

CPA Exam  
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The Certified Public Accountant exam is an examination most accountants take to show that they have the knowledge base needed to become an accountant. You do not have to pass the CPA exam to work as an accountant, but most CPA firms today expect you to eventually pass the exam in order to move up in the business. I highly recommend taking the exam if you want to make accounting your career!

The entire exam is made up of 4 sections:

1. Financial Accounting and Reporting
  - a. 4.5 hrs in length
  - b. Consists of financial, non-profit, and governmental accounting
2. Audit and Attestation
  - a. 4 hrs in length
  - b. Audit
3. Regulations
  - a. 3 hrs in length
  - b. Consists of taxation and business law
4. Business and Environmental Concepts
  - a. 2.5 hrs in length
  - b. Consists of legal entities, economics, information technology, finance, managerial, and cost accounting

Financial Accounting I and II (Acct 1A, Acct 1B), Intermediate Accounting (Acct. 51A, Acct. 51B, Acct. 51C) mostly relate to the Financial Accounting and Reporting (FIN) section. FIN is made up of 60% financial accounting, 30% government accounting, and 10% not for profit accounting. You need to take Acct 1A, Acct 1B, intermediate accounting, and perhaps advanced accounting just to master financial accounting--which counts as 60% of one section

Here is some helpful information that you may want I have gathered by talking to those who have taken the CPA exam in the past 24 months:

Positives:

1. You can take each section one at a time.

2. You can take the exam for each section four times a year.
3. You can schedule your exam anytime during nine of the twelve months during the year.
4. You can schedule at various test centers throughout the U.S.
5. All you need is a 75% to pass.

#### Challenges:

1. The CPA exam is very hard and covers a broad range of topics. The pass rate is about 20% per section. This is lower than the pass rate for the bar exam for lawyers or board exam for physicians.
2. Unlike the old paper version of the exam when everyone in the U.S. had the same version of the test, the new computerized version draws questions for each test taker from a data base that has thousands of questions. This may not be good b/c:
  - a. Some of questions are poorly written
  - b. You might get questions on the same topic
  - c. You might get really hard (or easy) question while another test taker might get the opposite. It is the luck of the draw.The test is split into batches of questions. Apparently if you miss a lot of questions on one batch, the next batch will be easier. If you get a lot correct, the next batch will be harder.

For more info, visit the website [www.aicpa.org](http://www.aicpa.org). This site has a lot useful information including some sample practice exams.

#### Facts about Foothill Students: Prepared by Dr. Seyedin

Appendix M of the "*Candidate Performance on the Uniform CPA Examination*" booklet for the 2005 CPA exam has an entry for Foothill College. Appendix M shows the performance results by the school in which the CPA candidate received the majority of his/her accounting hours (but did not necessarily graduate from that school). It stated that 55 students who had the majority of their accounting classes at Foothill College took the 2005 exam. Of those students, 41% passed FAR, 40% passed AUD, 39% passed REG, and 52% passed BEC. Only 29% did not pass any section and 29% passed all sections taken. This is a very nice statistic for our school and our department.