

GENERAL CPA EXAM INFORMATION

Certified Public Accountant

The Certified Public Accountant (CPA) designation is a license issued by one of the 55 states or territories of the United States that authorizes the holder to practice as a certified public accountant in that jurisdiction. Licensing of CPAs helps to protect the public because only those individuals who have met prescribed requirements are permitted to hold themselves out to the public as certified public accountants. The public is therefore protected from substandard work performed by individuals who do not meet the minimum requirements specified by the boards of accountancy.

Uniform CPA Examination

The Uniform Certified Public Accountant (CPA) Examination is offered on computer at a network of test centers across the United States and its territories. Based on a recent study of the work performed by newly licensed CPAs, the computer based CPA Examination incorporates increased emphasis on information technology and general business knowledge with a broadened scope in the audit area. Significantly, changes include increased skills testing; for example, research and analytical skills. By staying aligned with the expanding “real-world” requirements of entry-level CPA work, and required skills testing, the revised CPA Examination helps ensure an uninterrupted examination process that continues to protect the public interest. The new Uniform CPA Examination is a 14-hour test with four sections: Auditing and Attestation; Financial Accounting and Reporting; Regulation; and Business Environment and Concepts.

The examination is still one of the requirements for licensure by the 55 states and territories (jurisdictions) of the United States. In order to take the examination, you must be declared eligible by one of the jurisdictions. Each jurisdiction sets its own requirements for education, examination and experience. To become certified in the State of California, applicants must meet the requirement set forth by the **California State Board of Accountancy**. A complete list of requirements and exam application information can be found on the Boards web site at <http://www.dca.ca.gov/cba/>. At the California State Board web site click on the link titled, “1st Time Exam Handbook” to download a pdf. file with all the requirements for applying and taking the CPA exam. Exam information is also available on the **Accounting Program** web site at <http://www.econ.ucsb.edu/~accounting>.

CPA Exam Educational Requirements

To take the exam in California applicants must meet the following educational requirements:

EXAMINATION	Pathway 1 (Section 5092) – Pathway 2 (Section 5093)
Education Requirement	<ul style="list-style-type: none">▪ Baccalaureate degree.▪ 24 semester units of accounting.▪ 24 semester units of business-related subjects.

Students completing a Business Economics degree with an Emphasis in Accounting will have met these requirements.

When **applying for licensure** in California, applicants select Pathway 1 or Pathway 2. At that time, applicants must demonstrate they meet the exam education requirements, have passed the exam, and meet the licensure education and experience requirements for their chosen Pathway. The requirements are:

LICENSURE Pathway 1 Pathway 2

LICENSURE	Pathway 1	Pathway 2
Education Requirement	<ul style="list-style-type: none"> Same as Examination. 	<ul style="list-style-type: none"> Same as Examination. <i>Plus</i> Overall total of 150 semester hours.
Experience Requirement	<ul style="list-style-type: none"> Two years of general experience, which may include 500+ attest hours for those who want to sign attest reports. 	<ul style="list-style-type: none"> One year of general experience, which may include 500+ attest hours for those who want to sign attest reports.

For those students seeking employment with the Big Four or looking to practice in another state, it is recommended they meet the requirements of Pathway 2. Since the requirements to practice as a CPA are determined by each state, Pathway 2 is designed to meet the requirements in other states that require a fifth year of education (225 quarter units). Pathway 2 allows applicants to practice in other states without completing any additional education or exam requirements. **The 225 units do not have to be completed to take the exam.**

Course Requirements

The core course requirement consists of 36 quarter units (9 classes) of business-related subjects and 36 quarter units (9 classes) in accounting subjects. Courses in excess of the required 36 quarter units (9 classes) of accounting may be counted toward the business-related subjects unit requirement. Courses may be completed in any of the subjects listed below. Courses earned in quarter units must be multiplied by a factor of 2/3 to convert to semester units.

Accounting Subjects

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| <ul style="list-style-type: none"> Accounting. Auditing. External or Internal Reporting. | <ul style="list-style-type: none"> Financial Reporting. Financial Statement Analysis. Taxation. |
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In addition to those subjects already listed, accounting courses include, but are not limited to, courses in Assurance, Attestation, Bookkeeping, Cost (Cost Analysis, Costing), Peachtree, Quickbooks, and CPA Review courses taken at a recognized school.

Please note that Econ. 185 and 189 are not considered accounting courses for purposes of determining courses that qualify under “Accounting Subjects” above.

Business-related Subjects

- Business Administration.
- Business Communications.
- Business Law.
- Business Management.
- Business Related Law Courses offered by an accredited law school.
- Computer Science/Information Systems.
- Economics.
- Finance, for example, Financial Management.
- Marketing.
- Mathematics.
- Statistics.

All required coursework and degree(s) conferral must be **shown on official transcripts** and/or evaluations. Prior to requesting official transcript(s), please confirm with your school that all required information has been posted. The process of posting degrees to transcripts can take several weeks. If you would like your degree posting expedited you can make your request to Kevin Scott, Degree Analyst, in the Office of the Registrar (kevin.scott@sa.ucsb.edu).

Review for the CPA Exam

The **UCSB Professional Preparation Program for Accounting** through the UCSB extension program is designed to help students review for the exam and meet the California requirements for CPA licensure by providing an additional **24 units (four courses at six units each)** to help students meet the 225 unit requirement of Pathway 2. The program is conducted over ten weeks and is designed for students to take during the summer following their senior year. Topics include: advanced auditing and attestation, current issues in financial reporting, regulatory framework of business, and special topics in accounting. For more information, visit <http://www.extension.ucsb.edu/continuingeducation/courses/pppa/> or call Richard Watson Ph.D. at (805) 893-8957 or email watson@econ.ucsb.edu.

Testing Windows

The computer-based Uniform CPA Examination is offered the first two months of each calendar quarter. These months of testing are known as the “testing windows.” The examination is given in these testing windows to allow for systems and databank maintenance:

Window – 1		Window – 2	
Testing Available January & February	Not Available during March	Testing Available April & May	Not Available during June
Window – 3		Window – 4	
Testing Available July & August	Not Available during September	Testing Available October & November	Not Available during December

It is important that you plan accordingly; it is your responsibility to schedule the remaining unpassed sections of the examination so you do not lose credit for previously passed sections. You will be able to take any or all sections of the examination during any testing window and in

any order. However, you will not be allowed to take the same section more than once during any testing window.

Candidates passing an exam section, with a score of 75 or higher, receive and retain credit for each section passed for a period of 18 months from the date earned. When a candidate has credit status for all four sections of the examination at the same time, the candidate has passed the examination.

Types of Questions

Multiple-Choice Questions (MCQ)

Each examination section contains units known as testlets. Each testlet is comprised of either a group of 24 to 30 MCQ or one complete case study, known as a simulation. Approximately 80% of the questions in each testlet will count toward your score. Approximately 20% are included for pretesting only. Pretest questions are not used in computing your score and are used to develop future questions.

Case Study Simulations

Simulations are condensed case studies that test your accounting knowledge and skills used in real life work-related situations. Each simulation is considered one testlet. Each simulation takes approximately 30-50 minutes to complete. Each examination section, except for Business Environment and Concepts, includes two simulations. All simulations are intended to assess knowledge and skills that are appropriate for an entry-level accountant. Business Environment and Concepts (BEC) consists of three multiple-choice testlets only.

Frequently Asked Questions (First-time Sitters)

1. How often will the computer-based Uniform CPA Exam be given?

There are four testing windows in each calendar year. A testing window is a period during which the CPA Exam is available. During each testing window the CPA exam is available for approximately 60 days. Any of all of the four sections of the exam may be scheduled and taken individually, and in any order, during each testing window. Candidates are not allowed to retake a failed section within the same testing window.

2. Do I need to take all unpassed sections at the same time?

No, candidates are allowed to take each section individually, and in any order, during each testing window. However, candidates are not allowed to retake a failed section within the same testing window.

3. Where can I get additional information about the Uniform CPA Exam?

Additional information related to the Uniform CPA Exam is contained in the *Candidate Bulletin – Information for Applicants*, and the *CPA Exam Alert*, both accessible online at the Uniform CPA Examination's Web site located at www.cpa-exam.org or at the National Association of State Boards of Accountancy's (NASBA) Web site at www.nasba.org. NASBA highly recommends that candidates take the exam tutorial and sample tests available at www.cpa-exam.org as there are features unique to each exam that may not be similar to your regular operating system.

4. Where can I take the computer-based Uniform CPA Exam?

Prometric Testing Centers administer the computer-based Uniform CPA Exam at more than 300 testing centers in the United States. Candidates may take the exam at any one of the authorized Prometric Testing Centers that offer the CPA Exam. California candidates are not required to take the CPA Exam at a Prometric site located in California.

5. Will the computer-based Uniform CPA Exam be offered in foreign countries?

No. The computer-based Uniform CPA Exam will only be offered in the 54 jurisdictions, which includes the 50 states and the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

6. How much will the computer-based Uniform CPA Exam cost?

Fees to be paid to the California Board of Accountancy:

Initial Application Fee \$100
(Paid by an applicant who is qualifying to sit for the CPA Exam as a California candidate for the first time.)

Reapplication fee \$50
(Paid by an applicant who was previously approved to sit for the CPA Exam as a California candidate.)

<u>Fees to be paid to NASBA</u>	<u>Current</u>
Auditing and Attestation	\$226.28
Financial Accounting and Reporting	\$214.35
Regulation	\$190.50
Business Environment and Concepts	\$178.58
Total fees paid to NASBA for all four sections	\$809.71

7. What are the final filing dates for the computer-based Uniform CPA Exam?

Application final filing dates have been eliminated, allowing applicants meeting all of the educational requirements to apply at any time.

8. Can I take the computer-based Uniform CPA Exam online?

No. The exam will be administered at Prometric Testing Centers.

9. How many sections are there in the computer-based Uniform CPA Exam?

The computer-based Uniform CPA Exam is comprised of four (4) sections.

These sections are:

- Auditing (AUD) – 4.5 hours
- Business Environment and Concepts (BEC) – 2.5 hours
- Financial Accounting & Reporting (FAR) – 4 hours
- Regulation (REG) – 3 hours

Please note that the scheduling confirmation you receive from Prometric may indicate your testing appointment is 30 minutes longer than the times shown above. Prometric adds one-half hour to each appointment to allow time to complete the check-in procedures. However, the

additional 30 minutes is not part of your actual testing time. Therefore, completion of a quick check-in will not give you additional testing minutes. When you sign onto the computer, the allotted testing time displayed on the computer screen will reflect the same amount of time as indicated above.

10. How often can each section of the computer-based Uniform CPA Exam be taken?

A candidate may take each unpassed section of the computer-based Uniform CPA Exam only once per testing window. There are four testing windows in a calendar year.

11. When can I apply for the computer-based Uniform CPA Exam?

Applicants meeting all of the educational requirements may apply at any time. The online application is available at www.dca.ca.gov/cba. Paper applications will be mailed upon request.

12. How do I gain credit for sections passed on the computer-based CPA Exam?

The computer-based CPA Exam utilizes a “rolling” 18-month credit status period. Credit status is established by passing one section of the examination. Once a candidate passes a section of the examination, the candidate is allowed a maximum of 18 months to pass all remaining sections in order to retain credit for the passed section. If the candidate does not pass all four sections within that 18-month period, the candidate will lose credit for the first section of the exam passed. The credit status period then becomes based upon the credit expiration date of the next passed section.

13. What is IQEX?

IQEX is the acronym for the International Uniform Certified Public Accountant Qualification Examination. The purpose of the IQEX is to facilitate US licensure for accountants from other countries who are members of professional organizations that have agreed to reciprocity with US jurisdictions. These reciprocity agreements have been developed through the efforts of the United States International Qualifications Appraisal Board (IQAB) which was established jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA). Currently, members of three organizations are qualified to take the IQEX: Canadian Chartered Accountants, Australian Chartered Accountants, and Australian Certified Practicing Accountants. For more information, visit the Licensing Handbook, or telephone the Licensing Unit at (916) 561-1701.

AICPA CPA Exam Web Site

The AICPA has a web site dedicated to provide information about the CPA Exam format and content. Candidates should be familiar with the information provided at www.cpa-exam.org.