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## AICPA Board of Examiners Newsletter: Highlights of September 15-16, 1994 Meeting

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# AICPA BOARD OF EXAMINERS NEWSLETTER

## HIGHLIGHTS OF SEPTEMBER 15-16, 1994 MEETING

### MAY 1994 EXAM RESULTS

The Board of Examiners (BOE) reviewed the results of the May 1994 Examination. The transition to four new sections, new question formats, reduced testing time, assessment of writing skills for the first time, use of calculators for the first time, and revised content specification outlines was successful. Nevertheless, there were glitches. The BOE discussed the impact on grading of the four printing errors on the *May 1994 Business Law & Professional Responsibilities Examination Question Booklet*. The BOE could find no evidence of an adverse effect on candidates' responses but revised procedures have been implemented to prevent recurrence.

The examinations division is studying the issue raised by some Boards of Accountancy (Boards) as to candidates exiting the Accounting & Reporting section significantly before the maximum allotted testing time. In addition, it is studying and the BOE will monitor the reliability level of this section (0.75), which is slightly below the desired level (0.80 or greater).

### UNIFORM CPA EXAMINATION PREPARATION GUIDE

The examinations division staff and BOE have developed a new *Uniform CPA Examination Preparation Guide*. The Guide, which discusses question writing in the larger context of examination development and licensing, contains guidelines with illustrations for writing good CPA Examination questions. The plan is to make the Guide available to the public in January 1995.

### MAY 1996 EXAMINATION SPECIFICATIONS

The BOE requested the preparation subcommittees to modify the May 1996 Examination specifications to incorporate wording used in the *Uniform CPA Examination Preparation Guide*. Subject to those modifications, the BOE approved the specifications, which are the blueprints from which the May 1996 Examination will be drafted.

### 1996 NONDISCLOSED CPA EXAM

The BOE received two documents from its Nondisclosed CPA Examination Implementation Task Force:

- ◆ **Information for Boards of Accountancy—Implementing the Nondisclosed Uniform CPA Examination—Second Installment** was approved by the BOE for distribution to Boards. The installment provides Boards with information on the 1996 Nondisclosed CPA Exam. Significant information in this installment includes:
  - ◆◆ Issues requiring Boards to review statutes, rules, and regulations to allow the administration of a Nondisclosed CPA Exam;
  - ◆◆ A candidate diagnostic report;
  - ◆◆ A proposed security procedures manual;
  - ◆◆ Candidate appeal of grades procedures.
- ◆ **Draft of Information for Uniform CPA Examination Candidates—Twelfth Edition** will be the candidates' guide to the 1996 Nondisclosed CPA Exam. The timetable for issuance is as follows:
  - ◆◆ November 1994 — Approval of exposure draft by the BOE;
  - ◆◆ January 1995 — Exposed to Boards for comment;
  - ◆◆ April 1995 — End of exposure period;
  - ◆◆ June 1995 — Modifications to recognize comments from Boards;
  - ◆◆ June 1995— Approval by the BOE;
  - ◆◆ July–October 1995 — Preparation and printing;
  - ◆◆ December 1995 — Available to Boards.

### PSYCHOMETRIC EVALUATION OF EXAMINATION QUESTIONS

The BOE has prepared a draft of the psychometric characteristics that indicate whether a question on the Examination is of a high enough quality to be used on future Examinations or to serve as a model for drafting future questions. Many of these characteristics are described in the BOE's 1994 Annual Report.

## **PASSING STANDARD STUDIES**

The BOE received a report from the AICPA staff psychometricians and a consulting psychometrician, on two pilot studies they conducted on the passing standard of the FARE Examination section. The BOE requested staff to design a proposal, for the Grading Subcommittee's review, to conduct a passing standard study on one of the other Examination sections. Included in the proposal will be the study of the methodology to be used to set the passing standard (presumably a modified Angoff method), the sampling procedures, the characteristics of subject matter experts needed to conduct the study, and estimated costs.

## **COMPUTER BASED EXAM ADMINISTRATION**

The BOE heard a presentation on how computer based testing (CBT) is being used. Included in the presentation was a discussion of the probable benefits, such as:

- ◆ Ability to test certain skills, required in practice, that are not now practical to test;
- ◆ Improvement in examination security and enhanced control over test administration site conditions;
- ◆ Ability to allow Boards to provide examinations throughout the year;
- ◆ Ability to pretest more questions and thereby increase examination quality and measurement precision;
- ◆ Reduction of the testing time needed to measure candidates' skills and knowledge;
- ◆ Ability to report grades more quickly;
- ◆ Increased flexibility and convenience to candidates and their employers.

Requirements and issues to be resolved include:

- ◆ Increased costs to candidates;
- ◆ Need to reach consensus among Boards;
- ◆ Increased workload for the BOE, and its subcommittees and task forces, to build large banks of pretested questions and to address issues related to implementation of CBT;
- ◆ Increased need for outside expert support and internal expertise related to CBT psychometrics and computer technology;
- ◆ Evaluation of the structure of the Examination, which is currently four separately graded sections, and determination of the best methods of testing candidates' skills and knowledge when not restricted to a paper and pencil examination;
- ◆ Use of computers in the recording and grading of essay-type questions.

On September 23, 1994, the AICPA Board of Directors endorsed the BOE decision to begin the process of planning for CBT.

If you would like additional copies, or have questions or comments on this newsletter, write or telephone James D. Blum (201-938-3419).

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