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## Uniform CPA Examination Alert, July/August 2004

American Institute of Certified Public Accountants (AICPA)

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# The Uniform CPA Examination Alert

July/August 2004

## Test Tips for CPA Candidates

Now that the computerized CPA Examination's first testing window is complete, the experience has shown there are some things CPA exam candidates need to know **before** they take the exam. For additional tips or exam information go to [www.cpa-exam.org](http://www.cpa-exam.org), or check the *Uniform CPA Examination Candidate Bulletin*.

## Exam Functionality and Navigation

- Be sure you are comfortable with the **use of a computer keyboard, mouse, and common word processing and spreadsheet functions**.

Note, however, that the word processor and spreadsheet applications in the examination are NOT identical to Word<sup>™</sup> or Excel<sup>™</sup>. Review the exam tutorial to understand the differences.



- Take the tutorial and sample test** (several times, if necessary) before you take the exam. The tutorial and sample tests are available at [www.cpa-exam.org](http://www.cpa-exam.org).
- Pay special attention to the software features that are unique to the CPA exam**, especially in the Authoritative

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## The Director's Desk

### Update from Gregory Johnson

*Director — CPA Examination Strategy*


In April, the CBT Steering Group proudly announced the launch of the first computerized CPA Examination. Truly a major accomplishment, the exam was well received by the accounting profession, educators, CPA candidates, state boards of accountancy and others.

Now with the first testing window completed, and the second testing window underway, we are pleased to report that the computerized CPA Examination is a bona fide success. During April/May, approximately 23,000 test sections were delivered and nearly all of the test-takers reported they had a positive testing experience. As of July 1, 2004, more than 81,000 Notices to Schedule (NTS) were issued and more than 28,000 test sections were scheduled for the July-August testing window.

The success of the computer-based CPA Exam is a testament to the strong collaborative effort by the American Institute of Certified Public Accountants (AICPA), the National Association of State Boards of Accountancy (NASBA), Thomson Prometric, and the state boards of accountancy. While there are issues and challenges to be addressed, we can all take pride in the fact that the CPA examination continues to evolve in a positive manner to meet its mission of protecting the public.

But despite our success to date, those of us involved with the CPA Exam know that our work is not yet done. While the majority of test takers during this period had a positive test experience, we continue to review the exam as part of a continuous improvement process.

As we have said in the past, we now have a platform that we can build upon to ensure the exam continues to evolve and exceed the high expectations of the public and the accounting profession. We want to make sure the CPA Exam continues to test knowledge and skills required of entry-level CPAs and are directly related to the real-world.

To help accomplish this, I recently took on the role of Director – Exams Strategy. In this new position, I will continue to represent Exams to the public and lead our compliance activities with the Examination Review Board. In addition, I will have the lead strategic role in defining the future of the CPA Examination. This will help us define both short-term changes in content and longer-term milestones for the CPA Examination. Expect to hear much more about Exams Strategy in the near future. In the meantime, please continue to e-mail me at [gjohnson@aicpa.org](mailto:gjohnson@aicpa.org) with your suggestions or comments about *The Uniform CPA Exam Alert*. 

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## Test Tips for CPA Candidates *(Continued from page 1)*

Literature portion of the test. During the exam, read all directions carefully.

- **History button** - use this to find the last page visited. (A “back” button is not available.) By clicking on History, you will be able to obtain a list of up to 20 last page visits, in reverse order.
- **Copy/paste** – in the Authoritative Literature tab you can highlight, copy/paste only a block of text (NOT separate lines or words) at a time.
- Only the copy icon in the Auth Lit window will copy/paste highlighted text. DO NOT use the icon in the main toolbar.
- In the tutorial, find specific copy and paste tips as follows:
  - For **AUDIT** simulation instructions, refer to *Review Letter Item Type*;
  - For **FAR** simulation instructions, refer to *Accounting and Reporting Item Type*;
  - For **REG** simulation instructions, refer to *Tax Citation Item Type*.
- **Search** - you will have to scroll down to view all topics returned by a search; if you spell words incorrectly, you will not receive any search results.
- **Calculator** - you will be able to enter numbers on the online calculator using the keyboard or the keypad with the NumLock feature turned on. Be sure you understand how to move the calculator on the screen.
- Remember that **the examination consists of several sections** (groups of multiple choice questions called testlets or simulations). You will be able to review questions within any testlet/simulation but you will NOT be able to go back to a testlet/simulation once you have exited from it.

### Scheduling the Exam

- **When you receive your Notice to Schedule (NTS), check the accuracy of your name.** The same version of your name must appear on your application, the NTS, and on the identification (ID) you

present at the testing center. If your name on this document is not correct, contact your state board of accountancy at least 10 days before your test appointment.

- **Schedule through [www.prometric.com/cpa](http://www.prometric.com/cpa).** This web site is available 24 hours a day and can also be used to cancel or reschedule appointments.
- **Schedule early.** It is recommended that you schedule 45 days in advance of your preferred test date.
- **The appointment time (on the schedule confirmation) is thirty minutes longer than your exam time** to allow you to complete the sign-in process and survey. This time is independent of your exam. Completing these activities quickly will NOT give you extra time on the examination.

### At the Test Center

- **Bring your NTS (Notice to Schedule) to the testing center! You cannot test without it.** Test Center Personnel are required to turn away CPA candidates who do not have paper copy of this document.
- In addition to the NTS, **every candidate must bring two valid forms of ID** with them to the Testing Center. The spelling of the name on this ID must match the spelling on the NTS exactly letter for letter. A CPA candidate will not be allowed to test if their ID and NTS do not match. Please see the CPA Examination Candidate Bulletin for a list of valid forms of Primary and Secondary Identification.
- Arrive at least 30 minutes early and **be sure to have your Examination Password on hand** (it's provided on your **Notice to Schedule**) when you are seated at the workstation.

You have a **limited amount of time** available to enter this information once you are seated.

- Be sure to **follow research problem directions.** (If you are having difficulty entering a response in the space provided, you may not be using the expected response format.)
- **Report any functionality problems to the Test Center Administrator (TCA).** If possible, wait until the end of the session. If you encounter a problem in a simulation, be sure to **identify the TAB** in which it occurred.
- **Don't be distracted by any issue as long as you are able to continue testing.** For example, if your responses do not generate the expected result, be sure to read the directions and continue testing. Report this matter to the TCA at the end of the session so that a report can be filed. The system will verify that your responses are recorded.
- **Keep the Confirmation of Attendance form you receive after the exam.** This not only verifies you took the exam, but contains contact information about reporting any concerns, complaints, or questions about the exam. 📄



## Talking To...



**Craig Mills**  
Executive Director-  
Examinations, AICPA

### **N**ow that the first testing window for the computer-based CPA Examination is completed, what is your overall assessment of how it went?

It went very well. Over 20,000 test sections were taken during the window that began April 5 and ended May 29, 2004. We found a few things that need to be improved, but 99.9% of the tests completed successfully. Of course, there were a few surprises as there are any time a complex project like this one is launched.

### **What have you learned from the first testing window?**

That communication is key to our continued success. Candidates who knew about, and used, the tutorial and sample tests (available at [www.cpa-exam.org](http://www.cpa-exam.org)), before taking their exams seemed well prepared for the technology. However, we plan to make some improvements in our testing interface, particularly with regard to copying and pasting in the simulations.

### **Will the examination change going forward?**

Yes, without a doubt. For example, we are already working on possible changes to the constructed response questions. We're continuing to investigate the best way to include simulations in BEC. One of the best things about the computerization of the CPA exam is that we not only computerized the test, but also created a technology platform that will allow continued innovation in the exam.

### **Candidates who took their exams during April-May 2004 received their grades in July. Why does it take so long? Do you ever envision candidates getting immediate results (at the test center)?**

For this first testing window, we had to conduct a number of analyses to confirm that the test was functioning as required, that the pass rate was set appropriately, and that the statistics describing the test questions were accurate. We will need to do these kinds of analyses for several testing windows to ensure that the data are correct. As we gain experience, however, we will be able to report scores somewhat more quickly. However, I do not envision a time when results will be provided at the test center.

### **Has the passing standard for the CPA Examination changed? If yes, why?**

Simply put, the passing standard sets the bar that must be met for persons to demonstrate that they have the knowledge and skills necessary for licensure. Since the computerized CPA Examination is a new exam,

this required that a new standard be set. While there is some overlap with the content of the old CPA exam, the content has been rearranged into different sections and additional content and skills are now assessed. It's not so much that the standard has or has not changed. The tests just aren't comparable and neither are the standards.

### **Will this affect the examination pass rates?**

Several things will affect pass rates. The most significant change may not be related to the test itself, but rather to the conditions under which it is administered. Since candidates no longer have to take all four sections over a two-day period, they may be better prepared for each section that they do take. In fact, we expect the pass rate percentage for each section of the exam to hover around the mid-40s for the first testing window. However, we need to complete a few more testing windows before we know what the overall pass rates will be for the computerized exam. It's still too early to draw any conclusions.

### **What advice would you give to new CPA candidates about the new exam?**

There are lots of things I could say, but there are three items that are especially important.

First, be sure to really work with the tutorial and sample tests before going to the test site. It's very stressful to try to learn how to use the computer, rather than focusing on answering questions, while the exam clock is ticking.

Second, don't procrastinate. Without the structure of rigidly scheduled administration dates, some people may feel that they can always sit for the exam "later." Sometimes "later" can become "never." The CPA is a valuable designation and it would be a shame if people just didn't get around to taking the test and, as a result, didn't obtain their CPA.

Third, be sure you know the rules. A fairly large number of candidates had their testing delayed because they didn't bring the correct identification and their Notice to Schedule to the center as required. Others were confused by the time allowed for breaks and the amount of time required for check-in and other administrative activities prior to the test. Closely read the *Candidate Bulletin* and other test tips and exam FAQs (Frequently Asked Questions) available on the exam web site, [www.cpa-exam.org](http://www.cpa-exam.org). If you know what to expect on exam day, you'll be more relaxed and able to concentrate on taking the test. 📖

## Meet New BOE Member

**Nina Kavich, CPA, CVA**, is the owner of a CPA firm in Fremont, Nebraska that specializes in individual and business taxation, IRS representations, business valuations, and trust and estate taxation. A former member of the Nebraska Board of Public Accountancy (1996-2003), Nina was instrumental in the implementation of the 150-hour requirement in Nebraska, serving as Chair of the Educational Advisory Committee from 1998 to 2001. During that time, also serving as Chair of the Board, Nina was involved in the successful passage of legislation allowing the computer-based CPA Examination to be given in Nebraska. Nina currently serves as a member of the Educational Advisory Committee of the Nebraska Board.

Nina has been an active member of the National Association of State Boards of Accountancy (NASBA) and has served on numerous committees including Litigation Response, Public Perception, Ethics Task Force, Bylaws, Regulatory Structures, Nomination Task Force, and Administration and Finance Committees. She has recently been selected by the Central

Region of NASBA to serve on the Nominating Committee.

A member of the AICPA CPA Exam Tax / Regulation Subcommittee since 2002, Nina continues to be involved in the review of examination questions in the tax area. As a former educator, the CPA Exam has always been of special interest to Nina. A graduate of the University of Nebraska-Lincoln, with a degree in Mathematics, Nina taught advanced mathematics at Fremont Senior High School from 1973-1978.

She is a frequent speaker in the community on accounting careers, and has served on the Nebraska Society of CPAs' Accounting Careers Committee. She has provided mentoring and job shadowing opportunities to high school students interested in the accounting profession in addition to providing internships to local college students.

Her personal interests include gardening, interior decorating, and traveling. Nina has one son, Paul, a recent graduate of Kansas State University, with a degree in Computer Science.



**Nina Kavich**

## Paula Thomas Given Achievement Award



**Paula Thomas**

**B**oard of Examiners member, Paula B. Thomas, received the 2004 Distinguished Achievement in Accounting Education Award from the American Institute of Certified Public Accountants at its Spring Council meeting. The annual award recognizes full-time college accounting educators for excellence in teaching and national prominence in the accounting profession.

The citation issued in her honor reads, "Throughout her career, students have consistently rated her overall performance as among the top of her departmental rankings. Paula's approach to innovative classroom teaching focuses on remaining current in both pedagogical and technical issues."

Thomas serves as Advisory Board Distinguished Professor of Accounting and Interim Chair of the Department of Accounting at Middle Tennessee State University. She is a recipient of the Tennessee Society of CPAs' Outstanding Educator Award and the Award for Outstanding Performance in the Accounting Profession from the Middle Tennessee State chapter of Beta Alpha Psi, the national accounting fraternity.

## Exam Web Site Reorganized

The CPA Examination web site, [www.cpa-exam.org](http://www.cpa-exam.org), has been reorganized to make it easier to find CPA Exam-related information as well as apply, prepare for, and take the exam. Using feedback received from candidates, state CPA societies, and educators, the site is now more action-oriented and geared to candidate needs. The revamped site provides easy access to important exam information and links within three clicks of a computer mouse.

Gregory Johnson, Director-Exams Strategy stated, "We want to make it easier for busy students and candidates to apply for and take the CPA exam. The web site still contains everything you need to know about the exam, but it is now arranged under headings such as Getting Started, Prepare for the Exam, and Take the Exam. There are direct links to the Uniform CPA Examination Candidate Bulletin, the exam tutorial, and sample tests.



The site also contains Frequently Asked Questions (FAQs), exam content specification outlines (CSOs), links to state boards of accountancy, the National Association of State Boards of Accountancy (NASBA),

exam testing centers, and more. With the improved organization, the CPA exam information is easier than ever to find and it can bring accounting students and professionals that much closer to CPA licensure."

## Access to Professional Literature

The Uniform CPA Examination consists of multiple-choice questions and condensed case studies called simulations. Within the simulations, candidates must do an online search of professional literature databases to answer questions. Here are some ways that candidates, students, educators, and schools can get access to helpful online resources.

For more information and Internet links, go to [www.cpa-exam.org](http://www.cpa-exam.org), and click on **Prepare for the Exam**.

### CPA Exam Candidates: Free On-line Access to Professional Literature Package

CPA exam candidates can get a free six-month subscription to professional literature used in the computerized CPA Examination. This online package includes *AICPA Professional Standards*, *FASB Current Text*, and *FASB Original Pronouncements*. Only candidates who have applied to take the CPA exam, and have been deemed eligible by state boards of accountancy, will receive access to this package of professional literature.

### Other Access to AICPA Resource: Accounting & Auditing Literature

**Discounted Student/Recent Graduate Member Subscriptions**  
AICPA Student Affiliate/Recent Graduate Members (who pay annual

dues of \$30) can subscribe to AICPA Resource at a special price of \$40 for a one-year subscription.

#### Free Subscriptions for Educators

Educators who are members of the AICPA can get a free subscription to *AICPA Resource*.

#### Site Licenses for Schools

The complete set of *AICPA Professional Standards*, *Technical Practice Aids*, and *Audit and Accounting Guides* is also available in a CD-Rom format. Schools can purchase an academic site license program.

### Financial Accounting Standards Board (FASB) Statements

The Financial Accounting Standards Board (FASB) has available on its website [www.fasb.org](http://www.fasb.org) the full text of all FASB Statements issued since 1973. Please note that FASB statements are presented as originally issued, are not in a searchable format, and may not be stored on your computer in any archival system. Additionally, superseded sections of the standards are not highlighted and it is difficult to identify such sections.

# The Uniform CPA Examination Alert

July/August 2004

## *Upcoming Events*

**August 3-4, 2004**

AICPA FAR Subcommittee  
(Seattle, WA)  
Contact: Adell Battle  
(201) 938-3435

**August 9-10, 2004**

AICPA BEC Subcommittee  
(Boston, MA)  
Contact: Vincent Lima  
(201) 938-3317

**August 19-20, 2004**

AICPA Auditing Subcommittee  
(TBD)  
Contact: Linda D. Mills  
(201) 938-3196

**September 20-21, 2004**

AICPA BEC Subcommittee  
(New York City)  
Contact: Vincent Lima  
(201) 938-3317

**September 22-23, 2004**

AICPA Board of Examiners  
(TBD)  
Contact: Gregory Johnson  
(201) 938-3376

**September 27-28, 2004**

AICPA Psychometric Oversight  
Committee  
(TBD)  
Contact: Bruce Biskin  
(201) 938-3421

**October 7-8, 2004**

AICPA Auditing Subcommittee  
(New York City)  
Contact: Linda D. Mills  
(201) 938-3196

**October 19-20, 2004**

TRIO  
(Philadelphia, PA)  
Contact: Krista Breithaupt  
(609) 671-2908