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## **CIC Alert, Volume 2, Number 1, January 1999**

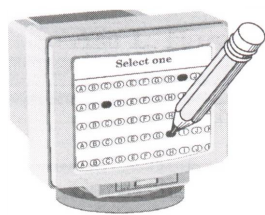
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# CIC Alert

VOLUME 2 • ISSUE 1 JANUARY 1999

## Some Frequently Asked Questions About the Conversion to a Computerized CPA Examination

### Why Should We Computerize the Exam?

New and unprecedented market-driven demands, which show every likelihood of escalating in the next century, are being placed on the accounting profession. These key drivers of change include:

- Increased competition from other financial services sectors.
- A greater role for technology and technology-driven services.
- The perceived value of some of the profession's services—audit, attest, and tax—is declining in the marketplace.
- A need for higher-level analytical and decision-making skills.
- A global marketplace in which national boundaries are less significant.

It is vital to ensure in this new market-driven environment that the examination itself never falters in either perception or reality from its objective to protect the public interest. Consequently, a number of changes in both content and delivery must be made in the examination so that it:

- Tests a higher level of cognitive skills.
- Tests an expanded range of knowledge and skills that more closely reflect the current practice environment (e.g., research and analytical skills).
- Allows questions to be more readily added, modified, and deleted to reflect timely changes in the practice environment.

- Allows greater flexibility to candidates by being offered more frequently.

Computerization is a key factor in crafting an exam that stays true to its core purpose of protecting the public interest by testing real-world, entry-level CPA skills.

### From the Desk of Anat Kendal

On behalf of the Joint AICPA/NASBA Computerization Implementation Committee (CIC), I am pleased to bring you this expanded issue of the *CIC Alert*.

This issue focuses on frequently asked questions about the conversion process and provides a look at computerized licensure examinations in other professions. There is much to glean from what others have done as we move forward in our efforts to craft a computerized licensure examination for the accounting profession.

We will, from time to time, bring you the experiences of other professions with computerization as well as the views of various constituencies. We are especially grateful to Barbara Kitchens for her insights from the vantage point of an Executive Director of a state board.

Please feel free to contact me with your questions, comments, and suggestions about the *CIC Alert* or any aspect of exam computerization.

Anat Kendal  
Director, Exam Reformation and Computerization

### What Are the Major Features of the Proposed Exam?

The proposed computerized exam is based on independent research and input from various constituencies and is currently identified as the "Ideal Examination." It would be a two-part examination, consisting of both multiple-choice questions and computer-generated simulations. The first section, "fundamentals of knowledge," would utilize the multiple-choice format and test required entry-level knowledge. The second section, "performance assessment," would use the simulations to test both knowledge and skills. Both examination sections would be graded as pass/fail.

Each section would be taken independently, and candidates would be free to choose the order in which they take the sections. Testing for each

section would be offered at regular intervals throughout the year in all jurisdictions.

### How Will Content Be Impacted?

The content of the exam is currently being studied by the Examination Content Oversight Task Force (COTF),

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# A LOOK AT COMPUTERIZED LICENSURE EXAMINATIONS

The accompanying chart provides a brief overview of the computerized licensure examinations for nurses, architects, and podiatrists.

	Nurses	Architects	Podiatrists
<b>Type of Exam</b>	Computer Adaptive Testing <sup>1</sup>	Computer Mastery Testing <sup>2</sup> & Computer Vignettes <sup>3</sup>	Computer Mastery Testing
<b>Type(s) of Questions</b>	Multiple-Choice	Multiple-Choice & Vignettes	Multiple-Choice
<b>Number of Sections</b>	1	9 (6 Multiple-Choice/3 Vignette)	2
<b>Test Frequency</b>	By appointment throughout the year.	By appointment throughout the year.	By appointment twice a year for each section.
<b>Criteria for Grading</b>	Pass/Fail.	Pass/Fail for each section.	Pass/Fail for each section.
<b>Length of Exam</b>	5 hours.	4 to 32 hours for each multiple-choice section. 5 to 72 hours for each simulation section.	Maximum of 3 hours per section.
<b>Reporting Results</b>	Results to nursing boards.	Varies by registration board.	Candidates receive unofficial pass/fail status upon completing each section and official results within 2 weeks.
<b>Fees</b>	\$88	\$980 for total exam	\$900 for total exam

<sup>1</sup> A *Computer Adaptive Test (CAT)* is a test in which the computer selects the next question based in part on the candidate's performance on the previous question. If the candidate's answer is correct, the next question is typically at a higher level of difficulty. If the answer is incorrect, the next question is typically less difficult. Testing ends when a candidate's ability is determined to be above or below a pre-established passing standard.

<sup>2</sup> In *Computer Mastery Testing (CMT)*, the computer administers a set of questions called *testlets*. After the candidate completes the testlet, the computer makes one of three determinations: mastery = pass; non-mastery = fail; or

indeterminate. If the determination is pass or fail, testing ends. If the status is indeterminate, the computer administers additional testlets until a determination can be made or until the testing period is over.

<sup>3</sup> The *Computer Simulation Test (CST) (Vignettes)* is a computerized examination format rather than a method of examination delivery. Simulations or vignettes are open-ended situations presented to a candidate much the same way as essay or problem-solving questions. The unique advantage of a computerized simulation is that by allowing the candidate to interact with the computer, it more accurately replicates a real-world environment.

## Frequently Asked Questions

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whose primary charter is to ensure that the exam, whatever its delivery mechanism, protects the public interest by testing real-world, entry-level CPA skills.

Multiple-choice questions would test topics such as professional responsibility, financial accounting, governmental and not-for-profit accounting, taxation, and general business knowledge. Computer simulations, in addition to testing knowledge areas, would assess a variety of requisite integrated entry-level skills, including research skills, analytical reasoning, critical thinking, communications expertise, and the ability to use electronic technology.

### How Will the Feasibility of the Proposed Ideal Examination Be Determined?

The CIC has retained Professional Examinations Service (PES), an independent consultant, to conduct an extensive feasibility study. They will review the technical and financial viability of the Ideal Examination and the time frames for computerization, and identify any changes needed to make the exam feasible. They will also recommend any changes to the model that will help the

exam better accomplish its primary purposes. The study should be completed by early 1999, and the results, including the proposed cost structure, will be communicated to all interested parties.

### How Will Interested Parties Be Kept Involved and Informed?

The CIC views the conversion process as an interactive one whose success depends on the input and feedback of exam regulators, administrators, and other interested parties. Consequently, the CIC will communicate on an ongoing basis with all key constituencies. Methods of communication will include invitations to respond; briefings and white papers; meetings and seminars; articles and newsletters; and continually updated information on the Internet.

### Your Questions

For information regarding the conversion process, including *Briefing Paper No. 1*, which provides details on all aspects of the proposed exam, visit the AICPA Website ([www.aicpa.org/members/div/examiner/reforma.htm](http://www.aicpa.org/members/div/examiner/reforma.htm)) or contact Anat Kendal at 201-938-3555 or via e-mail at [akendal@aicpa.org](mailto:akendal@aicpa.org).



# Computerized Exams: A Board Administrator's Point of View

By Barbara Kitchens

I am a firm believer in the value of a computerized exam for professional licensure, a position cemented by my involvement in the conversion of the architect registration examination from pencil and paper to computer. It was a long and detailed process, but one well worth the effort.

## Architects and CPAs: Some Similarities

There are a number of professional and examination similarities between architects and certified public accountants. Members of both professions tend to be well-educated and familiar with the business environment. Both professions have criteria other than the exam for licensing. Like the architect exam, the computerized CPA Exam is currently intended to include both objective questions and simulations. Also, because members of both professions, certainly at the entry-level, tend to be comfortable with computers, a computerized exam throws up no new barriers to licensure.

## The Public Interest

Many testing experts believe that a computerized exam appears to be a better instrument for testing higher-level, real-world skills. Thus, computer delivery can enhance protection of the public interest, which is the first and foremost objective of a licensure examination.

## Candidate Advantages

Computerization provides a variety of benefits to test takers. Primarily, it allows them to gain control of the process by scheduling sections of the exam when they are ready, rather than being tied to the rigidity of an exam offered twice a year. For example, with regard to the architects' exam, once they are approved to take the exam, candidates can schedule it by phone, pay by credit card, and take it at any test location in the nation. In addition, candidates may receive their test results much faster than with the pencil and paper exam. By providing these features and conveniences, a computerized exam eliminates a number of artificial barriers for entry into a given profession.

## Administrative Advantages

From an administrative point of view, the ongoing scheduling of exams in a computerized environment allows for the workload to be paced throughout the year, rather than bunched around two test dates. Since the mechanics of scheduling candidates for the exam, reserving appropriate exam facilities, administering the exam, and reporting grades can be outsourced, the associated tasks at the board office can be reduced.

## Plan... Plan... Plan...

Successful conversion to a computerized exam takes an intense amount of planning and wholehearted commitment. That was true for the architects and will certainly be true for the computerized CPA Exam. Because administrators and their staff are ultimately responsible for implementing their board's exam requirements, they must take an active leadership role in making the conversion process successful. They must understand both the basics and the nuances of the process and communicate them effectively and regularly to their boards, their state legislators and other government officials, test takers, and licensees.

In addition, allowing sufficient time for legislative approval and stakeholder buy-in is absolutely essential for a smooth transition. Consequently, three years prior to the proposed conversion date, boards should know, in detail, the legislative ramifications of the new exam and the impact of computerization on fees and budgets.

## A Team Effort

Finally, the cooperation and ongoing interaction of key players is mandatory. Each constituency will have its own issues, concerns, and contributions that need to be expressed throughout the process. The National Council of Architect Registration Boards (NCARB) certainly eased the transition by encouraging that dialogue.

It is likewise a process being followed by the AICPA and NASBA. The initial and active involvement of representatives of state boards, educators, accounting firms, and State Societies bodes well for the ultimate success of a computerized Uniform CPA Examination.

*Barbara Kitchens is Executive Director of the Sciences and Professions Section of the Georgia State Examining Board and directs the administration of six professional licensing boards.*

### BRIEFING PAPER NO. 1—YOUR COMMENTS

In September, you received a copy of *Conversion of the Uniform CPA Examination to a Computer-Based Examination—Briefing Paper No. 1*. The deadline for comments to the *Briefing Paper* was **January 15, 1999**. Since the ultimate success of the computer-based exam depends on its ability to satisfy the requirements of several interested parties, the CIC needs your input, reactions, and advice.

Please make sure you have returned your comment sheet to the AICPA. If you need an additional copy of the *Briefing Paper* or the comment sheet, you can check our Website ([www.aicpa.org/members/div/examiner/reforma.htm](http://www.aicpa.org/members/div/examiner/reforma.htm)) or contact Anat Kendal (telephone 201-938-3555/e-mail [akendal@aicpa.org](mailto:akendal@aicpa.org)). We look forward to hearing from you.

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