CPA Examination

Introduction

Testing Windows

<table>
<thead>
<tr>
<th>Open</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>April – May</td>
<td>June</td>
</tr>
<tr>
<td>July – August</td>
<td>September</td>
</tr>
<tr>
<td>October – November</td>
<td>December</td>
</tr>
<tr>
<td>January – February</td>
<td>March</td>
</tr>
</tbody>
</table>

Granting of Credit

- Credit for passed section(s) retained for 18 months*
- No minimum score requirement for failed sections

* check with your state board to confirm; most but not all states have adopted 18 months

Grade Release Schedule

- Grades released by Boards
- Each Board of Accountancy has its own schedule
- Generally, Boards will release grades no later than one week after end of each testing window (i.e., June 30, September 30, December 31)

The Examination

- Four exam sections
  - Auditing & Attestation (4.5 hours)
  - Financial Accounting & Reporting (4 hours)
  - Regulation (3 hours)
  - Business Environment & Concepts (2.5 hours)
- 14 hour total length

Auditing & Attestation

- Auditing Procedures
- Generally Accepted Auditing Standards
- Other Standards Related to Attest Engagements
- Skills Needed to Apply That Knowledge
Financial Accounting & Reporting
- Generally Accepted Accounting Principles for:
  - business enterprises
  - not-for-profit organizations
  - government entities
- Skills Needed to Apply That Knowledge

Regulation
- Federal Taxation
- Ethics
- Professional and Legal Responsibilities
- Business Law
- Skills Needed to Apply That Knowledge.

Business Environment & Concepts
- Business Structures
- Economic Concepts
- Financial Management
- Information Technology
- Planning and Measurement

Application and Scheduling

Starting the Process

Who to Contact
- If you’re applying to the following state boards, call CPA Examination Services (CPAES) at 800-CPA-EXAM
- Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Iowa, Kansas, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Wisconsin
Helpful Hints

- Make sure applications are complete and contain accurate information.
- Completeness and accuracy by the candidate dramatically affects the amount of time needed to process the application.
- NEW – Biometric ID process

Authorization to Test

The Authorization to Test (ATT) is the notification from a state board of accountancy (or its agent, such as CPA Examination Services) to NASBA indicating that a candidate is eligible to sit for the CBT.

(Candidates do not receive the ATT; it is used to generate a Notice to Test)

Notice to Schedule

Candidate must receive a valid Notice to Schedule (NTS) to make a test appointment
- NTS indicates the exam section approved, the validity (start/stop) dates, and the candidate’s individual examination launch code.
- contains unique identifier that must be taken to the test center to launch exam

Three Options for Scheduling

- Visit www.prometric.com/cpa
- Call 1-800-580-9648
- Call Local Prometric Test Center

- Schedule early! You are guaranteed your choice of date and location if you schedule 45 days in advance.

Helpful hint

- Failure to show-up for a test appointment will cause a candidate to lose his/her money and possibly the testing opportunity.
- During the exam:
  - Disruption or Misconduct (including unauthorized breaks) may cause candidate expulsion, resulting in the loss of money and testing opportunity.
  - Disallowed articles and property may be confiscated.

Taking the Exam
Helpful Hints

- Some review courses suggest the following order:
  - Audit & Attest
  - Financial Accounting & Reporting
  - Regulation
  - Business Environment & Concepts
- Schedule & study for 2 sections at a time
- Take 2 sections in the each of the first 2 testing windows - pass all sections in 6 months

Examination Format

- Multiple choice questions
- Case-based simulations
  - test integrated knowledge
  - more closely replicate real world
  - assess research, written communication and other skills analytical skills

Simulations Interface

- Tab-style screens
- Consistent across simulations and tests
- Mouse-driven response
- On-line resources available
- Split-screen capabilities
- Review capabilities within a simulation

Check In

Candidates are asked to arrive at the Prometric Test Center 30 minutes ahead of their scheduled exam.

Taking the Exam

Upon completion of check-in, the candidate:
- is seated at a designated workstation
- begins the exam after proctor launches the session
- is monitored by a Test Center Administrator
- is video taped

At Completion

Upon completion of the examination, the candidate:
- signs-out
- collects his/her belongings
- turns in scratch paper
- is given a Post Exam Information sheet

Exam response data is pushed directly to the AICPA
The Examination

- Welcome
- Directions
- Testlet 1 (mcq)
- Testlet 2 (mcq)
- Testlet 3 (mcq)
- Testlet 4 (simulation)
- Testlet 5 (simulation)
- Brief survey

(BEC has 3 testlets of mcq)

Helpful Hints

- Once you exit a testlet, you can’t go back.
- Change your approach.
- Before you begin, set a per-testlet time allocation.

Welcome To The Uniform CPA Examination

Photo

Please confirm that the following information is correct.

Name: _______________________
Exam Section: _______________________

If this information is correct select the Continue button below.

If this information is incorrect select the Quit Exam button below and raise your hand so the Test Center Administrator can assist you.

You are about to begin the _______________________ section of the Uniform CPA Exam. You will receive _______ testlets. Each of three testlets contains ______ multiple choice questions. You should answer every question. Each of ___ testlets contains one case study, also known as a simulation. In the simulation testlets, a pencil icon on a tab indicates that a response is required within that tab. You should complete all tabs showing the pencil icon.

Some of the questions or simulation tabs you will receive are pretest items. These items do not count toward your final grade. You will not know which items are scored and which are pretest items.

You have ___ hours to complete the entire exam. You may work through each testlet at your own pace. However, once you exit a testlet and indicate you are done with that testlet, you cannot return.

You will have the option to take a break at the completion of every testlet, except for the last testlet. Please note that if you decide to take a break, the clock will keep running. Use break time wisely.

To begin the exam, select "Continue" below. The clock will start to run.

Are you sure you want to leave this testlet? You have not answered all questions in this testlet.
Are you sure you want to leave this testlet? You have not answered all questions in this testlet.

Are you sure you want to continue? If you continue, you will not be able to return to or review this testlet.

You have just indicated you are done with this testlet. You may review this testlet, or continue the exam, or quit the exam completely.

- You will have the option of taking a break unless you have completed the last testlet in the exam.
- You will not be able to return to this testlet.
- You will receive no credit for any unanswered questions.

Select the Continue button to leave this testlet and continue the exam.

If you quit the exam,
- you will not be able to return.
- you will receive no credit for any unanswered questions or testlets not taken.

Select the Quit Exam button to quit the exam completely and leave the test center.

Select the Review button to return to the first question in this testlet.

You have just completed a testlet of the exam. You may take a break. You are not required to take a break. Your time continues to run if you choose to take a break.

If you wish to take a break, please select "Yes" below and see the Test Center Administrator to sign out. If you do not wish to take a break, please select "No" below and you will receive the next testlet.

Break Option

Searching - Spelling

- Words must be spelled correctly to get a hit.

Simulations

- There are three types of accounting changes. These include changes in an accumulated change, changes in an account balance, and changes in an immaterial amount. Changes in accounting programs include those that are:
- An account balance changed.
- The balance is greater than or equal to $1,000.
- The balance is less than $1,000.
Written Communication

- Response must be on topic
- Address the concept not just state the concept
- Clearly identifiable thesis statement
- Develop main ideas
- Develop support ideas
- Watch fragments and run-on sentences
- Watch missing final punctuation and commas
- Watch spelling errors

Simulations

The simulations use both a word processor and a spreadsheet application. It is NOT Excel™ or Word™. Understand how to use them (review the tutorial).

Preparing for the Exam

Advice for Candidates

- Decide how much time you can commit to study.
- Be prepared to drop other activities.
- Schedule study during your most productive times.
- Choose study method best for you.
- Do not be intimidated by simulations.

Helpful Hint

- Decide how much time you can commit to study.
- Be prepared to drop other activities.
- Schedule study during your most productive times.
- Choose study method best for you.
- Do not be intimidated by simulations.
Helpful Hint

- Review the Tutorial at www.cpa-exam.org before you take the exam.
- The tutorial is not available at the test centers.
- You won’t have time to learn the exam functionality during the test.

Sample Test

- Available at www.cpa-exam.org
- Contains sample multiple-choice questions and one simulation per section
- Computer must meet minimum system requirements and
- A good internet connection (DSL, cable, ISDN)
  – Dial-up will work, but slowly

Online Professional Literature

- Free 6 month subscription
- Includes FASB and AICPA professional literature
- Available only to eligible CPA exam candidates (need NTS)
- Subscribe at www.cpa-exam.org

FASB Online Literature

- Full text, summaries, & status of all FASB Statements of Financial Accounting Standards issued since 1973 (original pronouncements)
- Free download
- Go to www.fasb.org
- Requires Adobe Acrobat Reader Version 5.0 or higher

Online Accounting & Auditing Literature

- The AICPA reSOURCE Auditing & Accounting library:
  – AICPA Professional Standards
  – AICPA Technical Practice Aids
  – AICPA Audit and Accounting Guides
  – Audit Risk Alerts
  – Accounting Trends and Techniques

www.cpa-exam.org

- Candidate Bulletin
- Links to state boards, NASBA, Prometric
- Tutorial and sample tests
- Frequently Asked Questions
- Exam newsletter
- CSOs and more
**Auditing and Attestation**
- Plan the engagement, evaluate the prospective client and engagement, decide whether to accept or continue the client and the engagement, and enter into an agreement with the client (22%-28%)
- Consider internal control in both manual and computerized environments (12% - 18%)

**New Pronouncements/Laws**
- Six months after effective date
- Six month after issue date if early adoption permitted

**Auditing and Attestation**
- Obtain and document information to form a basis for conclusions (32% - 38%)
- Review the engagement to provide reasonable assurance that objectives are achieved and evaluate information obtained to reach and to document engagement conclusions (8% - 12%)

**Auditing and Attestation**
- Prepare communication to satisfy engagement objectives (12% - 18%)

**Regulation**
- Ethics and professional and legal responsibilities (15% - 20%)

**Down and Dirty Advice**
**Believe** that YOU can PASS!

**Down and Dirty Advice**
Commit to the **TIME** needed to do the job right

Family, Friends, Work
Pay Back
• CPAs earn $1 million more during career than non-CPA
• 20 hours per week for 20 weeks
  – Two ten week blocks of 20 hours per week, two parts for each block
• Pay back = $2,500 per study hour

Down and Dirty
Change the way you study – DO NOT CRAM

Down and Dirty Advice
PRACTICE, PRACTICE, PRACTICE!
including essays and problems

Example
• Question
• Explanation
  – Right answer
  – Wrong answers

www.cpa-exam.org
• Practice test available for each section
• Simulate actual test – For example, take it in the library, set a time limit

Looking Ahead
• Lakeside form teams of three and choose cases:
  – 2 and 8
  – 3 and 9
  – 4 and 10
  – 5 and 11
  – 6 and 12
  – 7 and 13
Assignment

• Assurance Services
  – Read and bring with you the:
    • Introduction to Assurance Services
    • Dave’s Dating Service Case
    • Dave’s Database Projects (n = 8)

  – JUST READ – don’t try to work ahead.

Pretest

• Take your time!
• Mark answers on BOTH the Scantron form and the actual test.
• Keep the test questions and turn in the Scantron form to me.
• Answers will be distributed next week.