

The Accountant's Nightmare:
The CPA Examination

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DEDICATION

I would like to dedicate this monstrous research project to all future Ball State University CPA candidates. I would like to dedicate it in behalf of their very sore fingers, aching backs, bloodshot eyes, wasted brains, zero social lives, and distraught dispositions which will result during the suicidal preparation for this notorious examination. I can truly sympathize. And remember, if all else fails, the world could always use more marketing and management majors.

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PREFACE

Upon entering my high school career, my peers and I were subjected to a series of rigorous, time-consuming aptitude tests, designed to measure how intellectually astounding or outrageously ignorant we really were. I particularly recall the DAT (Differential Aptitude Test), administered at the onset of my sophomore year. Once the results were tabulated and sent back to the high school, we were all required to discuss our scores with one of the guidance counselors.

Approximately ten other students and myself were scheduled together for one session with our guidance counselor, Mr. Sponsellor. He analyzed our scores individually and then offered feasible career options based on the various scores. I distinctly remember sitting there feeling totally uninterested, annoyed, and obnoxious. The farthest thing from my mind was what I wanted to be when I "grew up." All I could manage to concentrate on was whether or not my fingernail polish matched my shirt and how many points I needed to get an "A" on my last geometry test.

As I sat there fidgeting and fuming, I vaguely heard Sponsellor telling each of the other girls what she had the potential for becoming: a nurse, a secretary, a home-economics teacher, a stewardess. . . . humpf, what a male chauvinist pig! I was infuriated and apalled. Then it was my turn. I looked him squarely in the eye with a snarl on my face, and I thought to myself--you better not tell me that I would make a swell meter maid. But instead he pondered over my scores a moment,

scratched his head as if in deep thought, and said matter of factly, "Kim, I think you would make a good CPA."

I was thrown aback and puzzled for a second. I then wrinkled up my nose, cocked my head sideways, and snidely retorted, "A CPA? What's that!?" My immediate intellectual instincts had told me that being a CPA involved some sort of female-stereotyped, low-paying, disgusting occupation that required little brain, little muscle, and promised little prestige.

At age 15, I had never really heard of the accounting profession, let alone the ostentatious title of Certified Public Accountant. But that seemingly worthless session with my guidance counselor marked a crucial turning point in my life and greatly influenced my future educational direction. Soon afterwards I enthusiastically scoured the library for information on accounting as a career, and when I discovered that CPAs command salaries in the range of mega-bucks, my enthusiasm expanded at an alarming rate. Subsequently I enrolled in my first high school accounting class and then ultimately decided to declare accounting as my college major.

I find it hard to believe that only six years ago I had little idea of what a CPA was, and now I have written a massive thesis on the subject and sat for the CPA examination this November. I still shake my head and chuckle everytime I reminisce about what Sponsellor told me, and how I reacted the very first time I heard the foreign-sounding letters of CPA. Perhaps someday when children are asked the inevitable

question, "What do you want to be when you grow up?", their answers will include: "I want to be a fireman", "I want to be a schoolteacher", "I want to be a movie star", "I want to be a Certified Public Accountant!"

Kim Anderson

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INTRODUCTION

When a student makes the momentous decision to pursue a career in the field of accountancy, he or she is immediately saddled with the unavoidable ubiquity of possibly sitting for the CPA (Certified Public Accountant) examination sometime in the future. From that moment onward, the accounting student will be continually hounded, depressed, and annoyed by friends, relatives, and teachers who persistently inquire, "When are you going to take the exam?" The question is undeniably posed as if the CPA examination were the ultimate punishment to an academic curriculum already overwhelmed with masochistic study marathons and grueling intellectual agony. The typical accounting student shudders at the mere thought of attempting to pass the notorious CPA examination. The fear of failure is tremendous, and the horror stories of victims flunking the examination seven or eight times are rampant.

Initially, the most dominant fear in connection with the CPA examination is probably the fear of the unknown. Accounting students are often beguiled by the misconception that the CPA examination is so ridiculously hard that only financial wizzards could ever reasonably expect to pass. They convince themselves that they are incapable of successfully preparing for and passing the CPA examination before they even allow themselves the opportunity to discover what exactly the examination entails. The fallacious fears and ignorance surrounding the CPA examination need to be squelched, then redefined and placed in proper perspective. Accounting

students must be made to realize that passing the CPA examination is indeed a difficult goal necessitating diligent dedication, incredible self-discipline, and relentless, habitual studying. But they must also be made to realize that passing the CPA examination is a realistic goal, an attainable goal, a worthwhile goal, a necessary goal.

What is the CPA Examination?

According to the American Institute of Certified Public Accountants (AICPA) which prepares and grades the Uniform CPA Examination, the CPA examination is designed to "test the professional quality of the candidates' competence in the discipline of accounting."¹ This professional quality includes adequate technical knowledge, the ability to apply such knowledge skillfully and with good judgment, and an understanding of professional responsibility.

The AICPA further explains that CPA candidates may expect the examination to measure the extent of their knowledge of the following:

1. Accounting standards, concepts, postulates, and principles.
2. Generally accepted auditing standards, audit programs, and auditor's reports.
3. Business organization and operation, including a knowledge of the basic laws governing such organization and operation.
4. Use of accounting data for managerial purposes.
5. Federal income taxation.
6. Cost behavior, systems, and computer fundamentals.
7. Quantitative methods and techniques as they apply to financial and managerial accounting and auditing.

8. Accounting for governmental and not-for-profit organizations and related concepts, procedures, and reports.
9. Professional ethics.
10. Current professional literature and accounting issues receiving special attention at the time of the examination.²

With respect to the foregoing stipulations, the candidates must be able to demonstrate their abilities to exercise shrewd judgment, draw reasonable conclusions, and employ sound logic. In addition, the CPA examination offers the candidate the opportunity to reveal the extent to which he or she can:

1. Write precisely and consisely, and in good English.
2. Organize accounting data and present them in acceptable form.
3. Examine data in complex situations, and evaluate and classify such data.
4. Apply appropriate accounting standards, concepts, and auditing procedures to given situations.
5. Use with reasonable facility other disciplines related closely to the discipline of accounting, such as quantitative methods, statistics, finance, economics, marketing, and behavioral science.³

But what does all this verbiage signify? What are the specifics? The CPA examination contains four major parts: auditing, business law, accounting practice, and accounting theory. Sixty percent of each section consists of multiple choice questions (with four choices), while the remaining forty percent is divided between problems (typically just the accounting pratice section) and essays (auditing, business law, and accounting theory). A score of 75% or better is required to pass each section of the examination. The 2½-day, 19½-hour examination is adminisitered biannually

throughout major cities in the United States. It is usually offered during the first consecutive Wednesday, Thursday, and Friday of every May and November. The sequence of the examination and the time schedules are as follows:

Accounting Practice, Part I	Wednesday	1:30-6:00 p.m.
Auditing	Thursday	8:30-12:00 noon
Accounting Practice, Part II	Thursday	1:30-6:00 p.m.
Business Law	Friday	8:30-12:00 noon
Accounting Theory	Friday	1:30-5:00 p.m.

There is also a rather sizable fee charged for taking the CPA examination. In Indiana the application and filing fees are \$75 for new candidates sitting for all subjects. Reexamination of all subjects also costs \$75. However, the fee for those candidates sitting for only one or two subjects which they had previously failed is set at \$50.

History of the CPA Examination

The first CPA examination was administered by the New York Board of Examiners on December 15 and 16 of 1896.⁴ Since that date, all fifty states plus the District of Columbia, the Virgin Islands, Guam, and Puerto Rico have enacted public accounting laws and have authorized the use of the Uniform CPA Examination. The first CPA examination consisted of three major parts, dealing with the theory of accounts, practical accounting, and auditing.

The first section, involving information on the theory of accounts, was scheduled on December 15 from 9:15 a.m. until 12:15 p.m. Candidates were required to answer five obligatory questions and then allowed the opportunity to answer any five of the remaining questions. The first question tested the candidates' knowledge of double-entry bookkeeping as opposed

to single-entry. Other questions asked for a distinction to be made between various accounts (revenue account, trading account) and to define such nomenclature as fixed assets, cash assets, stock, capital, and loan capital.⁵

The second part of the first CPA examination, scheduled on December 15 from 1:15 p.m. to 4:15 p.m., consisted of six questions pertaining to practical accounting. The subject matter for the six questions was as follows:

1. Statement of Affairs
2. Partnership Accounting
3. Opening of the books of a company after purchase at a receiver's sale
4. Partnership Liquidation
5. Foreign Exchange
6. Joint Venture⁶

The 1896 CPA examination concluded on December 16 with a part on auditing, administered from 9:15 a.m. until 12:15 p.m. The auditing portion contained a total of twelve questions; five were required; any five of the remaining seven were also required. The subject matter dealt with the professional duties of an auditor, and the principle points to which he should direct his attention while auditing a corporation. Specific questions included auditing cash payments and auditing cash receipts.⁷

The guidelines for the first CPA examination stipulated that the candidate must score 75 points or better out of 100 on each of the three sections in order to receive a passing grade. Fifty-six certificates were issued by waiver following the examination. The actual certificates were not received by the candidates until two years later.⁸

The 1896 New York CPA examination established an unprecedented professional accounting testing procedure, and

soon other states began to follow suit. Initially, states prepared and graded their own CPA examinations. However, the AICPA (then the AIA--American Institute of Accountants) individually administered an examination intended as a screening device for evaluating prospective candidates for membership into the Institute. The very first of these examinations (1917) was adopted by eight states, which used it as their official CPA examination.⁹

The 1896 CPA examination represented the initial impetus which paved the way for the academic and professional prominence of accounting. By the turn of the century, thirteen universities and colleges offered accredited courses in accounting, and the first course in CPA problems and questions as such appeared in New York University's catalog during the period 1905-1910.¹⁰ From out of this historical background, the importance of the CPA credential gradually permeated the entire accounting profession, and today it signifies the supreme mark of professional excellence, competence, and prestige within the field of accounting.

Why take the CPA Examination?

After having digested the preceding factual and historical information, the apprehensions of the unwary accounting student have undoubtedly increased substantially. But it is imperative that one objectively weigh and analyze the benefits to be derived from the CPA credential. Unlike doctors and lawyers, accountants do not have to pass a required examination following graduation in order to allow them to practice their profession. Therefore, the accounting graduate must determine

in his or her own mind whether or not he or she desires to make the demanding commitment to prepare for the CPA examination. Although acquiring the CPA certificate may not be pertinent in the early stages of one's career, it certainly becomes essential later on. Indeed, the decision to take the CPA examination is a crucial one, and it should also be an educated one.

Unquestionably, passing the CPA examination is a necessary goal of any career-minded accountant desiring to enter the area of public accounting. The national Big Eight accounting firms* expect their recruits to pass the CPA examination within a reasonable period of time. Extensive review courses and study aids are provided in order to enhance the recruit's chances of passing. Often opportunities for advancement and promotional pay increases are stifled for the non-CPA engaged in public accounting, and as the pressure to pass the examination surmounts, the non-CPA will be forced to either sit for the examination and pass it; be satisfied with an early plateau in his or her career; or worse yet, lose his or her job.

Passing the CPA examination is also important in private, governmental, and educational accounting. The orthodox procedure of hiring private accountants involves the recruitment of CPAs who have served two to three years in public accounting. In governmental accounting, Federal Securities legislation permits only CPAs to certify security issues and to audit the public records of banks, school districts, and other

*Arthur Andersen & Co., Arthur Young & Co., Coopers & Lybrand, Deloitte Haskins & Sells, Ernst & Whinney, Peat, Marwick, Mitchell & Co., Price Waterhouse, Touche Ross & Co.

agencies, and the Treasury Department requires a CPA for representation of any taxpayer.¹¹ In educational accounting, the non-CPA will encounter limited opportunities. Most accredited colleges and universities prefer to hire accounting professors who have attained the CPA certificate.

In order to harbor realistic hopes of pursuing a lucrative career in accounting, passing the CPA examination is a necessary stepping stone. The advantages of passing the examination are numerous; the only disadvantage is the unwillingness to put forth the time and effort necessary to adequately prepare oneself to sit for the examination. One of the major advantages of passing the CPA examination is the professional status which the certification yields. The designation "Certified Public Accountant" signifies the apex of the accounting profession. The CPA is the "professional accountant" and is regarded by businessmen and women, other professionals, and the public in general as a person possessing a high level of education, personal integrity, experience, and technical competence in accounting. Because it is a prerequisite for success in the public accounting profession, and a valuable credential in other accounting and business positions, becoming a CPA is a necessary goal of every successful accountant:

CPAs are the only identified profession in the field of accounting in its broadest sense--the measurement and communication of financial and other quantitative data related to business and economic activity generally. As physicians are the dominant profession in the field of the healing arts, and lawyers are the dominant profession in the field of civil and contractual rights, CPAs can lay claim to being the dominant profession in the field of business and finance, in the broadest sense of these terms.¹²

It cannot be stressed enough the importance of the CPA credential in the field of accounting. Although there are other accounting credentials, the CMA (Certificate in Management Accounting) and CIA (Certified Internal Auditor), these designations are not nearly as prestigious, noteworthy, or critical as is the CPA certification. Attaining the status of Certified Public Accountant opens up a much wider variety of occupational opportunities and independence. Also, the CPA status provides the accountant with participation in a recognized professional group, an improved professional training program arising out of the certification process, recognition among peers for achieving the professional designation, and the personal satisfaction of acquiring a recognized degree of competency. So when the accountant is faced with the gnawing question, "Should I attempt to prepare myself for the CPA examination?" The answer is an indisputable--definitely!

PREPARATION OF THE CPA EXAMINATION

Unfortunately, many accounting students harbor erroneous attitudes towards how the CPA examination is actually prepared. As the CPA candidate wearily shakes his or her head in frustrated desperation after another long day of slaving over the books, he or she at one time will undoubtedly envision these "persons" who prepare the CPA examination. The fabrications may run the gamut from a horde of cackling, wicked CPAs who delight in creating unsolvable problems to a cohort of retired college professors known for their unscrupulous testing procedures. The visions are always grim, always distorted,

always discouraging. Thank heavens the true preparation of the CPA examination entails neither evil incantations nor sadistic creatures.

The CPA examination is prepared by the AICPA. As the examination is prepared, the ultimate purpose of the CPA credential must be carefully evaluated. The examination questions must be structured as such to fairly and adequately measure a sufficient degree of technical competence in accounting. The level and scope of difficulty should not be so simple that the required degree of technical competence is merely adequate enough for the completion of the very simplest engagements encountered by the practitioner, nor so complex that only those individuals possessing the technical competence required in the most complicated engagement imaginable could successfully pass.

There are several important factors which must be considered when preparing the CPA examination. First, the questions used must elicit answers which can be graded uniformly. This is easily accomplished with multiple choice questions, but presents an arduous task with problems and essays. Second, the overall examination should test a wide variety of material. It should be comprehensive, covering a broad range of information. And thirdly, the examination should be balanced. No one particular topic should receive undue weight on the examination.¹³

The presentation of the CPA examination is supervised by the Board of Examiners of the American Institute of CPAs. The Board faces the important responsibility of seeing that

the content of the CPA examination is well-balanced, relevant, technically accurate, and fair. The Board is comprised of nine AICPA members who are representatives of both small and large accounting firms and the academic world. The members are from different parts of the country, and many have served on state boards of accountancy.

Five permanent subcommittees plus other subcommittees and task forces report directly to the Board. The permanent subcommittees are: Accounting Practice, Accounting Theory, Auditing, Business Law, and Grading. The subcommittees are responsible for reviewing examination questions and answers for clarity, overall coverage, fairness, and technical accuracy.

About eighteen months prior to the scheduled examination date, specifications of topics for each examination section are prepared by the staff of the examinations division and are considered by the Board. The Board may decide to eliminate certain topics and replace them with more pertinent ones. The Board is meticulous in its goal to formulate a fair, unambiguous, meaningful examination.

Once the Board approves the specifications, a first draft of questions and answers is prepared by the staff and sent to the respective subcommittees. The subcommittees review the draft, making sometimes major revisions and correcting errors. A second draft and a third draft of the examination are also prepared and sent to the subcommittees for further discussion, suggestions, and revisions. The third draft is virtually in its final form and is also sent to the Board. With each subsequent draft, the examination eventually reaches the

desired state of a high-quality, fair testing device capable of accurately measuring a candidate's degree of technical competency in accounting.¹⁴

Much of the actual examination questions and answers are developed by the staff of the examinations division with the aid of specialized consultants. These consultants are generally educators who possess a degree of expertise in certain areas of accounting and business law. In addition, accounting professors and practitioners will often voluntarily submit questions and answers which may be utilized in the final draft of the examination as given or may be incorporated into other similar questions and answers. The names of contributors whose questions and answers are actually used in the examination are listed in the Journal of Accountancy shortly after the examination date. In addition, contributions not suitable for the upcoming examination are kept on file in a stockpile maintained at the AICPA offices. The stockpile is a ready source of ideas for the formulation of future examination questions and answers.¹⁵

During all phases of the preparation of the CPA examination, tight security measures are adhered to. It is critical that all drafts and notes be locked up, and that the channels of communication be safeguarded against unauthorized personnel. Once the test booklets have been printed in their final form, they are sealed, inspected, and delivered to the state boards of accountancy. It then becomes the responsibility of the respective states to instill necessary security measures.¹⁶

FOUR MAJOR PARTS

The CPA examination consists of four broad sections: auditing, business law, accounting practice, and accounting theory. A few states also examine candidates in additional subjects such as economics, finance, taxation, and professional ethics.¹⁷ In Indiana, candidates who are successful in passing the CPA examination, will also be required to pass an examination over the Code of Professional Ethics before they will qualify for the issuance of a CPA certificate.¹⁸

Auditing

The auditing portion of the CPA examination tests the candidates' knowledge of generally accepted auditing standards and procedures as they relate to the CPA's function in the analysis of financial statements. While studying for this segment of the examination, it is essential for the candidate to obtain a recent copy of the codification of the Statements on Auditing Standards. The auditing section covers the following broad areas:

Professional Ethics
Audit Evidence, Programs, Procedures
Internal Control
Audit Reports
Statistical Sampling
Electronic Data Processing

Business Law

The business law segment of the CPA examination tests the candidates' knowledge of:

1. Ability to recognize legal problems.
2. Knowledge of legal principles with respect to the topics indicated below.

3. Ability to apply the legal principles to the problem situation in order to derive the textbook solution.¹⁹

The topics covered in the business law section are restricted to the following:

- Contracts
- Sales
- Negotiable Instruments
- Secured Transactions
- Bankruptcy
- Suretyship
- Agency
- Partnerships
- Corporations
- Antitrust
- Federal Securities Law
- Accountant's Legal Liability
- Employer-Employee Relationships
- Property
- Insurance
- Trusts and Estates

Accounting Theory

The purpose of the accounting theory section is to test for conceptual knowledge of accounting. This conceptual knowledge includes various assumptions, axioms, standards, postulates, conventions, principles, rules, objectives, etc., which are collectively referred to as generally accepted accounting principles. Candidates should be familiar with pronouncements of the Accounting Principles Board (APB) and of the Financial Accounting Standards Board (FASB).

Accounting Practice

The accounting practice section of the CPA examination, which consists of two parts, tests the candidates' knowledge in the application of conceptual accounting. This section is generally computational with a problem-oriented emphasis. The problem-solving questions may require journal entries,

worksheets, financial statements, and supporting financial schedules. This portion of the examination also covers current authoritative pronouncements in which the candidate must be familiar with generally accepted accounting principles.

Accounting Theory and Accounting Practice Topics

Allocation of income taxes
 Analysis of financial statements
 Budgeting, forecasting, and capital budgeting
 Business combinations--mergers and acquisitions
 Consolidated statements
 Corrections of accounts and financial statements
 Cost accounting--job order, process, standard, distribution, direct, etc.
 Federal income taxes
 Computation of estimated expenses and liability
 Difference between accounting principles and income tax rules
 Financial statements (including footnotes) for the going concern
 Statement of Financial Position (Balance Sheet)
 Earnings (Income) Statement
 Statement of Retained Earnings
 Statement of Changes in Financial Position
 Fund accounting--municipal and other not-for-profit organizations
 Insurance
 Intangibles--valuation and amortization
 Inventories
 Investments
 Leases
 Liabilities
 Long-term contracts
 Multinational operations
 Owner's Equity
 Individuals
 Partnerships
 Corporations
 Pension Costs
 Price-level adjustments
 Property, plant, and equipment--acquisitions, valuation, depreciation, depletion, and disposal
 Quantitative methods and techniques, mathematics, statistics, and probability (applied to appropriate situations)
 Valuations--replacement costs, realizable values, market values

GRADING THE CPA EXAMINATION

The procedures and methods employed in grading the CPA examination are both painstaking and exhaustive. The graders

for the CPA examination put forth a tremendous amount of time, effort, and concern. The Advisory Grading Service, a service provided by the AICPA, attempts to objectively grade the CPA examination on a uniform and fair basis. This is accomplished through the utilization of the defined grading bases (approved by the Board of Examiners) to the candidates' papers with as many as three reviews of the papers and through the use of statistical controls over the grading.

Through the defined grading bases, the content of the candidates' examination papers will be measured uniformly regardless of their jurisdiction. Initial development of the grading bases is completed by grading supervisors and experienced graders. The task requires approximately two weeks and begins on the Saturday following the examination date. The first step in this development is to analyze the drafts of the unofficial answers for the purpose of preparing lists of grading concepts which can be clearly defined and identified. The next step is to examine a large number of the candidates' papers in order to get a sampling of the responses to the questions. Next the revised grading bases are applied to a sample of candidates' papers. The grading bases are then revised a second time, taking into account the statistical analyses derived and then are applied to another sample of candidates' papers.

The sample papers used are not considered officially graded during the defined grading bases process. The sample papers are returned to the general population of examinations and are in no way identified as sample examinations.

Once the grading bases have been formulated, the four-stage grading process commences. It should be emphasized that throughout the grading process, the anonymity of the individual candidates is preserved. They are identified solely by a candidate number. The first grading is performed by "production graders" (college professors, attorneys, practicing CPAs, etc.) who are assigned to grade a single essay question or practice problem. A grader specializes in one particular question and repeatedly grades it for six to seven weeks. This process helps to insure a necessary degree of uniformity in the grading. The objective of the first grading is to categorize the examinations as to pass, fail, or marginal.

The second stage of grading is conducted by reviewers who recheck the results derived by the production graders. They extensively review the marginal scores falling in the range of 70 to 74, which are very near the passing score of 75. The candidate is usually given the benefit of the doubt, and scores of 72, 73, and 74 are graded up to a 75. However, answers which include sophisticated grading concepts (those included by most candidates passing the examination) are generally graded up, whereas papers with only rudimentary grading concepts (those included by candidates both passing and failing the examination) are generally graded down to a score of 69.

After the second grading, the resultant scores on each part are listed by candidate number and are reviewed for inconsistencies. For instance, from the sequence of scores of 92, 88, 85, 69; the 69 score would be reviewed and additional points may be granted. In the fourth grading, the Director of

Examinations performs further review of any inconsistencies. Realizing that the papers have already been subjected to three scrutinizing reviews, the Director will generally no attempt to find additional points. But instead, the paper is reviewed with this question in mind, "Considering the overall presentation in this paper, does this candidate have the technical competence to function effectively as a CPA?" If the answer is "Yes," the candidate is passed; however, very few candidates are passed by this method.²⁰

It is very important that the candidate attempt to satisfy the grader while formulating and preparing his or her final answers on the CPA examination. Discretionary points may be awarded for neatness of writing clarity which could mean the difference between a failing score of 69 and a passing score of 75. Neatness is not important when preparing computations for the multiple choice questions. The multiple choice questions are machine graded, and the computations involved in solving them are not considered in the grading. To compensate for this disregard of the multiple choice computations, this section of each part of the examination is curved depending on the difficulty of the questions.

Once the entire grading process is completed, the examination papers are packaged and distributed to the state boards of accountancy. When the state accountancy boards receive the grades and papers from the AICPA, they review them for clerical accuracy before they release the grades to the CPA candidates. The grades are then released to all candidates simultaneously. Most states inform the candidates of their

examination results by letter. Some also call successful candidates by telephone on the grade release date.

CONDITIONAL STATUS

When a candidate successfully passes one or two subjects out of the required four on the CPA examination, but fails the other three or two subjects, he or she may qualify for conditional status, depending on the laws of the specific jurisdiction. Many state boards of accountancy will grant the conditional status to candidates who have passed only one part; other boards require two parts (or accounting practice alone) to be passed. In addition, many boards require a minimum score (usually 50%) on the subjects failed in order to qualify for the conditional status on the subjects passed.

A conditioned candidate is generally allowed a limited number of consecutive examinations in which to satisfactorily pass the remaining parts. Most boards give the candidate between two to six opportunities to pass the failed subjects. If the conditioned candidate either elects not to sit for the examination again or continually fails, the conditional status expires, and all four parts must be passed once the conditional status no longer applies to a particular candidate.

In Indiana, the conditional status is granted to those candidates who successfully pass two or three parts with a minimum score of 45% on the failed subjects. The candidate is then allowed the next six consecutive examination dates succeeding the examination in which he or she qualified as a conditioned candidate to pass the failed subjects. Also, the conditioned candidate must sit for all parts failed.

CONDITIONING REQUIREMENTS

State	Requirement as to Number of Parts that Must be Passed Initially	Minimum Grade on Parts Failed	Remaining Parts Passed by (# of examinations)
Alabama	2(a)	Must skip one exam- ination if under 50% ave. and no grade over 60%	Next 4
Alaska	2(a)		Next 10
Arizona	2(a)		Next 6
Arkansas	2(a)		Next 5
California	2(a)		Next 6
Colorado	2(a)		Next 5
Connecticut	2(a)		Next 6
Delaware	2(a)	50%	Next 5
District of Col.	2(a)	50%(none if 3 are passed)	Next 5
Florida	2	35%(none if 3 are passed)	Next 4
Georgia	2		Next 5
Guam	2	50%	Next 6
Hawaii	2(a)	50%(none if 3 are passed)	Next 6
Idaho	2(a)	50% ave.(none if 3 are passed)	Next 6
Illinois	2(a)	50%	Next 6
Indiana	2	45%	Next 6
Iowa	2(a)	50%(none if 3 are passed)	Next 5
Kansas	2	50%	Next 6
Kentucky	2(a)	50% ave.(none if 3 are passed)	Next 5
Louisiana	2	45%	Next 4
Maine	2(a)		Next 6

State	Requirement as to Number of Parts that Must be Passed Initially	Minimum Grade on Parts Failed	Remaining Parts Passed by (# of examinations)
Maryland	2(a)	50%(none if 3 are passed)	Next 5
Massachusetts	2(a)	50% average	Next 6
Michigan	1	25%	Next 5
Minnesota	2	50%	Next 5
Mississippi	2(a)	45% average	Next 10
Missouri	Regulations to be promulgated		
Montana	2(a)		Next 5
Nebraska	2(a)		Next 9
Nevada	2(a)		Next 6
New Hampshire	2(a)		Next 10
New Jersey	2(a)		Next 6
New Mexico	2		Next 3 years or Next 6 Examinations
New York	2(a)		None
North Carolina	2(a)		Next 5
North Dakota	2(a)		Next 5
Ohio	1		Next 16
Oklahoma	2(a)		Next 6
Oregon	2(a)	50%	Next 6
Pennsylvania	1		None
Puerto Rico	2		None
Rhode Island	2(a)		None
South Carolina	2(a)	40% ave.(none if 3 are passed)	Next 3
South Dakota	2(a)		Next 4 years
Tennessee	2(a)		Next 6
Texas	2	50% to retake at next examination	None

State	Requirement as to Number of Parts that Must be Passed Initially	Minimum Grade on Parts Failed	Remaining Parts Passed by (# of examinations)
Utah	2(a)	50%	Next 6
Vermont	2(a)	50% ave. in all required subjects	Next 6
Virginia	2(a)	50% unless 3 parts are passed at one sitting	Next 5
Virgin Islands	2		None
Washington	2(a)		Next 6
West Virginia	1		Next 6
Wisconsin	2	50%, no minimum if 3 parts passed initially	Next 4
Wyoming	2(a)		Next 6

NOTE: 2(a)--2 parts or accounting practice alone

In addition to the preceding information pertaining to the various conditioning requirements established by the state boards of accountancy, there are also many different special conditions. It is important for the candidate to familiarize himself or herself with the laws governing the state in which he or she plans to sit for the CPA examination. It is rather foolish to allow the conditioning status to expire, especially if it is due to the candidate's ignorance of his or her state's conditioning requirements.²¹

PASS RATES

One of the most discouraging aspects of the CPA examination is the rather low national pass rate. The CPA examination pass

rate is proportionately much lower than those for both the bar and medical examinations which usually fall within the range of 80-90%. The CPA pass rate is approximately 30% on each of the four parts, but it plummets to a depressing low of 10% for those candidates passing all four parts on their first sitting.²²

Although these statistics are accurate, they are also dangerously misleading. The CPA candidate will often focus on the dismal statistic of 10% without exploring the factors contributing to it.

It should be understood that the 10% pass rate refers to those candidates passing all four parts on their first sitting. Those attaining the conditioning status are not included in the 10% pass rate. The combined pass rate and condition rate is higher than only the pass rate, usually more than twice as high.²³ In addition, the requirements for conditional status vary from state to state which impedes the comparability of condition rates from state to state.

Feasible explanations do exist for the initial low pass rate. First, the CPA examination is indeed difficult, demanding massive intellectual effort, and many unfortunate candidates enter the examination room hopelessly unprepared. Secondly, the eligibility requirements (which will be discussed next) are not nearly as stringent as those for the bar and medical examinations. Undergraduate study is the general minimum educational requirement, and undergraduate students are typically less career-minded and mature than graduate students, thus they often lack the seriousness necessary to adequately prepare for the examination. Thirdly, the pass rates are low

due to the generally low-caliber accounting curricula found in many colleges and universities. Accounting departments are typically given low budgetary priority and are often understaffed.²⁴

Although the national pass rate for the CPA examination is quite low for passing all four parts on the first attempt, the cumulative pass rate on the examination is about 70-75%, i.e. the percentage of first-time candidates who eventually pass the examination.²⁵ Serious candidates will almost always eventually pass. As a matter of fact, according to the statistics, about 80-90% of all "serious" candidates do eventually pass. A serious candidate is described as one who either passes all four parts on the first attempt or qualifies for conditioning status and sits for the required subsequent examinations.²⁶

ELIGIBILITY REQUIREMENTS

All 50 states in addition to the territories of the District of Columbia, the Virgin Islands, Guam, and Puerto Rico have adopted the Uniform CPA Examination which is indicative of the importance of maintaining uniformly high standards. The public's need for assurance of the competence of persons engaged in the practice of public accounting as Certified Public Accountants requires that the CPA certificate be granted only to those who are properly qualified. The Uniform CPA Examination has significantly strengthened the standing of the CPA certificate and has facilitated reciprocity among the states.

In other respects, however, there is little uniformity. In the United States it has always been a function of the state government to license professions and other occupations affecting the public health and welfare. Much diversity exists among the states' educational and experience requirements, ethical standards, provisions governing interstate practice, regulatory concepts, and other provisions of state CPA laws. This lack of uniformity has caused some concern and controversy:

If the professional practice of accounting were mainly of a local character, as in the case of medicine and law, the variations in admission requirements and ethical standards would not be a matter of great concern. Only the citizens of the state would suffer from bad legislation. But more and more the practice of accounting is assuming interstate, national, and international scope. Diversity in state laws causes the profession real trouble and slows its progress significantly.²⁷

Indiana Laws

The general eligibility requirements for the CPA examination consist of age, moral character, residency, education, and experience qualifications. In Indiana, the first CPA law was enacted in 1921, and 1969 marked the date of the first law restricting non-CPA titles.²⁸ The Indiana CPA candidate must: be at least 18 years of age, have good moral character, have lived in Indiana for 60 days immediately prior to the time of submitting an application or maintained legal residence in Indiana for the preceding 6 months, meet the Indiana education and experience requirements, and pass all four parts of the CPA examination and a special examination in professional ethics before he or she will be eligible to receive their certificate.

In Indiana, the CPA education requirement calls for a

baccalaureate degree with either 40 or more semester hours, or its equivalent, in accounting, business administration, and economics (at least 20 shall be in accounting and/or business law) from a recognized college or university; or 30 semester hours at the graduate level in accounting, business administration, and economics (at least 16 semester hours must be in accounting and/or business law). A candidate who expects to meet the education requirements within 60 days following the written examination may be eligible to sit for the examination. However, the certificate will not be issued until the education requirements have been met.²⁹

The CPA candidate who meets the general, education, and examination requirements in Indiana will be issued a CPA certificate upon presenting evidence that such applicant has attained either three years of experience in public accounting or three to six years of experience in industry, government, or college teaching which, in the opinion of the State Board, is equivalent to three years of public accounting experience. A recognized Master's degree in accounting or business administration may be substituted for one year of public accounting experience.³⁰

In Indiana, a reciprocal certificate may be issued to a CPA of another state who is a resident of, or maintains an office and practices public accounting in Indiana. An applicant must have three years experience and meet the educational requirements. The reciprocal certificate is based upon the original state providing for reciprocity to Indiana CPAs, and provided that such original certificate was issued as a result of an AICPA examination which was graded by Institute graders.³¹

All States

State	Age	Citizenship	Education	Experience	
				Public	Other
Alabama	19	Yes	D G	2 1 and	-- 2
Alaska	19	No	2 4 4	4 3 2	4 3 2
Arizona	18	No	D G	2 1	2 1
Arkansas	21	No	D G	2 1	2 1
California	18	No	2* D**	4 2 or 2½	4 3, 3½, 4
Colorado	--	No	D G	1 0	1 0
Connecticut	18	No	D	2	2
Delaware	18	No	2 D G	4 2 1	4 2 1
Dis. of Col.	18	No	D**	2	2
Florida	18	No	D G	1 0	1 0
Georgia	18	No	D**	2	5
Guam	21	Yes	D G	2 1	2 1
Hawaii	18	No	G	0	0
Idaho	18	No	D	1	2
Illinois	21	Yes	4	1	1
Indiana	18	No	D G	3 2	3 to 6 3 to 6
Iowa	--	No	0 D G	3 2 1	No
Kansas	21	No	D G	2 0	No 0

State	Age	Citizenship	Education	Experience	
				Public	Other
Kentucky	18	No	D	2 or 3	4 to 5
			G	1	4
Louisiana	21	No	D	1	1 to 4
Maine	20	Yes	D	2	2
			G	1	1
Maryland	18	No	D	0	0
Massachusetts	18	No	D	3	6 to 9
			G	2	4 to 6
Michigan	18	No	D	2	2
Minnesota	18	No	O	6	6
			2	5	5
			D	2 or 3	2 or 3
			G	1	1
Mississippi	21	Yes	D	1 or 2	2 or 3
			G	1 or 2	1 or 2
Missouri	21	No	D	2	4
Montana	--	Yes	D	1 and	1
			D	1	1
Nebraska	21	No	D	2	3 or 3½
Nevada	21	No	D	2	No
			G	1	No
New Hampshire	18	No	4	2	2
			G	1	1
New Jersey	18	No	D	2 or 4	4
New Mexico	18	No	4	1	Yes
New York	21	No	O	15	No
			D	2	2
			G	1	1
North Carolina	18	Yes	2	2	2
			G	1	1
North Dakota	18	Yes	O	4	4
			D	0	0
Ohio	18	No	D	2	2
			G	1	1
Oklahoma	21	No	O	3	3
			D	0	0

State	Age	Citizenship	Education	Experience	
				Public	Other
Oregon	18	No	O	2	3 to 5
			D	2	3 to 5
			G	1	3
Puerto Rico	21	Yes	O	6	12
			D	0 to 4	8
Pennsylvania	18	No	D	2	Yes
			G	1	
Rhode Island	21	No	D	2	4 to 6
			G	1	2 to 3
South Carolina	18	No	D**	2 or 3	No
South Dakota	18	Yes	D	1	No
Tennessee	18	Yes	D**	2	2
			G	1	1
Texas	18	No	2	6	6
			D	2	2
			G	1	1
Utah	21	Yes	D	2	No
			G	1	
Vermont	18	No	1****	2	Yes
Virgin Isl.	21	Yes	O	6	No
			D	2 to 3	2 to 3
Virginia	18	No	4	2	4
			D	2	4
			G	1	3
Washington	18	No	D**	1 or 2	2 or 3
West Virginia	18	Yes	D	0	0
Wisconsin	18	No	D	1½ to 3	Yes
Wyoming	19	No	D**	3	No

D--Baccalaureate Degree, G--Graduate Study

* A two-year course of study at an approved college and four years of study in accounting.

** A special examination may be taken in lieu of the ed. require.

*** No residency required for a reciprocal certificate.

**** Must have high school diploma and 30 hrs. of accounting and related subjects, including 3 hrs. in auditing, 12 hrs. in acct.³²

PREPARING FOR THE CPA EXAMINATION

Introduction

Unquestionably, the most important factor pertaining to the CPA examination is the candidate's preparation to sit for the examination. The serious candidate will devise a definite plan of review and will spend literally hundreds of hours engaged in intense study sessions. Simply stated, studying is the key to success on the CPA examination.

Unfortunately, however, it generally requires years of diligent practice in order to develop good study habits. The academically less impressive accounting students are typically unable to adequately handle the necessary studying involved in the preparation for the CPA examination. In the past, these students failed to discipline themselves sufficiently in the art of quality studying, and they simply do not know how to study efficiently and effectively. Typically, they are unable to concentrate for any length of time; they often lack the patience and ability to comprehend complex statements; they encounter difficulty in applying logic; they have not developed necessary memorization techniques; they prioritize their social life over their academia, etc. This inability to study represents the single overriding handicap which will often cause the CPA examination to create not only a formidable, but also an insurmountable obstacle in the careers of many accountants.

On the other hand, accounting students with more impressive academic records are generally better equipped to cope with the massive study effort necessary to fair well on the

CPA examination. These students have spent years cultivating worthwhile, successful study habits, and they are usually more aware of their intellectual capabilities and limitations than are other students. They possess a realistic perspective of exactly how much studying they must complete and the self-discipline to bear down and do it. As a matter of fact, according to a research project published in The Accounting Review, the CPA candidate is well advised to "perform at a maximum level during the period of formal academic study, because college grades are the single best predictor of success on the CPA examination."³³

Therefore, due to the preceding observations, it is imperative for CPA candidates to objectively assess the attributes of their personal study habits. If the candidate arrives at the disheartening conclusion that his or her study habits are indeed lacking, then it will behoove him or her to seek additional assistance in the preparation process. He or she may need to retrace past educational training in accounting and engage in remedial review. Reliance on mediocre study habits, luck, or innate intelligence are foolhardy and whimsical hopes when preparing for the CPA examination.

If, however, the candidate sincerely deems that his or her study habits are exceptionally good, then he or she may feel justified to safely disregard spending substantial amounts of time learning how to study. The academically-inclined student of course must study for the CPA examination, but he or she will do so with self-confidence and self-directed guidance. Precious

time will not be lost by utilizing poor study habits or in an attempt to establish beneficial ones. In summary, the CPA candidate should gain a realistic idea of his or her study habits and potentials, based primarily on past academic performance, and then determine the degree to which these abilities should be strengthened and dealt with in relation to the following information on preparing for the CPA examination.

Academic Preparation

Preparation for the CPA examination begins initially with several years of academic education centered around accounting. Although in the early stages the accounting student is not specifically preparing for the CPA examination per se, he or she is certainly acquiring the necessary skills which will later aid in successfully passing the CPA examination. The formation and development of these skills may commence as early as high school. Ironically, the most beneficial courses to pursue in high school for a potential career as a CPA are generally not the ones which are business oriented. The college-bound student is encouraged to enroll in courses dealing with languages, science, and mathematics in order to build a solid educational foundation for all future endeavors. English rates as one of the most important subject matters to master. The ability to write succinctly and to express oneself effectively poses as a major advantage in all areas of life, especially in the business world, and specifically in successfully passing the CPA examination.

College is the next step toward successfully preparing

for the CPA examination. Higher education for accounting can be accomplished in a myriad of academic settings: four-year liberal arts colleges, undergraduate schools of business, two-year junior colleges followed by two years in senior college, and undergraduate business or non-business study followed by graduate business school. A model educational program drafted by the AICPA suggests that approximately half of a student's undergraduate study be devoted to general education subjects. Such non-accounting subjects as communications, behavioral sciences, economics, and computer science are considered instrumental in developing necessary skills. The specific accounting courses recommended by the AICPA are financial accounting: financial reporting theory, applied financial accounting problems, and contemporary financial accounting issues; cost accounting: cost determination and analysis, cost control, and cost-based decision making; tax: tax theory and considerations, and tax problems; auditing: audit theory and philosophy, audit problems, and computers and information systems in business.³⁴

It is important for the accounting major to choose his or her college wisely, taking into consideration the reputation of the particular college's business school, the quality of the accounting curriculum, and the caliber of the accounting staff. A college or university which offers a CPA problems review course will generally command a definite advantage.

Throughout the academic preparation, the accounting student is advised to put forth his or her optimal intellectual effort. A serious academic effort early in one's academic

preparation will help pronouncely in successfully preparing for the CPA examination. Although many students will hotly dispute the value of a grade point average (undoubtedly those with embarrassingly low grade point averages themselves), a grade point average is indicative of one's academic abilities, and it cannot be denied that the CPA examination is clearly an academic endeavor. High grade point averages and success on the CPA examination are highly correlated.

When to take the CPA Examination

A small controversy exists as to when the accountant is best suited to sit for the CPA examination: during or immediately after his or her final year of college or after a few years of actual experience. Some theorists contend that the candidate with a college education but with no practical experience is unduly burdened by the inability to present his or her knowledge of accounting theory in a comprehensive manner. He or she may encounter major difficulties in discussing and understanding the application of theory to a practical situation with multidimensional implications, and thus would benefit tremendously from a few years of actual experience before sitting for the examination.³⁵

According to a five-year analysis of the background of several CPA candidates conducted by Robert L. Kane Jr., a former Educational Director of the AICPA, a higher percentage of college graduates who have had two or three years of experience pass auditing, practice, and theory on the first or second attempt than do college graduates with no experience.³⁶

Experience in general public accounting brings the candidate face to face with actual situations, not assumptions. It affords an opportunity to see theory in action, which should promote a broader understanding of such theories; it forces the candidate to prepare understandable schedules, working papers, and supporting computations, and it should add maturity to his or her judgment.

The opponents insist that the CPA candidate should not delay taking the examination. They conclude that it only seems reasonable that a candidate is best equipped, in terms of attitude and temperament, to attempt the CPA examination at the time he or she completes his or her academic training.³⁷ The candidate is at the peak of academic proficiency during his or her final year of college. Accounting theory and problem-solving is still fresh in the mind, and the accounting student is better able to take tests than is the accounting practitioner. It is often believed that actual work experience, working with actual documents and the accessibility of supplemental information, will dull the individual's ability to read and analyze pointed questions and problems.³⁸

It appears that the reasonable solution to the controversy entails an incorporation of the two points of view into a feasible compromise. Success in auditing will usually be enhanced by actual experience, but experience does not seem to aid considerably in the other three sections of the examination. Thus the CPA candidate is urged to sit for the examination just as he or she completes his or her college education. If he or she fails to pass all four parts on this

first attempt, then any actual experience gained prior to the second attempt will certainly be beneficial. The ideal solution would be for the accounting student to gain actual work experience during his or her college studies through participation in an internship program and then sit for the examination as soon as he or she becomes eligible.

However, regardless of which side of the controversy the accountant favors, he or she should not sit for the CPA examination until the following has been satisfactorily accomplished:

1. Obtained an adequate education
2. Obtained an adequate accounting education
3. Undergone a period of intensive review and study
4. Developed a proper attitude toward the examination

Little, if anything, is to be gained from the rather distasteful experience of completely and hopelessly failing an examination. Such an experience may tend to build up a defeatist attitude which will often work to the candidate's disadvantage at a future sitting. If the candidate sits for the examination totally ill-prepared just for the "experience", it will certainly be an unpleasant one. DO NOT TAKE THE CPA EXAMINATION UNTIL EXTENSIVE AND THOROUGH PREPARATION HAS BEEN COMPLETED.

Mental Attitude

It is strongly recommended that the CPA candidate consciously develop a proper mental attitude toward the CPA examination throughout the preparation process. A candidate's chances of success are increased substantially if he or she

genuinely believes in his or her capabilities and has confidence in his or her educational background, study and review plan of attack, and abilities to master the examination. The candidate who can honestly assert, "I can and will prepare myself to pass the CPA examination," will certainly find the horrendous task of studying for the examination a much more positive experience. The candidate must foster a realistic attitude toward the examination and approach it with the intention of passing it.

This is not to imply that the candidate should be smugly over-confident or obnoxiously cocky about his or her chances of success on the examination. A certain degree of apprehension and negative concern is beneficial; it acts as a motivator which reminds the candidate to stay alert and to continue studying. However, incessant complaining about the despairing difficulty of the examination is not only a waste of time, but is usually annoying to those who have to listen to it. Bad days in which little studying is accomplished are inevitable, but the candidate must learn to be resilient and try harder the next day. The candidate should be an eternal optimist, hope for the best, and study at an maximum effort. Passing the CPA examination is an attainable goal!

Physical Preparation

Closely related to mental attitude is the candidate's physical condition. It is important to be physically prepared not only for the actual 2½-day, 19½-hour examination, but also for the many weeks of rigorous studying. One cannot afford to lose valuable study time due to prolonged sickness, and it

would certainly be catastrophic if illness struck during examination time.

It is advisable to adhere to a sensible diet and exercise routine during the preparation process in order to ward off any illness. In addition, adequate sleep is essential. Late night study sessions are counter-productive if they deprive one of needed sleep. Exercise can also be used as a cathartic release for pent up frustrations and tensions. Rather than resorting to such childish acts as swearing with livid rage at a balance sheet, destroying perfectly good pencils, or violently pounding the tabletop, try running, lifting weights, bicycling, or just taking a walk. They are much more productive means of venting frustrated hostilities.

It is also recommended to take at least a one-day-a-week vacation from studying. The body needs a chance to relax, so engage in favorite recreations and forget about debits and credits for awhile. In other words, be fun. Also, do not try to study for the examination right up to the last minute. Heavy cramming a few days before the examination reaps small benefits. In the last two to three days prior to the examination, put away the books and rest up for the actual examination. Remember, a healthy, well-tuned body will help promote a sharp, uncluttered, alert mind.

Review Methods

Several different types of review methods are available to the CPA candidate. The most fundamental type of review involves a program based solely on self-taught instruction and individual study. Typically, in order to be successful with this sort of

self-study format, the candidate must display exceptional self-discipline, be well-organized, and possess a certain degree of academic brilliance. The candidate studying on his or her own should purchase a good set of CPA review manuals, have access to accounting textbooks, consult with accountants who have recently taken the examination, and seek guidance from university professors.

The candidate who decides to study independently may wish to supplement his or her study aids with a correspondence course and/or tape cassettes. Advertisements for these services and products are frequently published in accounting journals. These programs are rather expensive, ranging from \$300 up to \$700. The claims asserted by the manufacturers of home-study programs are often dubious, and the serious CPA candidate should regard them with caution. According to Protape Inc. of New York, their study program is the "best CPA cassette study program" around. It is "intensive, up to date" and "involves you in an active learning process" with "personal control of instruction" and "adaptable programs," and the candidate may "study whenever and wherever" he or she so desires because "the first is still the best" and "quality pays!" And do not forget, there is a money-back guarantee within five days of receipt.³⁹

The Totaltape company goes one step beyond by boasting a 60% passing ratio, and: "It allows you to control how, when, and where you study. Study at home and save gas, time, and money."⁴⁰ However, the total cost of Totaltape is a rather exorbitant \$500. Many candidates may adamantly extol the

college or university during his or her senior year. The academic setting facilitates learning, and the interaction with professors and other CPA candidates within a classroom atmosphere is most beneficial. And as mentioned previously, the collegiate senior is generally at his or her academic peak which is a perfect time to study for something as massive as the CPA examination. Also, the tuition for a single college course is minimal, especially at a state-supported institution and with the assistance of financial aid and scholarships.

Study Habits

When to Begin Studying. The ultimate success on the CPA examination depends heavily on the individual candidate's quality and quantity of study time. It is very important that the candidate begin reviewing well in advance of the actual examination date. Whether he or she should begin the refresher period four weeks or four months beforehand is a personal matter for the candidate to decide after taking into consideration such factors as the extent and type of his or her education and experience in accounting, how long he or she has been away from textbooks, and how many study hours per day will be available.

According to the American Accounting Association Committee on the CPA examination:

. . . one can reasonably expect to pass (the CPA examination) only after relentless, habitual, and intensive review for a minimum of two to three months prior to the examination date.⁴²

However, the actual number of weeks or months spent is strictly an individual decision. The candidate must objectively evaluate

his or her own characteristics and capabilities, and then arrive at an equitable decision.

Some individuals, for instance, are unable to study efficiently and effectively for over one to two hours at one sitting. They are easily distracted, and their attention spans are underdeveloped and immature. CPA candidates plagued by this disability are wise to begin their review program several months (perhaps four to six) in advance. Also, those candidates who are either working full-time or are engaged in some other time-consuming activity are encouraged to begin their review quite early. Others who should consider beginning their review especially early are those who: have poor academic records, have been out of college for a number of years, have continually failed the examination in the past, and have the determination to pass all four parts on their first try.

On the other hand, some candidates may safely delay their review. Some people are quite capable of studying for over eight hours per day, every day. Their bulldog tenacity and amazing self-discipline enables them to make great intellectual gains within relatively short amounts of time. Therefore, CPA candidates blessed with this talent may be able to afford postponing their review until only weeks before the examination. However, beware of procrastination; the possibility of studying too much for the CPA examination is extremely remote. The candidate who runs out of time during the review period is likely to run out of knowledge in the examination room.

How Much to Study. In addition to deciding how far in advance of the examination to begin studying, the candidate

must decide approximately how many hours to study. And once again this is a personal matter depending on many of the same variables mentioned above. What some people are capable of accomplishing in one hour, may take someone else three hours. Some people are inherently gifted and can absorb so much more in a designated period of time than can others. It is crucial that the candidate form a realistic perception of his or her academic proficiencies in order to devise an appropriate study and review program.

Many CPA review manuals will venture a rough estimate of the number of study hours to be spent on various subject topics. One of the better CPA review manuals, CPA Examination Review by Irvin N. Gleim and Patrick R. Delaney, offers the candidate an estimate of 200 total hours, but they also warn that:

The total suggested time of 200 hours is only an average. Allocation of time will vary candidate by candidate. Time requirements vary due to the diverse backgrounds and abilities of CPA candidates.⁴³

So when attempting to reach the conclusion of how many hours to spend studying for the CPA examination, the candidate is urged to analyze his or her own academic abilities, seek the advice of an accounting professor or any other CPA coaching instructor, consult a friend or colleague who has recently taken the examination (preferably someone with similar academic abilities), and follow the instructions of a good set of CPA review manuals.

What to Study. At the outset of the CPA candidate's review regimen, he or she must devise an adaptable and

workable study routine. The candidate will need to obtain necessary study aids, books, and supplies. The following materials are recommended:

1. A good set of CPA review manuals.
2. A supply of paper, pencils, and colored markers.
3. Possibly recent editions of the following texts. Undergraduate texts are fine if they are only a few years old.
 - a. Intermediate Financial
 - b. Advanced Financial
 - c. Cost and Managerial
 - d. Auditing
 - e. Business Law
 - f. Tax handbook from one of the tax services
 - g. APB and FASB pronouncements
 - h. Statements on Auditing Standards⁴⁴

Every candidate should also read and be able to answer questions from the well-known accounting periodicals. The candidate is expected to demonstrate a willingness and an inclination to keep abreast of accounting literature as a part of his or her professional responsibilities.⁴⁵ It is important to have access to and review the following current literature:

1. Journal of Accountancy
2. The Accounting Review
3. National Accounting Association Bulletin
4. Accounting Research Bulletins
5. Terminology Bulletins⁴⁶
6. Code of Professional Ethics
7. Statements on Management Advisory Services
8. Industry Audit Guides⁴⁷

The candidate is also strongly urged to read Information

for CPA Candidates, published by the American Institute of CPAs. This booklet is intended to help candidates pass the CPA examination and should be read when the candidate is designing his or her review program. The booklet should be referred to periodically throughout the candidate's study and review in order to offer guidance and assistance. The booklet discusses the purpose and scope of the examination, how it is graded, the candidate's preparation for the examination, etc.⁴⁸

Where to Study. It is critical that the candidate locate a study area which is conducive to concentrated study. Factors taken into consideration should include:

1. Noise distractions.
2. Interruptions.
3. Lighting.
4. Availability, e.g., a local library is not available at 5:00 a.m.
5. Accessibility, e.g., the kitchen table vs. the local library.
6. Desk or table space.⁴⁹

The candidate should study at a place where he or she feels most comfortable and most able to concentrate. Do not waste valuable time trying to study in an area that is noisy, crowded, and irritating. The candidate should either study in the privacy of his or her own home or find an isolated spot in the library: a secluded table, a small empty room, or a virtually hidden study carrel. Avoid sitting in open areas crowded with tables of people. The giggling sorority sisters and "macho" frat rats socializing at the university library are unlikely to be phased by the evil glares of the struggling

CPA candidate.

Who to Study With. The candidate may wish to consider studying as a member of a study group or with a partner. Occasional gatherings with other CPA candidates to discuss essays and problems is a potentially fruitful study technique. However, attempting to study objective questions in a group is not extremely beneficial, and therefore is not recommended.⁵⁰

In addition, some candidates greatly benefit from studying with one particular person. The interaction is often most helpful and reassuring, and the joint camaraderie is a fantastic morale booster and motivator. As long as these two persons mutually agree to be study partners, and if they are able to refrain from indulging in excessive idle chatting, then perhaps the old adage "two heads are better than one" will hold true.

How to Study. The CPA candidate is well advised to follow a definite and systematic pattern of study. It is also important for the candidate to study all four sections of the examination unless he or she has qualified for the conditional status. It is unwise and even risky for an unconditioned candidate to simply choose one or two sections of the examination to zero in on and neglect making a serious effort to study the remaining two or three sections. All sections of the examination are interrelated and interdependent, and review of one is beneficial to the other three:

After all, good practice is based on knowing the underlying theory. Because practice and theory have been influenced heavily by the attest function of accounting, it follows that knowledge in these two areas is essential, though insufficient by itself, to pass the Auditing section.

Concepts of business law prevail in any financial or managerial accounting or auditing environment.⁵¹

The candidate's preliminary step should involve a proficiency estimate of his or her present knowledge of each of the various subjects. The candidate needs to identify his or her strengths and weaknesses in order to wisely allocate study time. The candidate may designate his or her knowledge of various topics as "proficient, fairly proficient, generally familiar, and not familiar."⁵²

The candidate should break down the colossal feat of studying for the CPA examination into smaller manageable tasks. By subdividing a major topic into smaller subtopics, the candidate is better able to get a handle on what needs to be mastered. The candidate should then review the basic principles underlying the specific subtopic and proceed to thoroughly study it from texts and CPA review manuals.

Once the candidate has satisfactorily completed the task of studying and reviewing a particular topic, he or she is ready to tackle answering old CPA examination questions. According to Information for CPA Candidates:

One way to prepare for the CPA examination is to study past CPA examination questions and unofficial answers thoroughly and answer selected questions within the allotted times. By so doing, the candidate develops confidence of his own abilities, improves his techniques, and increases his knowledge and understanding of the various accounting topics.⁵³

During most of the review period, it is desirable for the candidate to work single problems and question selected to

coordinate with the topics then being studied. The candidate should answer some of them completely, writing answers and solutions in a form which he or she would be willing to present to graders. He or she should not be concerned if early in his or her review that he or she cannot comply with the recommended times. On the other hand, as he or she becomes more adept, it is suggested that problems be worked as "speed sprints," attempting to form a maximum-credit answer within one-half to two-thirds of the minimum time recommended. This procedure will allow the candidate both to cover more material and to build confidence that may be valuable if he or she should encounter difficulty with time limitations when writing the actual examination.⁵⁴ It is also important that the candidate not spend a disproportionate amount of study time working on objective questions. Ample time should also be spent mastering the problems and essays.⁵⁵

A few weeks prior to the actual examination date, the candidate should set aside periods of five to six hours in order to work complete examination sections at single sittings. These study sessions should be conducted under simulated examination conditions, preferably among other CPA candidates. Afterwards, the candidate should objectively examine his or her answers and solutions in order to verify their accuracy and to gain insight into any particularly troublesome areas.⁵⁶

Solutions Approach. While working on old CPA questions and problems, the candidate should develop a structured, systematic solutions approach. Having a systematic plan of

attack and knowing how to use it, is paramount in maintaining adequate control in the examination room. Many times, candidates allow themselves to be "swallowed up" by an overwhelming problem because they have neglected to formulate a step-by-step, sensible approach to solving complex problems. There is no "best" or standard solutions approach. It is a process that should become second nature, and with the majority of good students it is an innate technique. Students who in the past have encountered difficulties solving long problems may benefit from memorizing a solutions approach such as the following:

1. Glance over the problem.
2. Study the requirements.
 - 2a. Visualize the solution format.
3. Outline the required procedures mentally.
 - 3a. Review applicable principles, knowledge.
4. Study the text of the problem.
 - 4a. Prepare intermediary solutions while studying the problem.
5. Prepare the solution.
6. Proofread and edit.
7. Review later.⁵⁷

Many candidates bypass the solutions approach, because they feel it is too time consuming. Actually, the solutions approach is a time saver and more important, it helps you prepare better solutions to all problems and solve many problems that would otherwise be insurmountable. For many it is unnerving to spend 40%-50% of the allotted time before beginning to prepare their final solution. Recognize, however, that you have the problem worked (i.e., under control) at step 5 of the solutions approach, but it is not yet put into final form.⁵⁸

The solutions approach is also useful when answering objective questions:

1. Analyze the grading explanation, noting any penalty for incorrect answers.
2. Work individual questions in order.
 - a. If a question or set of questions appear unduly lengthy or difficult, skip the question(s) until it is evident extra time is available. Put a big question mark in the margin as a reminder.
3. Cover the answers before reading each question.
 - a. The answers are frequently ambiguous in nature which may cause misreading or misinterpreting the question.
4. Read each question carefully.
5. Anticipate the answer, before looking at the alternative answers.
6. Read the answers and select the best alternative.
7. Mark the correct (or best guess) answer on the examination.
8. After completing all of the individual questions in an overall question, transfer the answers to the machine gradeable answer sheet with extreme care.
 - a. Be careful not to fall out of sequence with the answer sheet. Some answer grids are numbered vertically, others horizontally.
9. In solving accounting practice multiple choice questions, the following steps are also necessary:
 - a. Study the requirements first, noting important data. Note the applicable principle (e.g., change in estimate); the applicable model (e.g., net present value); or the applicable code section (e.g., 1245).
 - b. If a set of data is the basis of two or more questions, read the requirements of each of the questions before beginning to work the first question (sometimes it is more efficient to work the questions out of order or simultaneously).⁵⁹

The solutions approach is also used for essay questions. The major difference between the problem solutions approach and the essay solutions approach is the key word outline. Simply exchange step 4a. "Prepare intermediary solutions while studying the problem" with the following:

- 4a. Prepare a key word outline. Jot down a list of key words (grading concepts) in the margin of the examination. The proximity of the key words to the text of the problem will be more efficient than marking notes on a separate sheet of paper which may be misplaced.
- 4b. Organize the key words into a solution outline. After noting all of the grading concepts which bear on the requirements, reorganize the outline for the entire answer. Make sure that there are responses for each requirement and do not preempt answers to other requirements.⁶⁰

Study Habits--Concluded. The following is an excellent summarization of necessary tasks which will greatly aid the CPA candidate in his or her preparation for the examination:

1. Develop an overall strategy at the beginning of the preparation program.
2. Supplement the overall strategy with outlines of material tested on each section of the CPA examination.
3. Supplement the overall strategy with an explicitly stated set of problem-solving procedures--the solutions approach.
4. Supplement the overall strategy with an explicitly stated approach to each examination session.
5. Evaluate preparation progress on a regular basis and prepare lists of things "to do."
6. RELAX: Serious candidates will pass the examination. About 10,000 candidates successfully complete the examination each sitting.⁶¹

In addition, the candidate should perform the following items:

1. Obtain and organize study materials.
2. Prepare facilities conducive for studying and block out study time.
3. Develop a solutions approach (including solving essay questions and practice problems).
4. Prepare an examination strategy.
5. Study the material tested recently and prepare answers to actual examination questions and problems on these topics under examination conditions.
6. Periodically evaluate progress.
7. Do not use calculators.⁶²

Preparing for Examination Days

An extremely vital part of the candidate's entire preparation process involves plans for the actual days of the examination. It is crucial that nothing unexpected or earth shattering occur during those three particular days, especially the first day. The candidate simply cannot afford to be needlessly rattled and upset, so painstaking effort should be made to safeguard his or her emotional stability.

First of all, the candidate must apply early to secure acceptance from the respective state board to sit for the examination. In Indiana, applications for the May examination, complete in all respects, must be filed by March 15, and applications for the November examination, complete in all respects, must be filed by September 15.⁶³

Secondly, the candidate should make arrangements well in advance for meals and overnight lodging in the city where the examination is to be administered. Thirdly, he or she should talk with a recent veteran of the examination who sat

at the same location. The candidate should ask the veteran about a wide assortment of different activities and procedures which may not be clear in his or her own mind, such as:

1. Procedure for distributing examination booklets, papers, etc.
2. Accessibility of restrooms.
3. Availability of coffee and snacks at examination location.
4. Admissibility of coffee and snacks.
5. Peculiar problems of examination facilities, e.g., noise, lighting, temperature, etc.
6. Permissibility of early departure from examination.
7. A copy of his or her examination booklet.
8. His or her experience in taking the examination.
9. Any other suggestions he or she might make.⁶⁴

On the day of the examination, the candidate should arrive at the testing site relatively early. He or she should select a seat (if allowed) which will promote maximum efficiency and concentration. It is wise to sit away from friends, away from the door, and away from the administration table. Also, it is important for the candidate to arrive early in order to familiarize himself or herself with the strange surroundings and to allow his or her mind and body an opportunity to adapt. The candidate will undoubtedly succumb to queasy bouts of tense nervousness, especially on the first day, but this is just the body's way of coping with an extremely stressful situation. By arriving early, the candidate will have a chance to relax and to build up some self-confidence. The candidate need not feel intimidated nor threatened if he or she has prepared properly and thoroughly for the upcoming examination.

In addition to being punctual, the CPA candidate should bring an ample supply of pens, pencils, and erasers to the examination room. He or she should also dress comfortably, be well rested, feel gastronomically satisfied, and bring a wristwatch. It is important to plan extensively and make allowances for all possible contingencies. If, for instance, the candidate is coming down with a cold, he or she should enter the examination room well-stocked with a ready supply of tissues. But there is no need to feel pessimistic. Quite the contrary, the candidate should maintain and exude an air of positive confidence. On the other hand, keep Murphy's Law firmly in mind, "If anything can possibly go wrong, it will."

Once the candidate receives the actual examination and is instructed to begin, he or she should review the examination in its entirety and single out the questions which he or she is the most familiar.⁶⁵ The candidate should then implement his or her solutions approach. An important step of any solutions approach is to read the question before attempting an answer. This suggestion may seem rather pedestrian, but many unsuccessful candidates owe their failure to the fact that they did not read the question. And unlike college examinations where the student is allowed the opportunity to plead his or her interpretation of a test question to a hopefully sympathetic professor, answers submitted on the CPA examination must stand on their own merits.

After a first reading of the problem, the candidate will gain a general idea of the content of the question and the nature of the solution required. On the second reading, it is

helpful to underline, circle, block off, make notations on scratch paper, etc., identifying the information that is pertinent to the solution. The third reading will be piecemeal. An outline will be developed, and the final solution will gradually emerge.

While reading and analyzing the problem, the candidate should mentally refrain from "fighting" with the requirements. Little is gained by trying to rewrite the problem. In practice the accountant must solve problems as he or she finds them. The CPA candidate must do likewise. He or she should simply implore, "What is required? What are the relevant facts?"⁶⁶

It is vital that the solutions approach used by the candidate be systematic and logical. Too many candidates "jump in" with both feet as soon as something in a problem triggers a response. Instead, he or she should lay out a methodical plan which will lead him or her to a sound conclusion.

In summary, the AICPA in Information for CPA Candidates recommends the following: the candidate should budget his or her time, write legibly, answer essay questions first, read the question carefully, respond to the requirements, interpret requirements with common sense, prepare adequate answers, organize the answer, select the efficient approach, be specific, support all answers, give reasons, evaluate the reasonableness of computations, apply general knowledge of business, attempt all questions, and identify and turn in all papers.⁶⁷

Reasons for Failing

Unfortunately, in spite of a college education with a concentration in accounting, in spite of all the available CPA review aids, in spite of ample study time, and in spite of intense preparation--in spite of everything--a lamentable number of candidates still fail to pass the CPA examination. Most of the failures can be attributed, for the most part, to the lack of any well-defined study program, and to poor examination techniques while in the examination room.

The overriding reason for failing the CPA examination stems directly from the candidate's use or misuse of available study time. Study habits will correlate closely with actual examination performance. Simply, poor study techniques will induce poor examination scores.

Many of the common deficiencies which trouble the CPA candidate while studying and while taking the actual examination are as follows:

1. Lack of knowledge.
2. Poor expression.
3. Inability to visualize a practical situation.
4. Overlooking or ignoring requirements.
5. Failure to allocate time effectively.
6. Misinterpretation of information and requirements.
7. Failure to submit supporting details and computations.
8. Conflicting statements.
9. Repetition.
10. Generalized answers.
11. Lack of a sense of proportion.

12. Unsupported conclusions.
13. Failure to read the problem carefully.
14. Sloppy work.
15. Bluffing with irrelevant discussion.⁶⁸

It cannot be stressed enough the extreme importance of engaging in an intense and thorough study routine prior to sitting for the CPA examination. Many an unsuccessful CPA candidate has blindly resorted to subterfuge, prayer, and sheer luck in attempting to pass the examination. Unlike many college examinations, one can neither merely "blow off" the CPA examination nor bluff their way through it. The CPA examination is a serious testing procedure, and it requires a serious effort.

However, the serious candidate need not feel suicidal if he or she fails the CPA examination on the first or second attempt. Remember, only about 10% pass all four parts on the first try, but 80-90% of all serious candidates will eventually pass. The majority of CPAs sat for the examination an average of 2.5 times before successfully passing all four parts.⁶⁹ So, "if a first you don't succeed, try try again (and study harder!)."

CONCLUSION

The CPA examination will probably continue to project an aura of antagonizing dread and forboding frustration. Accounting students will undoubtedly continue to abhor the mere thought of studying for it, and non-CPA accountants will surely continue to crack under the maddening pressure to eventually

pass it. And the examination will predictably become increasingly more complex in unison with the increasing complexities of the business world.

But rather than dreading the difficulty of the CPA examination, accountants should applaud it. It is the very difficulty of the examination which makes the CPA credential worthy of professional prestige and prominence. But more importantly, the stringent intellectual requirements of the examination facilitates the elimination of incompetent Certified Public Accountants within the accounting profession. If the CPA examination necessitated minimal preparation and mediocre intellectual capacities, then it would not represent an honorable achievement. The CPA credential would become a laughable farce. In short, if the CPA examination were easy, it would not be worth taking.

PERSONAL REMARKS

As a senior accounting major, anguishing thoughts about the demanding study requirements and dismal pass rates associated with the notorious CPA examination began to suddenly and definitely threaten my peace of mind. My stomach was in a constant uproar; my nails had been chewed down to the quick, and my mind was quite susceptible to frequent and depressing anxiety attacks. Woe was me! I was convinced that the ultimate trauma of my young life would involve continually trying, but continually failing to pass the dreaded CPA examination.

So I decided to research the actual facts surrounding the CPA examination in hopes of gaining a more realistic and

relaxed attitude towards it. But alas and alack, I had reached the disheartening conclusion that many of my negative suspicions were correct. Throughout my research, I frantically searched for some reassurance and comfort. I desperately needed to find just one author, just one, who would tell me that the CPA examination was easy. But the facts always remained the same, and I always felt hopelessly despondent..

But I had to face reality; I had to confront the CPA examination someday. So through the encouragement of the head of the accounting department, Dr. Parkison, I decided to attempt the November, 1981 CPA examination.

Due to this decision, my courseload for fall quarter was academic suicide. If at all possible, I certainly do not recommend enrolling in Auditing and CPA Problems simultaneously. Sole concentration on preparing for the examination is sufficient to keep anyone horrendously occupied during a two-month period. I do, however, strongly suggest taking a rigorous physical education class, such as jogging, swimming, bicycling, or weight lifting. Believe me, the physical release is a necessity if one plans to maintain their sanity.

One of my major downfalls when approaching the task of studying for the CPA examination was that I simply did not begin soon enough. In my opinion, two months is not adequate time to prepare oneself thoroughly for the examination. I should have started at the beginning of the summer, which is easier said than done. Even though I studied an average of 6½ hours every day for a total of 315 hours, I honestly needed more time.

Another one of my major downfalls was my CPA Problems class. Although it was an excellent course with superb instruction, I am afraid that I allowed it to slow me down. I was more concerned about getting an "A" in that class (which I finally earned just by the skin of my teeth) than I was about passing the CPA examination. The CPA Problems class reviewed practice and theory only (excluding taxation), and so that was all I bothered studying. The instructor also spent minimal time discussing cost and governmental accounting. . . . unfortunately, so did I.

The actual examination was good experience. There is no question in my mind that I will be returning in May. If I am really lucky, and if somebody up there likes me, I might condition with scores of 75, 75, 45, 45. Maybe I am being overly pessimistic, but I just do not feel at all confident about my performance on the examination.

The November, 1981 examination was administered in the old horse barn at the state fairgrounds. The building exuded a powerful odor that smelled like an outhouse, and it was poorly lighted and damp. However, pencil sharpeners, a concession stand, and ample restroom facilities were available.

I was surprised to discover that I encountered no difficulty with the time limitations while taking the examination, and neither did most of the other candidates. I had always been under the distinct impression that I would have to make a conscious effort to rifle through the examination booklets at a drastic pace--not true.

I was also surprised to discover that the atmosphere

in the examination room during the examination was quite relaxed. People munched on snacks; Dr. Parkison (who was there helping to proctor the examination) chatted with me; people got up to use the restrooms frequently; candidates who finished early were allowed to congregate inside the building, etc. I had always envisioned armed guards at every table, hidden cameras in the restrooms, and thorough searches at the entrances.

Unfortunately, I was also surprised that I became so fatigued. By Friday afternoon, I felt like a fried zombie, and I am sure I looked even worse. I had trouble sleeping at night due to the strange surroundings and the heavy traffic. I do not recommend staying in a hotel if one lives within a one to two hour drive of the examination site. Sure, driving is tiring, but so is only getting two hours of sleep a night. I felt so distraught after the final section of the examination that I was seriously contemplating changing my major (why oh why didn't I become a English teacher like my father wanted?!). I plodded wearily to the front of the building to turn in my accounting theory examination; I saw Dr. Parkison; I went over to him and sadly moaned, "But I don't want to be a CPA."

But I have been able to console myself somewhat by reaching the encouraging conclusion that I can indeed pass the CPA examination. I have learned that the secret to success is simply this--committed study. Through masochistic self-discipline and untold hard work, I can become a CPA. Others have done it, and so can I. I may flunk several times; I may live a few years fraught with academic worry, and I

will surely encounter moments of desperation when I will want to give up and become a housewife--heaven forbid! But eventually, if I really want to, I will pass. I have decided that the CPA examination is not all that difficult. As a matter of fact, compared to my undergraduate accounting examinations, the CPA examination is a piece of cake. One is not required to know a lot about anything in order to successfully pass the CPA examination; however, one is required to know a little about everything. Simply, the scope of the CPA examination is tremendous, but the depth is rather shallow.

So CPA candidates of the future (myself included), study diligently and enter the examination room well-prepared and self-confident, get something down for every problem and question and pass that examination. . . .Oh, and do not forget, "Debit on the left, credit on the right."

ENDNOTES

¹American Institute of Certified Public Accountants, Information for CPA Candidates, (New York: American Institute of Certified Public Accountants, Inc., 1979), p. 2.

²Ibid., pp. 2-3.

³Ibid., p. 3.

⁴James Don Edwards and John W. Runswinckel, The Professional CPA Examination, (New York: McGraw-Hill Book Co., Inc., 1963), p. v.

⁵James Don Edwards, History of Public Accounting in the United States, (Lansing: Michigan State University, 1960), p. 73.

⁶Ibid.

⁷Ibid., p. 74.

⁸Ibid.

⁹Herbert E. Miller and George C. Mead, CPA Review Manual, (Englewood Cliffs: Prentice-Hall, Inc., 1979), p. 6.

¹⁰Edwards, History of Public Accounting in the United States, p. 80.

¹¹Barbara Rowes and Miriam H. Krohn, Have You Considered Accounting? (New York: Catalyst, 1975), p. 18.

¹²John L. Carey, The CPA Plans for the Future, (New York: American Institute of CPAs, 1965), p. xvi.

¹³AICPA, Information for CPA Candidates, p. 14.

¹⁴Ibid., p. 15.

¹⁵Ibid., p. 16.

¹⁶Ibid., pp. 16-17.

¹⁷Miller and Mead, p. 6.

¹⁸Indiana State Board of Accountancy, The Indiana Public Accounting Law and Rules and Regulations, (Indianapolis: Indiana State Board of Public Accountancy, 1980), p. 41.

¹⁹Irvin N. Gleim and Patrick R. Delaney, CPA Examination Review, (New York: John Wiley and Sons, Inc., 1981), p. 309.

²⁰AICPA, Information for CPA Candidates, p. 20.

²¹The National Association of State Boards of Accountancy, Digest of State Accountancy Laws and State Board Regulations, (Englewood Cliffs: Prentice-Hall Inc., 1979), pp. 109-112.

²²Irvin N. Gleim, "Certification of Accountants," A Special Report by Accounting Publications, Inc., 1981, p. 10.

²³Ibid.

²⁴Ibid., p. 12.

²⁵Gleim and Delaney, p. 8.

²⁶Ibid.

²⁷Carey, p. 465.

²⁸The National Association of State Boards of Accountancy, p. 102.

²⁹Indiana State Board of Accountancy, pp. 35-38.

³⁰The National Association of State Boards of Accountancy, p. 34.

³¹Ibid., p. 35.

³²The National Association of State Boards of Accountancy, pp. 104-108.

³³Howard F. Stettler, "On Giving Guidance to the CPA Candidate," The Accounting Review, April 1978, pp. 515-516.

³⁴Arthur Lodge, Opportunities in Accounting, (Louisville: Loene Trubkin, 1977), pp. 25-29.

³⁵Edwards and Runswinckel, pp. 1-2.

³⁶Ibid., p. 2.

³⁷Lyle D. Dieterle and L. Vann Seawell, CPA Coaching, (Boston: Houghton Mifflin Company, 1962), p. 82.

³⁸Edwards and Runswinckel, p. 2.

³⁹Protape advertisement, The Journal of Accountancy, May 1979.

⁴⁰Totaltape advertisement, The Journal of Accountancy, August 1981, p. 2.

⁴¹Becker advertisement, The Journal of Accountancy, August 1981, p. 24.

⁴²Thomas D. Hubbard, Larry N. Killough, and Ronald J. Patten, CPA Review, (Santa Barbara: Wiley/Hamilton, 1978), p. 6.

- ⁴³Gleim and Delaney, p. 21.
- ⁴⁴Ibid., pp. 13-14.
- ⁴⁵AICPA, Information for CPA Candidates, p. 25.
- ⁴⁶Dieterle and Seawell, p. 85.
- ⁴⁷AICPA, Information for CPA Candidates, p. 25.
- ⁴⁸Hubbard, Killough, and Patten, p. 5.
- ⁴⁹Gleim and Delaney, p. 14.
- ⁵⁰Ibid., p. 22.
- ⁵¹AICPA, Information for CPA Candidates, p. 23.
- ⁵²Gleim and Delaney, p. 15.
- ⁵³AICPA, Information for CPA Candidates, p. 23.
- ⁵⁴Miller and Mead, p. 11.
- ⁵⁵Gleim and Delaney, p. 21.
- ⁵⁶Ibid., p. 17.
- ⁵⁷Ibid., p. 34.
- ⁵⁸Ibid., pp. 34-35.
- ⁵⁹Ibid., p. 43.
- ⁶⁰Ibid., p. 48.
- ⁶¹Ibid., p. 52.
- ⁶²Ibid.
- ⁶³Indiana State Board of Accountancy, p. 35.
- ⁶⁴Gleim and Delaney, p. 57.
- ⁶⁵Hubbard, Killough, and Patten, p. 7.
- ⁶⁶Kenneth W. Perry, Passing the CPA Examination, (Champaign: Stipes Publishing Co., 1964), p. 8.
- ⁶⁷AICPA, Information for CPA Candidates, pp. 27-31.
- ⁶⁸Dieterle and Seawell, pp. 89, 91.
- ⁶⁹Hubbard, Killough, and Patten, p. 6.

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