The CPA Exam
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

Earnings — $$$

Career

$1 Million
Obtaining your CPA License

Education | Exam | Experience

Every state is unique
5 Key Steps – Exam Application Process

Step 1: Review state requirements
Step 2: Apply for CPA Exam
Step 3: Receive Notice-to-Schedule
Step 4: Schedule exam
Step 5: Study and sit
<table>
<thead>
<tr>
<th>Educational Requirements</th>
<th>CA 2014 To Sit for CPA Exam</th>
<th>CA 2014 To be Licensed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baccalaureate Degree</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Unit Requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24 accounting units</td>
<td>150 total units with new accounting, “accounting study” and ethics requirements</td>
</tr>
<tr>
<td></td>
<td>24 business units</td>
<td>Refer to <a href="http://www.dca.ca.gov/cba/applicants/lic_require.shtml">www.dca.ca.gov/cba/applicants/lic_require.shtml</a> for the specifics as they become available</td>
</tr>
<tr>
<td></td>
<td>120 total units</td>
<td></td>
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</table>
Begin Application Process

The On Demand Exam

1st Qtr Window
- JAN: OPEN
- FEB: OPEN
- MAR: CLOSED

2nd Qtr Window
- APR: OPEN
- MAY: OPEN
- JUN: CLOSED

3rd Qtr Window
- JUL: OPEN
- AUG: OPEN
- SEP: CLOSED

4th 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 $172.51
- Application (first-time) $100.00
- Total $829.08
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

<table>
<thead>
<tr>
<th>Exam Part</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>4 hrs</td>
</tr>
<tr>
<td>Audit</td>
<td>4 hrs</td>
</tr>
<tr>
<td>Regulation</td>
<td>3 hrs</td>
</tr>
<tr>
<td>Business</td>
<td>3 hrs</td>
</tr>
</tbody>
</table>

Total = 14 hours
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…
• 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
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
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…
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

<table>
<thead>
<tr>
<th>Section</th>
<th>YTD 2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD</td>
<td>47.35%</td>
<td>45.87%</td>
<td>46.89%</td>
</tr>
<tr>
<td>BEC</td>
<td>53.28%</td>
<td>55.83%</td>
<td>52.83%</td>
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<tr>
<td>FAR</td>
<td>44.06%</td>
<td>48.32%</td>
<td>47.07%</td>
</tr>
<tr>
<td>REG</td>
<td>49.17%</td>
<td>48.48%</td>
<td>48.15%</td>
</tr>
</tbody>
</table>