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American Institute Examinations

BY A. J. LYNN

Students of accounting who are planning to enter the accountancy profession usually have in mind as the goal of preparation the attainment of a certified public accountant's certificate. This being true, the examination "hurdle" is of utmost concern, and rightly so, although where thorough preparation through systematic study of the subject matter of accounting and allied subjects has been made little apprehension as to the outcome need exist in the minds of prospective examinees.

Since accountancy students frequently inquire of instructors in these subjects and of other accountants concerning the nature of the semi-annual examinations, the accompanying tabulation has been made of the various types of problems and questions given in the theory and practice part of the American Institute examinations. This tabular statement will no doubt prove of some value to students and others, although the examination questions are easily available through THE JOURNAL OF ACCOUNTANCY and the Institute's examination question books.

The choice of titles used in the table for the various problems is somewhat arbitrary. However, the items shown on the table, i. e., partnerships, consignments, joint ventures, corporations, manufacturing statements, consolidated statements, cost accounting, income tax and statement of application of funds represent a fairly logical arrangement for active concerns from partnerships and other forms of business unit through all phases of accounting, including cost, income tax and statement of application of funds. The next three items, bankruptcy, statement of affairs, realization and liquidation statements, apply in a sense to firms that are financially involved and in the process of being reorganized or closed. The remaining items may be placed in any order desired. The lists of examination questions contain many problems which are hard to classify. Evidence of this is easily seen in the necessity for a miscellaneous group which contains several items. Frequently, a problem may be classified under a given heading, but it may be equally well classified when placed under another title. In order to make the table totals balance horizontally and vertically, the problems which could not be classified under one of the arbitrary headings have been placed

in the miscellaneous group at the bottom of the table. The law and auditing questions have not been used in this study. These questions, however, include a number which relate to income tax. The questions shown on the accompanying table under the title of income tax, were taken from the problem sections of the various examinations.

While no absolute defense may be made for the arbitrary method of classification of the accounting questions and problems shown in the table, such a classification is thought to be accurate and clear enough to be of significance to those who contemplate taking an Institute examination or such examinations as are prepared by the Institute and used by various state boards of accountancy.

Now and then students have been known to "speculate" on what to expect in the forthcoming examination. Such time and effort is obviously wasted and would have been used to much better advantage in the further study of accepted accounting theory, principles and practice. In reading the table from left to right, it will be observed that problems of a given type recur at intervals but in a somewhat uncertain manner. This without doubt is as it should be, because the prospective candidate is forced to omit any speculative tendency which he may have and instead try to become thoroughly prepared. A thorough preparation is necessary not only in all phases of accountancy and business law but some knowledge of economics and the closely allied business administration subjects, namely, sales, production, purchasing, finance and personnel administration, will prove beneficial.

This brief article has been written to point out to students of accountancy that the Institute's examinations are broad and cover the entire field of accepted accounting theory and practice.

AMERICAN INSTITUTE EXAMINATIONS, NOVEMBER, 1917 TO NOVEMBER, 1924

Item	1917		1918		1919		1920		1921		1922		1923		1924		1925		TOTALS			
	Nov.	Q	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	P	Q	P&Q	
	P	Q	P	Q	P	Q	P	Q	P	Q	P	Q	P	Q	P	Q	P	Q	P	Q	P&Q	
1. Partnerships.....	1								2		1	1									7	
2. Consignments and joint ventures.....																					1	
3. Corporations.....	1	1E	3	3	1E	2	1	2E	4	1	4	13E	1	2	1	3					25	
4. Manufacturing statements.....	2	1	2	1	1	2	1	1	1	1	1	1	1	1	1	1					13	
5. Consolidated statements.....	1	1	1	1	1	1	2	2	1	2	1	1	1	1	1	1					8	
6. Cost accounting.....	1	1	3	1	1	1	2	3	1	2	1	1	1	1	1	1					5	
7. Income tax.....	1	1	1	1	1	1	3	2	1	2	1	1	1	1	1	1					6	
8. Statement of application of funds.....	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					7	
9. Bankruptcy.....									1		1	1									4	
10. Statement of affairs.....									1		1	1									1	
11. Realization and liquidation.....									1		1	1									3	
12. Estate accounting.....	1	1	1	1	1	1	1	1	1	1	1	1									2	
13. Foreign exchange.....	1	1	2	1	1	1	1	1	1	1	1	1									2	
14. Bank problems.....									1		1	1									2	
15. Goodwill.....									1		1	1									2	
16. Depreciation and appreciation.....																					2	
17. Actuarial science.....	2	1	2	2	1	1	3	1	1	1	1	1	1	1	1	1					1	
18. Inventories.....	1	1	1	1	1	1	1	1	2	1	1	1	1	1	1	1					7	
19. Branch houses.....	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					2	
20. Governmental accounting.....	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					1	
21. Miscellaneous.....	5	4	5	1	3	1	4	2	1	2	1	1	2	1	4	1					1	
TOTAL.....	6	8	5	13	5	17	8	10	6	10	9	11	11	2	11	3	8	4	10	2	10	1
EXAM.	14	18	22	18	16	16	20	13	14	12	12	11	11	11	11	11	11	11	11	11	11	0
TOTALS.....																						125
																						89
																						214

P-Problems. Q-Questions. E-Entries. * Actuarial science problems have been optional since May, 1918.