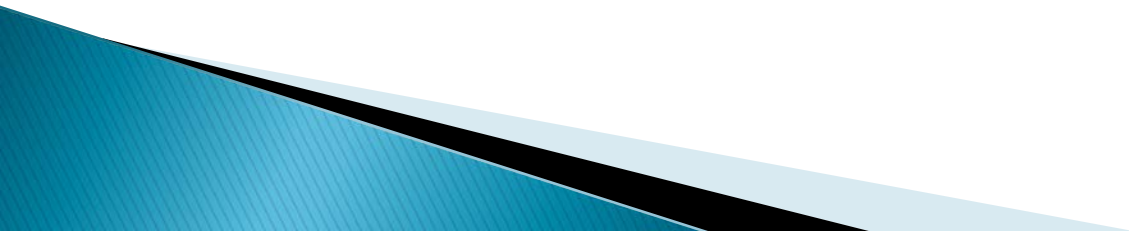


The CPA Exam

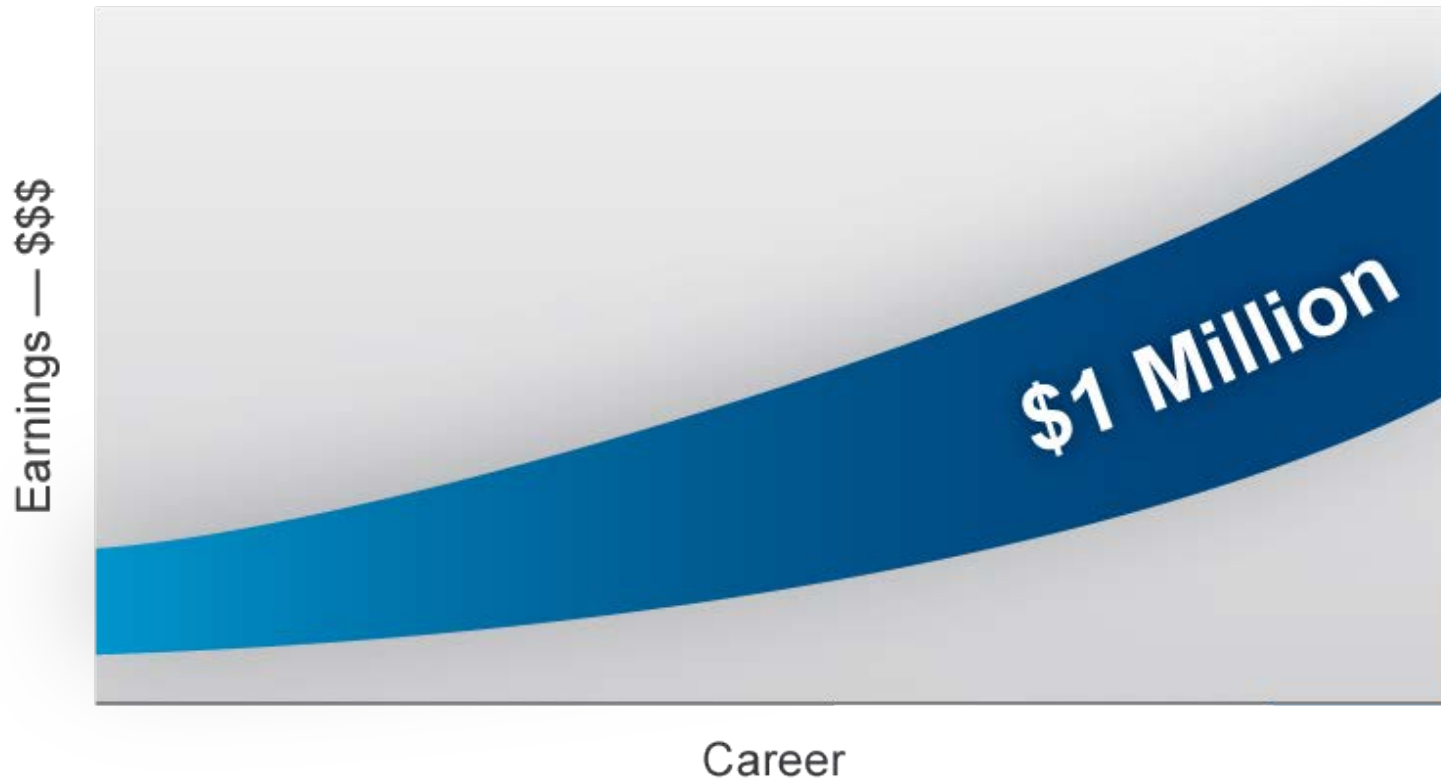


CPA Exam Goes Global!

- The AICPA is working to have the CPA more widely recognized as an international certification.
- Thus, the examiners added IFRS to the CPA exam in January of 2011.
- CPA exam now offered at the following Prometric testing centers:
 - Bahrain
 - Kuwait
 - Japan
 - Lebanon
 - United Arab Emirates (UAE)
 - Brazil

Earnings Power of a CPA

CPA (10%) > non-CPA

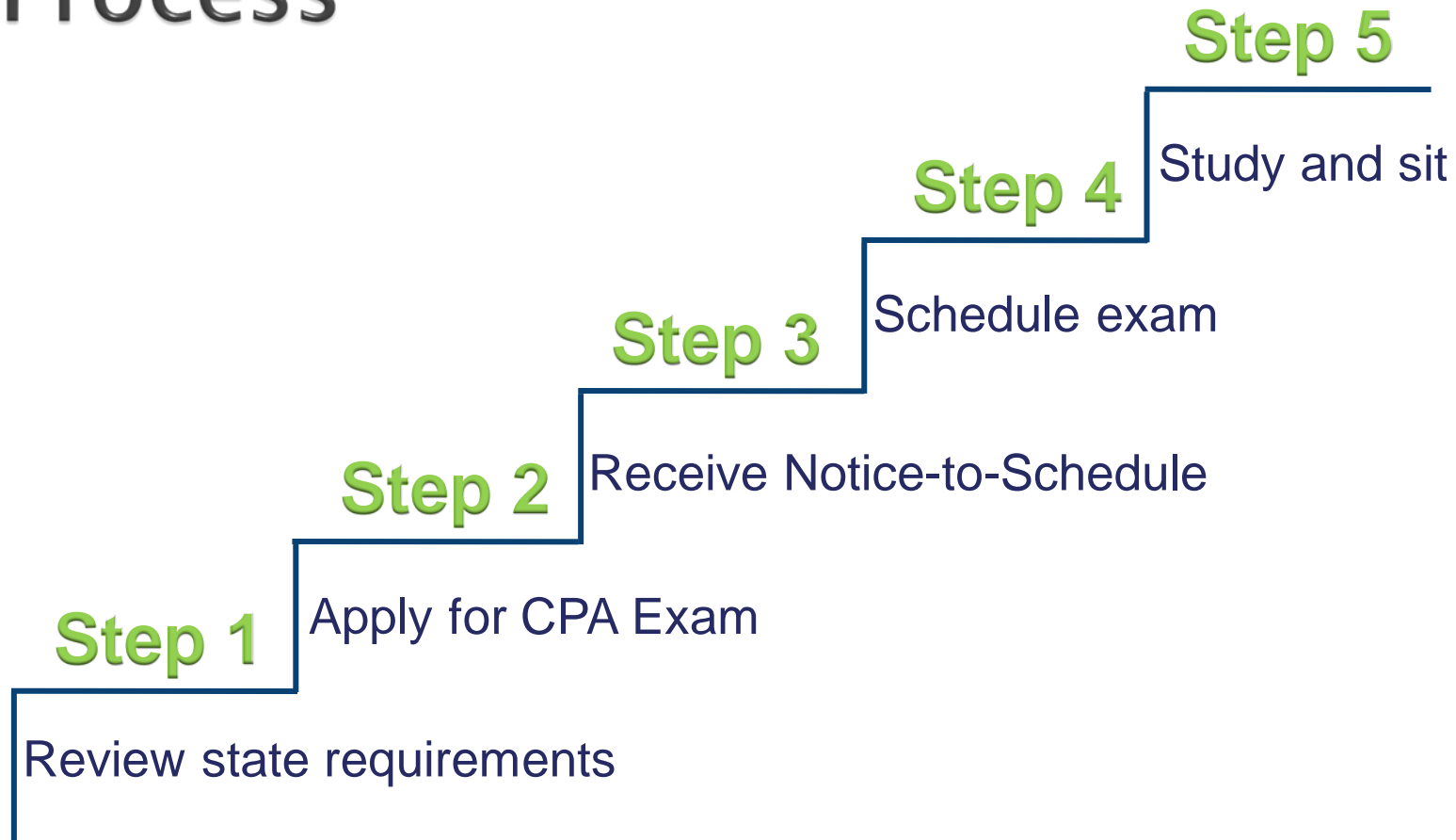


Obtaining your CPA License

Education | **E**xam | **E**xperience

Every state is unique

5 Key Steps – Exam Application Process



California Educational Requirements

Educational
Requirements

CA 2014
To Sit for CPA Exam

CA 2014
To be Licensed

**Baccalaureate
Degree**

Yes

Yes

**Unit
Requirements**

24 accounting units
24 business units
120 total units

150 total units with new accounting, “accounting study”
and ethics requirements

Refer to
www.dca.ca.gov/cba/applicants/lic_require.shtml
for the specifics as they become available

Begin Application Process

The On Demand Exam

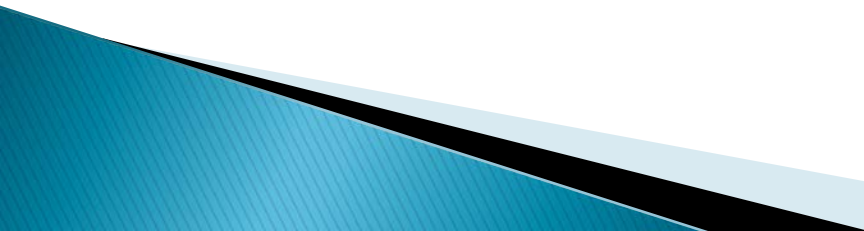
1 st Qtr Window	JAN OPEN	FEB OPEN	MAR CLOSED
2 nd Qtr Window	APR OPEN	MAY OPEN	JUN CLOSED
3 rd Qtr Window	JUL OPEN	AUG OPEN	SEP CLOSED
4 th Qtr Window	OCT OPEN	NOV OPEN	DEC CLOSED

- Sit for exams as soon as eligible.
- Candidates can sit for each section individually and in any order
- Section(s) not passed cannot be taken within the same (3 month) window.
- Firms want their new hires to pass early in their careers.

Exam Fees

➤ Auditing & Attestation	\$192.03
➤ Financial Accounting & Reporting	\$192.03
➤ Business Environment & Concepts	\$172.51
➤ Regulation	<u>\$172.51</u>
➤	\$729.08
➤ Application (first-time)	<u>\$100.00</u>
➤ Total	<u>\$829.08</u>

Notice to Schedule and Exam Conditioning

- CA NTS good for 9 months (most states 6 months)
 - Candidates can sit for each section individually and in any order
 - Section(s) not passed cannot be taken within the same (3 month) window
 - Credit for passed sections retained for a rolling 18 months
- 

The CPA Exam



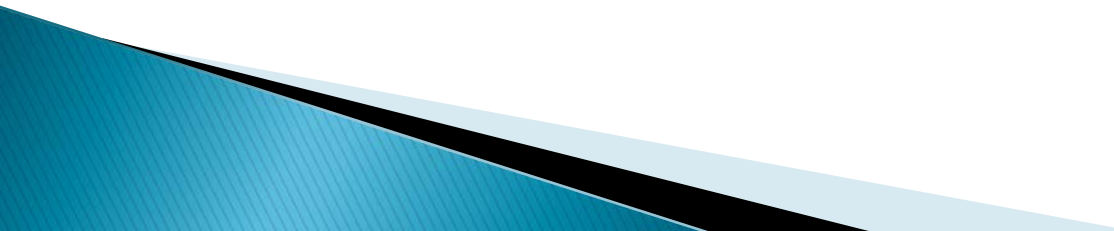
Four Independent Sections

Financial Accounting and Reporting

Auditing and Attestation

Regulation

Business Environment and Concepts



Timing for Each Exam Section

Exam Part	Time
Financial	4 hrs
Audit	4 hrs
Regulation	3 hrs
Business	3 hrs

Total = 14 hours

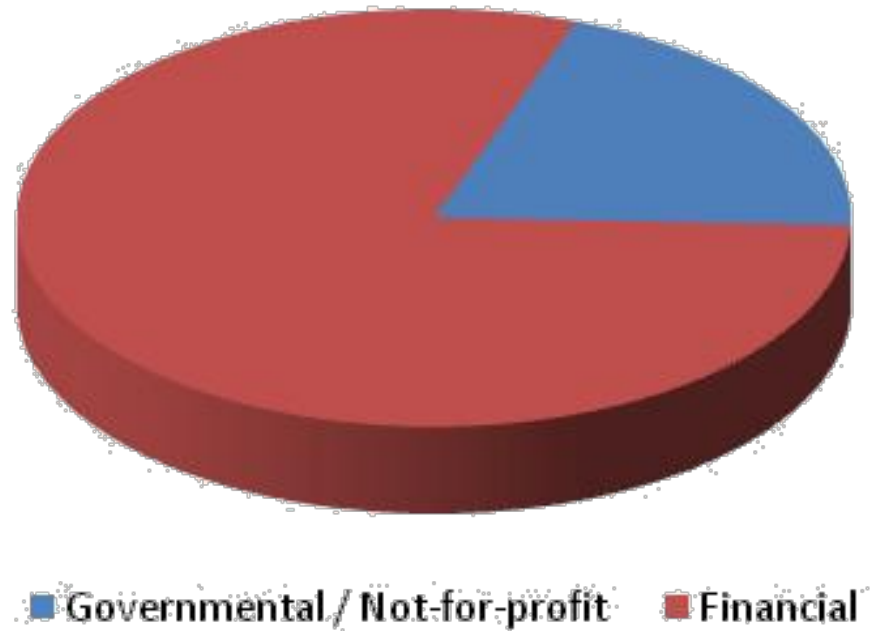
Financial



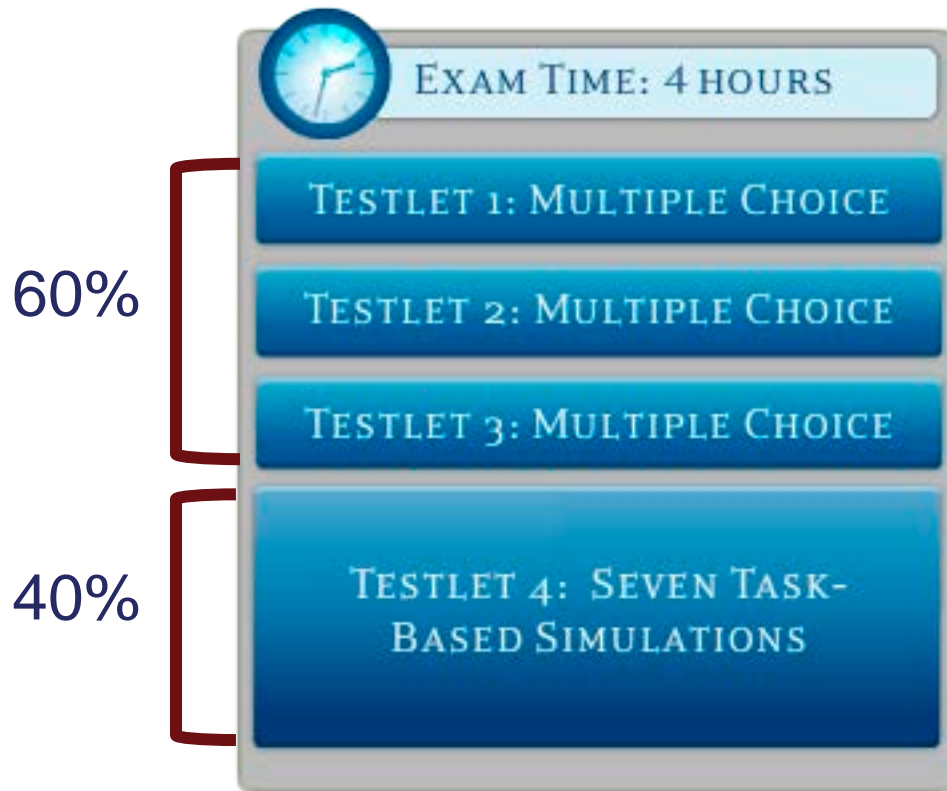
Financial – Content

Typical coverage

- ▶ Governmental/ Not-for-profit 16–24%
- ▶ Financial 71–89%
 - IFRS/SEC Reporting
 - Pension Plans
 - Cash Flows
 - Leases
 - Bonds/Securities
 - Consolidations
- ▶ And more...



Financial – Structure



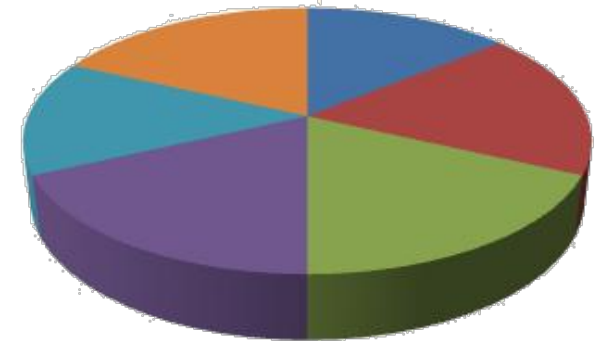
- Three multiple-choice question (MCQ) testlets containing 90 questions
- One testlet containing seven short, task-based simulations TBS; research question included
- No written communication tasks
- 15 - 20% of questions do not count
- Passing Grade 75

Audit

Audit – Content

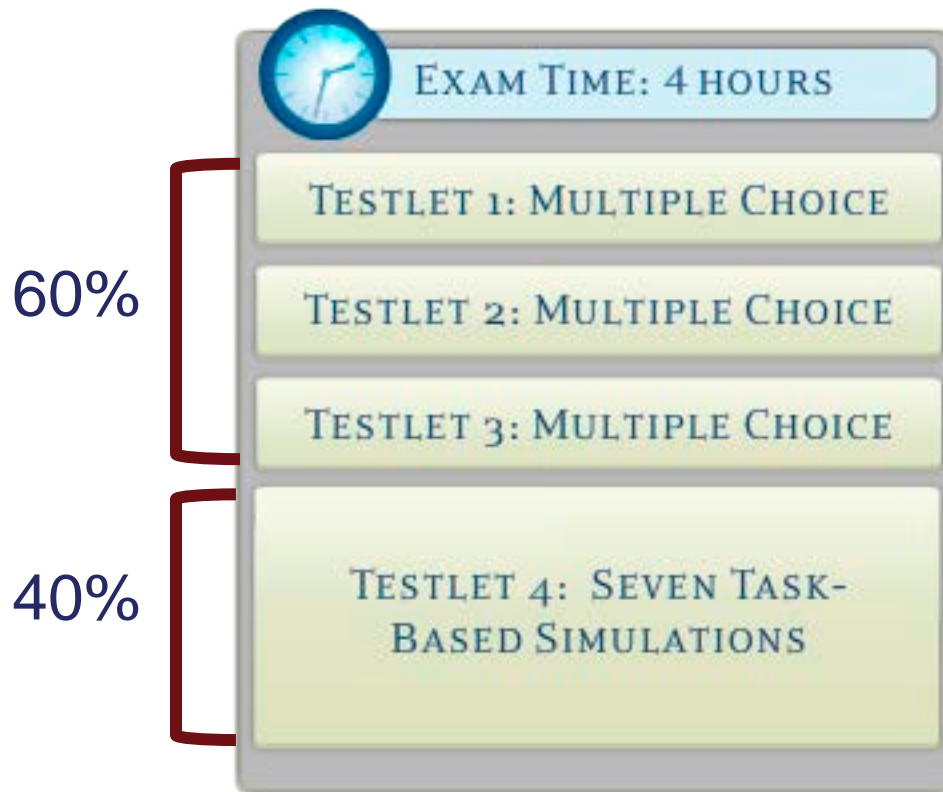
Typical coverage

- ▶ Engagement Acceptance and Understanding 12–16%
- ▶ Internal Controls/Fraud 16–20%
- ▶ Audit Procedures/Evidence 16–20%
- ▶ Audit Findings & Reporting 16–20%
- ▶ Accounting & Review Services 12–16%
- ▶ Professional Responsibilities/Independence 16–20%
- ▶ Plus ISA vs. U.S. Auditing Standards
- ▶ And more...



- Planning the Engagement
- Internal Controls / Fraud
- Audit Procedures / Evidence
- Audit Findings & Reporting
- Accounting & Review Services
- Professional Responsibilities / Independence

Audit – Structure



- Three multiple-choice question (MCQ) testlets containing 90 questions
- One testlet containing seven short, task-based simulations TBS; research question included
- No written communication tasks
- 15 - 20% of questions do not count
- Passing Grade 75

Regulation

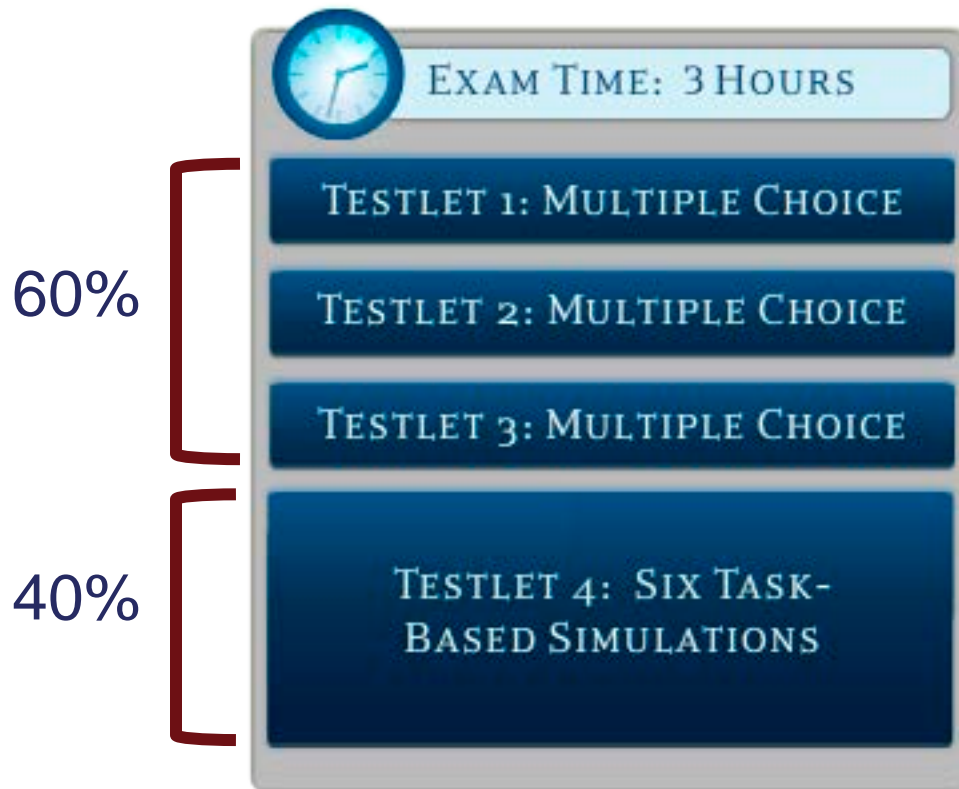
Regulation – Content

Typical coverage

- **Taxation 54-74%**
 - *Entities, Individual, Property*
 - *Process/Procedures/Planning*
- **Business Law 17-21%**
 - *Contracts/UCC/Agency*
 - *Business Structure*
- **Ethics, Professional & Legal Responsibilities 15-19%**
- **And more...**



Regulation – Structure



- Three multiple-choice question (MCQ) testlets containing 72 questions
- One testlet containing six short, task-based simulations TBS; research question included
- No written communication tasks
- 15 - 20% of questions do not count
- Passing Grade 75

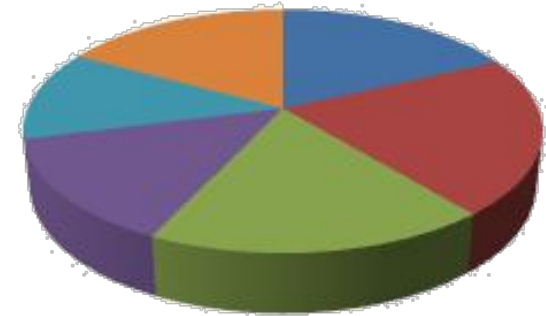
Business



Business – Content

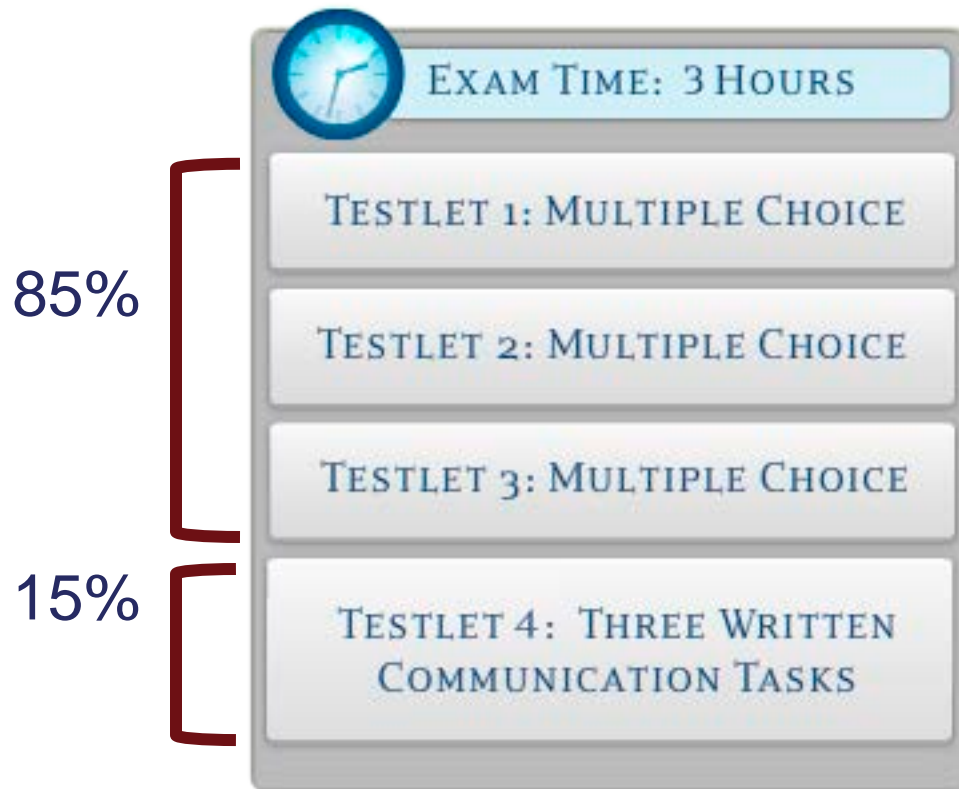
Typical coverage

- ▶ Corporate Governance 16–20%
- ▶ Financial Management 19–23%
- ▶ Economics & Analysis 16–20%
- ▶ Operations Management 12–16%
- ▶ Strategic Planning 10–14%
- ▶ Information Systems /
Communications 15–19%
- ▶ And more...



- Corporate Governance
- Financial Management
- Economics & Analysis
- Operations Management
- Strategic Planning
- Information Systems / Communications

Business – Structure



- Three multiple-choice question (MCQ) testlets containing 72 questions
- Three written communication tasks on BEC topics
- 15 - 20% of questions do not count
- Passing Grade 75

Experience



California Experience Requirements (2014)

- ▶ Qualifying Accounting Experience
 - 1 year in a CPA firm (public accounting) or
 - 1 year in a non-CPA firm (private accounting) *in the accounting function and under the supervision of a CPA*
- ▶ Auditing/Attest Experience
 - 500 hours
 - *Only required if ability to sign audit/attest reports is desired*

CPA Exam Pass Rates

<u>Section</u>	<u>YTD 2014</u>	<u>2013</u>	<u>2012</u>
AUD	47.35%	45.87%	46.89%
BEC	53.28%	55.83%	52.83%
FAR	44.06%	48.32%	47.07%
REG	49.17%	48.48%	48.15%