The CPA Exam and Requirements

Adapted and modified from material originally created by David Reinus.
Earnings Power of a CPA

An extra $1,024,870 with a CPA license.
Obtaining your CPA License

Education | Exam | Experience

Every state is unique
5 Key Steps – Exam Process

Step 1: Submit application (Set up CBA Client Account at https://www.cba.ca.gov/cbt_public/join_form)

Step 2: Receive Notice to Schedule (NTS)

Step 3: Select sections and pay fees (within 90 days of receiving Payment Coupon)

Step 4: Schedule the exam sections

Step 5: Send transcripts to CBA

Request “Expedited Transcript Request for CPA Exam” from CSUN at https://www.csun.edu/acctis/students
# California Educational Requirements

<table>
<thead>
<tr>
<th>Educational Requirements</th>
<th>To Sit for CPA Exam</th>
<th>To be Licensed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baccalaureate Degree</strong></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Must be completed within 240 days of applying to take the CPA exam.</td>
<td>30 accounting units</td>
</tr>
<tr>
<td></td>
<td>24 accounting units</td>
<td>38 business units</td>
</tr>
<tr>
<td></td>
<td>24 business units</td>
<td>10 ethics units (3 in accounting)</td>
</tr>
<tr>
<td></td>
<td>120 total units</td>
<td>150 total units</td>
</tr>
</tbody>
</table>

**Unit Requirements**
Accounting Units: 30
BUS Related Units: 38
Ethics Units: 10

CPA Requirements:

CSUN:
36
Over 40
10
CPA Ethics Requirement

- **RS 361** 3 units
- **PHIL 305 or BLAW 368** 3 units
- **ACCT 460** 1 unit
- **ACCT 511** 3 units

10 units

* Or any other BLAW course.
Prometric Testing Centers
(Glendale, Camarillo, Culver City)
“Test Drive”

• $30
• Actual check-in
• ID confirmation
• Documentation checking
• Image capture of finger print
• Assignment of a locker
• Seated at a computer
• Sample test (at a computer for 15 minutes)
• Become familiar with parking, location, and commute time to the center.
Four Sections

Financial Accounting and Reporting (FAR)
Auditing and Attestation (AUD)
Regulation (REG)
Business Environment and Concepts (BEC)
Accounting Courses for Each Section

Financial Accounting and Reporting (FAR)

ACCT 351 – Intermediate Financial Accounting II
ACCT 352 – Intermediate Financial Accounting III
ACCT 450 – Advanced Financial Accounting
ACCT 475 – Governmental and Nonprofit Accounting

Auditing and Attestation (AUD)

ACCT 460 – Auditing Principles and Analytics
ACCT 465 – Advanced Auditing
Business Environment and Concepts (BEC)

ACCT 380 – Cost Accounting
IS 312 – Systems and Technologies for Managers
FIN 303 – Financial Management
ECON 160 – Principles of Microeconomics
ECON 161 – Principles of Macroeconomics

Regulation (REG)

ACCT 440 – Income Tax I
ACCT 441 – Income Tax II
BLAW 280 – Business Law I
BLAW 308 – Business Law II
For details about each topic and task for the CPA exam, see the blueprints at


Exam Fees

- Auditing & Attestation $ 226.15
- Financial Accounting & Reporting 226.15
- Business Environment & Concepts 226.15
- Regulation 226.15
- Application Fee ($50 re-application) 100.00
- Total $1,004.60
Notice to Schedule (NTS)

- NTS is good for 9 months.
- Candidates may sit for one or more sections at any time and in any order.
- A section that is not passed cannot be retaken until the failing test score is released.
- Must pass all four sections within a rolling 18-month period.
Rolling 18-Month Period

1 18 Months

Zap! 1 2 3 4

Required
The Exam
# Timing for Each Exam Section

<table>
<thead>
<tr>
<th>Exam Part</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial (FAR)</td>
<td>4 hours</td>
</tr>
<tr>
<td>Audit (AUD)</td>
<td>4 hours</td>
</tr>
<tr>
<td>Regulation (REG)</td>
<td>4 hours</td>
</tr>
<tr>
<td>Business (BEC)</td>
<td>4 hours</td>
</tr>
</tbody>
</table>

**Total = 16 hours**
Financial (FAR) – Structure

- Two multiple-choice question (MCQ) testlets contain 66 questions.
- Three testlets containing 8 task-based simulations (TBS); research question and document review simulation included.
 Audit (AUD) – Structure

- Two multiple-choice question (MCQ) testlets contain 72 questions.
- Three testlets containing 8 task-based simulations (TBS); research question and document review simulation included.
• Two multiple-choice question (MCQ) testlets contain 76 questions.

• Three testlets containing 8 task-based simulations (TBS); research question and document review simulation included.
Business (BEC) – Structure

- Two multiple-choice question (MCQ) testlets contain 62 questions.
- Two testlets containing 4 task-based simulations (TBS).
- One testlet containing 3 written communications.
Experience
California Experience Requirements

- **Accounting Experience**
  - 1 year in a CPA firm (public accounting) or
  - 1 year in a non-CPA firm (private accounting or government) *in the accounting function and under the direct supervision of a CPA.*

- **Auditing Experience** (Optional)
  - 500 hours
  - *Only required if authority to sign audit reports is desired.*
## CPA Exam Pass Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>AUD</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Date</td>
<td>52.84%</td>
<td>51.01%</td>
<td>50.97%</td>
<td>48.59%</td>
<td>45.86%</td>
<td>47.28%</td>
</tr>
<tr>
<td>2021</td>
<td>65.56%</td>
<td>59.98%</td>
<td>59.35%</td>
<td>52.99%</td>
<td>55.41%</td>
<td>56.48%</td>
</tr>
<tr>
<td>2020</td>
<td>49.98%</td>
<td>46.31%</td>
<td>46.22%</td>
<td>44.42%</td>
<td>45.55%</td>
<td>46.75%</td>
</tr>
<tr>
<td>2019</td>
<td>62.29%</td>
<td>56.34%</td>
<td>53.16%</td>
<td>47.24%</td>
<td>48.45%</td>
<td>49.43%</td>
</tr>
</tbody>
</table>
Exam Scoring
A passing score is 75

~Psychometrics & Psychometricians~

The MCQ testlets have two levels of difficulty – medium and difficult.

The questions are weighted on the level of difficulty.

The difficult questions receive more points in reaching 75.
Weak Performance

Testlet 1
Medium

Testlet 2
Medium
Testlet 1
Medium

Strong Performance

Testlet 2
Difficult

**Core** (all 3)
- Accounting & Data Analytics
- Auditing & AIS
- Tax

**Disciplines** (one of these)
- Business Analysis and Reporting
- Information Systems and Controls
- Tax Compliance and Planning
International Testing Sites

Bahrain  Jordan
Brazil    Kuwait
Egypt     Lebanon
England   Nepal
Germany   Saudi Arabia
India     Scotland
Ireland   South Korea
Israel    United Arab Emirates
Japan
Foreign Credentials Evaluation

Anaheim
Beverly Hills
Culver City
Los Alamitos
Redondo Beach
West Covina
~ Strongly Recommended ~

California Board of Accountancy

Uniform CPA Examination Handbook

http://www.dca.ca.gov/cba/applicants/exambook.pdf
Online Ethics Exam

50 multiple choice questions
90% score required
300-page self-study course
3 attempts
One year to pass
$150 ($125 if member of CalCPA)

Membership in CalCPA is free for students and for one year while taking the CPA exam.
CPA Review Course

- Study time is used more efficiently.
- Strategies for taking the exam are learned.
- Practice doing task-based simulations.
- Keeps you disciplined and organized.
- Most efficient way to review what you’ve already learned.
- Increases probability of passing.
- Obtain immediate feedback from practice exams.
- Obtain practice navigating the computer screen and simulations.
- Might help avoid paying almost $1,000 again to retake the exam.

cpaexamguy.com
For a tutorial and practice exam for each section of the CPA exam, go to

https://www.aicpa.org/becomeacpa/cpaxexam forcandidates/tutorialandsampletest.html