

# THE CPA EXAM

## WHAT YOU NEED TO KNOW!

### WHAT IS THE CPA EXAM?

The Uniform CPA Examination (CPA Exam) is developed, maintained, and scored by the American Institute of CPAs (AICPA) and administered at one of the 3,000 national Prometric test centers in partnership with the National Association of State Boards of Accountancy (NASBA).

The CPA Exam protects the public interest by helping to ensure that only qualified individuals become licensed as U.S. Certified Public Accountants (CPAs).



### OUTSTANDING. RESPECTED. REWARDING.



Having a CPA license<sup>1</sup> is another great way to make you and your resume stand out from the massive pile of candidates to potential employers. Employers are often impressed with accountants who've earned their CPA license since it demonstrates your commitment to the profession, a keen understanding of technical skills. And let's be real, a CPA license is often quite necessary if you ever want to move on up. According to the BISK CPA Review, which also cites the National Association of Colleges and Employers survey, college graduates with accounting degrees

averaged salaries of \$50,500 in 2012. However, those who obtained a CPA license had a median salary of \$73,800 and top salaries were around \$124,00.<sup>2</sup>

Respected and admired by their peers, clients, and society, CPAs are often viewed as an elite group of professionals (kind of like doctors or lawyers). After years of academic and technical training – and passing the rigorous CPA Exam, of course – a CPA's ethics and character are further tested with several years of extensive on-the-job training (see Professional Development Opportunities for info on how public accounting firms have your back) and Continuing Professional Education (CPE) to maintain their license. CPAs continue to achieve a level of expertise and proficiency beyond that of a "standard" accountant – proudly earning them the coveted CPA license.

### HOW IS THE EXAM STRUCTURED?

The Uniform CPA Exam<sup>3</sup> is a computer-based test made up of four sections. Effective April 1, 2017, a maximum of four hours of testing time is provided to complete each section along with 15 minutes for administrative screens and 15 minutes for a standardized break, aggregating four and a half hours. The four sections are broken out as follows:

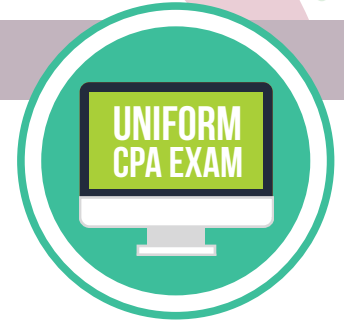
1. Auditing and Attestation (AUD) — (multiple choice questions and task-based simulations)
2. Business Environment and Concepts (BEC) — (multiple choice questions, task-based simulations and written communication tasks)
3. Financial Accounting and Reporting (FAR) — (multiple questions and task-based simulations)
4. Regulation (REG) — (multiple choice questions and task-based simulations)

The CPA Exam employs a combination of question formats. Of course, the traditional multiple choice questions (that will require the use of your calculator in some sections), essays are included in sections, and they will also throw in a few highly innovative simulations that replicate workplace situations and require the application of knowledge and skills to arrive at solutions. Yes, this sounds like a lot, but the upside is that you can take each part separately in any order you choose, just as long as you complete all four parts within 18 months.



*Keep reading to learn more!*

## ELIGIBILITY REQUIREMENTS TO SIT FOR THE EXAM



Education requirements to sit for the CPA Exam vary state-by-state or jurisdiction. Fun fact to note: all states require you to have a minimum of 120 credit hours (the equivalent to a bachelor's degree) to sit for the Exam, but requirements can vary.

To get licensed as a CPA, all Boards of Accountancy require 30 additional credit hours, or 150 hours. But don't worry, there are many options available for getting the additional 30 hours. Some students will earn the extra credits by enrolling in an accounting graduate program, although that's not required.

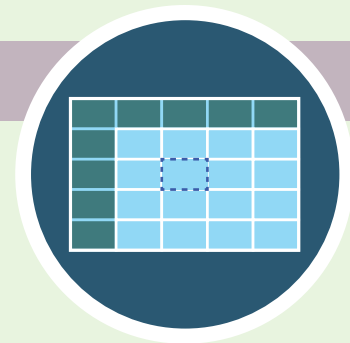
Check your state or jurisdiction's exam and licensure requirements at the AICPA's website for college students and CPA Exam candidates at [www.thiswaytocpa.com/licensurerequirements](http://www.thiswaytocpa.com/licensurerequirements).<sup>4</sup> You've got options!

## WHAT COURSES SHOULD I TAKE IN THOSE ADDITIONAL 30 HOURS?

The requirements for your 30 additional credit hours needed for licensure will vary by jurisdiction. You'll need to check your requirements to determine which courses you need in order to be eligible for CPA licensure.

Check out our Roadmap to Audit Workbook below to help plan out your courses to fit the skills that an auditor needs.

### TECHNICAL SKILLS



The engagement team of the future will require that some members have one or more of these technical skills; though, don't think you have to possess all of these skills—engagement teams are over-achievers, but they're also realistic people.

- Advanced statistical analysis (e.g., sampling, regressions, multivariate analysis, conjoint analysis, etc.)
- Basic programming skills (e.g., Python, Java, Excel, Access, etc.)
- Introduction to data visualization using Tableau, Spotfire, or Qlikview
- Experience with data analytics
- Computational analytics course
- Database management software
- Information systems design
- Valuations
- Transaction services

*Keep reading to learn more!*

### COMMUNICATIONS AND ANY OTHER SKILLS?

If you're planning on becoming an auditor, you should invest in developing oral and written skills before entering the profession. Take advantage of opportunities to develop these skills in any of your classes by volunteering to give presentations or lead project teams. You could also look for activities and organizations on and off campus that will foster your abilities (and confidence):



- Management speaking/writing fundamentals
- Presentation skills
- Relationship management
- Project management/time management
- Leadership skills
- Psychology

Learn more about the entire process and what is standing between you and those three precious letters by exploring the CPA Exam & Licensure Center at the AICPA's website for college students and CPA Exam Candidates, [ThisWayToCPA.com/CELC](http://ThisWayToCPA.com/CELC).

<sup>1</sup> Source: <https://www.nasba.org/licensure/gettingacpalicense/whygetlicensed/five-popular-reasons-for-earning-a-cpa-license/>

<sup>2</sup> Source: <https://www.investopedia.com/articles/investing/051415/how-much-do-cpas-make.asp>

<sup>3</sup> Sources: <http://www.aicpa.org/BecomeACPA/CPAExam/DownloadableDocuments/next-cpa-exam-structure-white-paper.pdf>

<sup>4</sup> Source: <https://www.thiswaytocpa.com/exam-licensure/cpa-exam-licensure-center/>