  - b) With their country of origin and the origin of their contents
  - c) With their contents country of origin
  - d) None of the above
8. A commercial invoice need not include:
- a) The currency of the transaction
  - b) The country of origin of the goods
  - c) The destined Port of Entry
  - d) The type of entry to be made
  - e) All goods and services furnished by the buyer for the production of the shipment

9. An importer's protest involving issues of classification must be filed within:
- a) 90 days from date of entry
  - b) 1 year from date of entry
  - c) 90 days from date of liquidation
  - d) 180 days from date of liquidation
  - e) 1 year from date of liquidation
10. Anti-dumping is:
- a) A duty assessed on imported merchandise which has been sold to purchasers in the U.S. at less than its fair value, and has materially injured or retarded a U.S. industry
  - b) A duty assessed on merchandise exported to the U.S. which caused the foreign manufacturer to receive a grant or bounty.
  - c) A duty assessed on imported merchandise which has violated trademark laws
  - d) A refund of duty for foreign merchandise which is exported without being advanced in value while in the U.S.
  - e) None of the above

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### Placement Test - 2

1. Which of the following may be deducted from an international commercial invoice price if included in the price paid:
  - a) packing
  - b) foreign in-land freight
  - c) reasonable charge for maintenance after importation
  - d) buying commission
  - e) selling commission
  
2. What document certifies duty free eligible under NAFTA?
  - a) Special Customs Invoice
  - b) CF 434 Certificate of Origin
  - c) Certificate of Origin Form A
  - d) Consular Invoice
  - e) CF 4455 Certificate of Registration
  
3. Textile articles, as with most foreign article, require country of origin marking. In addition, textiles are required to be marked with the manufacturer's name or RN. Customs enforces this marking for which agency:
  - a) USDA
  - b) BATF
  - c) FCC
  - d) FTC
  - e) DOT
  
4. Articles which are not legally marked at time of importation, and not exported or destroyed under Customs supervision, are subject to marking duties in the amount of:
  - a) 5%
  - b) 10%
  - c) 15%
  - d) 20%
  - e) 25%
  
5. Because of a clerical error, duty was paid on the invoice value in yen, instead of U.S. dollars, causing a gross overpayment to U.S. Customs. You have \_\_\_\_\_ from date of liquidation to file an administrative review request for refund with U.S. Customs:
  - a) 60 days
  - b) 90 days
  - c) 120 days
  - d) 180 days
  - e) 1 year

6. You are clearing a shipment of televisions through U.S. Customs. What other governmental agency(s) require(s) clearance?
- a) EPA
  - b) FCC
  - c) FDA
  - d) a and b
  - e) b and c
7. You received a Notice of Action (CF 29) on April 9, prepared by U.S. Customs on April 1, notifying you of a proposed rate advance for failure to provide CF 3311 substantiating U.S. Goods Returned. How many days do you have to provide the CF3311 for duty free liquidation?
- a) 20 days from April 1
  - b) 20 days from April 9
  - c) 30 days from April 1
  - d) 30 days from April 9
  - e) 60 days from April 1
8. To claim reduced duty under the Israel-U.S. Free Trade Area, the Israeli cost content of the imported article must be at least 35% of the appraised value. What percentage of the 35% may be made up of U.S. content or related production costs:
- a) 5%
  - b) 10%
  - c) 15%
  - d) 20%
  - e) 25%
9. Customs issued you a redelivery/marketing notice within 30 days from date of release; however, the product has been sold without marking and can not be redelivered. In addition to the marking duties discussed above, you will also be assessed:
- a) antidumping duties
  - b) countervailing duties
  - c) a penalty
  - d) liquidated damages
  - e) a fine
10. Cheese and Textile Products are restricted by:
- a) absolute quotas
  - b) tariff rate quotas

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## Placement Test - Classification Exercise

1. Live Ornamental Tropical Fish from North Korea.

- a) 0106.90.0090
- b) A0301.10.0000
- c) 0301.10.0000
- d) can not import -  
North Korea is under an embargo
- e) can not import - endangered species

2. Hair Comb of plastic valued at \$.30 each from Japan

- a) 9615.11.1000
- b) 9615.11.2000
- c) 9615.11.3000
- d) J9615.11.3000
- e) J9615.19.4000

3. Fresh Strawberries from Mexico entered on April 4.

- a) 0810.10.2000
- b) 0810.10.4000
- c) A0810.10.2000
- d) MX 0810.10.2000
- e) MX 0810.10.4000

4. U.S. Currency

- a) 4907.00.0000
- b) 9801.00.1010
- c) no entry required
- d) can not import
- e) 4911.99.8000

5. Ceramic statues valued at \$15 per dozen from Poland

- a) 6913.10.2000
- b) 6913.10.5000
- c) 6913.90.1000
- d) 6913.90.2000
- e) 6913.90.5000

6. VCR with blank 8mm cassette from Brazil not packaged for retail sale.

- a) 8521.10.6000
- b) 8521.10.6000 / 8523.29.1000
- c) 8521.10.9000 / 8523.29.1000
- d) 8521.90.0000
- e) 8521.10.600 / 8523.29.7010

7. Men's woven white sports shirts, 60% cotton, 40% polyester from Jamaica.

- a) 6105.20.2010
- b) 6205.20.2066
- c) 6105.10.0010
- d) 6205.30.2030
- e) 6505.20.2066

## LEAPHART + ASSOCIATES, INC.

### Placement Test - Word Problem Exercise

Scenario:

A quantity of three gross, Italian plastic spectacles frames with a commercial invoice value of \$12,000 CIF duty paid delivered (DDP) was loaded on a truck in Milan on 9/28 and crossed the Italian/Swiss border on 9/29. The cargo arrived in Rotterdam on 10/1, and was loaded on a vessel 10/5. The ship left Rotterdam on 10/6 and arrived in New York on 10/19. Since the importer wants it cleared in St. Louis, an I.T. was prepared in New York on 10/19 and accepted by Customs on 10/22. The shipment finally arrived in St. Louis on 10/28. The I.T. was surrendered on 10/29. An entry was filed on the same day and received a general release. The importer provided labels and packaging to the manufacturer worth \$850 at no charge. The invoice includes a buying commission of 10%. The truck freight from Milan to the Swiss border was \$50. The freight from Switzerland to Rotterdam was \$350; the ocean freight was \$1875; the insurance was \$50; and US domestic deliver was \$850.

Please answer the following questions based upon the above scenario:

1 - What is the classification?

- a) 9001.50.0000 / 2%
- b) 9003.11.0000 / 2.5%
- c) IL 9001.50.0000 / free
- d) 9003.19.0000 / free
- e) IL 9003.11.0000 / free

2 - What is the statistical quantity to be reported?

- a) DOZ
- b) No
- c) M
- d) prs
- e) kgs

3 - What must be added to the DDP invoice value under transaction value?

- a) \$50 insurance
- b) \$350 freight from Switzerland to Rotterdam
- c) \$400 freight and insurance (a + b)
- d) \$850 labels and packaging
- e) \$1875 International freight

4 - What is the entered value?

- a) \$ 8659
- b) \$ 8875
- c) \$ 9482
- d) \$ 9488
- e) \$ 9725

5 - What fees would you pay?

- a) none
- b) mpf
- c) hmf
- d) mpf & hmf

6 - What date would determine the rate of exchange if this was invoiced in a foreign currency?

- a) 9/28
- b) 9/29
- c) 10/5
- d) 10/9
- e) 10/29

7 - What date determines the duty rate in effect for this shipment?

- a) 9/29
- b) 10/5
- c) 10/19
- d) 10/22
- e) 10/29

8 - What is the date of entry?

- a) 9/29
- b) 10/5
- c) 10/19
- d) 10/22
- e) 10/29