

# THE UNIFORM CPA EXAMINATION

Protecting the Public Interest | 2013 Edition

The Uniform CPA Examination protects the public interest by helping to ensure that only qualified individuals become licensed as U.S. Certified Public Accountants (CPAs). Individuals seeking to qualify as CPAs — the only licensing qualification in accounting in the United States — are required to pass the CPA Examination.

### Protecting the Public Interest

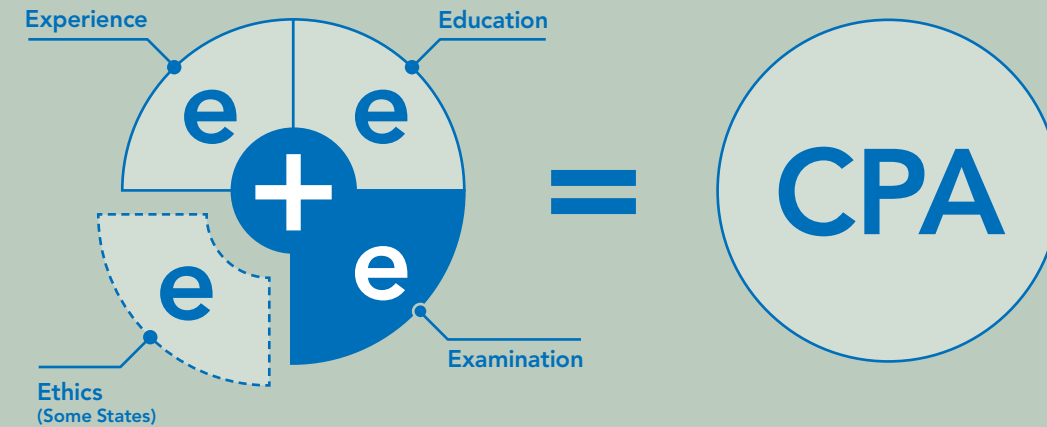
An individual seeking licensure as a CPA in any of the [55 U.S. boards of accountancy](#) (the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and the Commonwealth of Northern Mariana Islands) must pass the CPA Examination.

The purpose of the exam is to provide reasonable assurance to the 55 boards that those who pass the CPA Examination possess the level of technical knowledge and the skills necessary for initial licensure. Public interest is protected when only qualified individuals are admitted into the profession.

The Uniform CPA Examination is one of the “Three E’s” — Education, Examination and Experience — that constitute the [requirements for CPA licensure](#). Of these three requirements, only the CPA Examination is uniform and accepted for CPA licensure by all U.S. jurisdictions. Education and experience requirements may vary from one jurisdiction to another. As a result, passing the CPA Examination is not sufficient — in itself — to qualify for licensure.

CPAs are the only accounting professionals who are licensed. CPA licenses are issued by state boards of accountancy in the 55 jurisdictions — there is no national CPA licensure process in the United States.

Eligibility: 3 + 1 E’s to becoming a CPA



### The Profession

**22%**

The accounting profession is expected to grow by 22% over the next 10 years.

**200K**

200,000 new jobs will be created during this time.

**10**

Yahoo! Finance ranked accounting among the top 10 happiest jobs in 2012.

ELIGIBILITY

PARTNERSHIP

GOVERNANCE

INTERNATIONAL

EXAMINATION

The Uniform C...  
only qualified...  
(CPAs). Individ...  
in accounting i...

### Protecting the F...

An individual seeking...  
U.S. boards of accour...  
Columbia, Puerto Ric...  
the Commonwealth o...  
pass the CPA Examina...

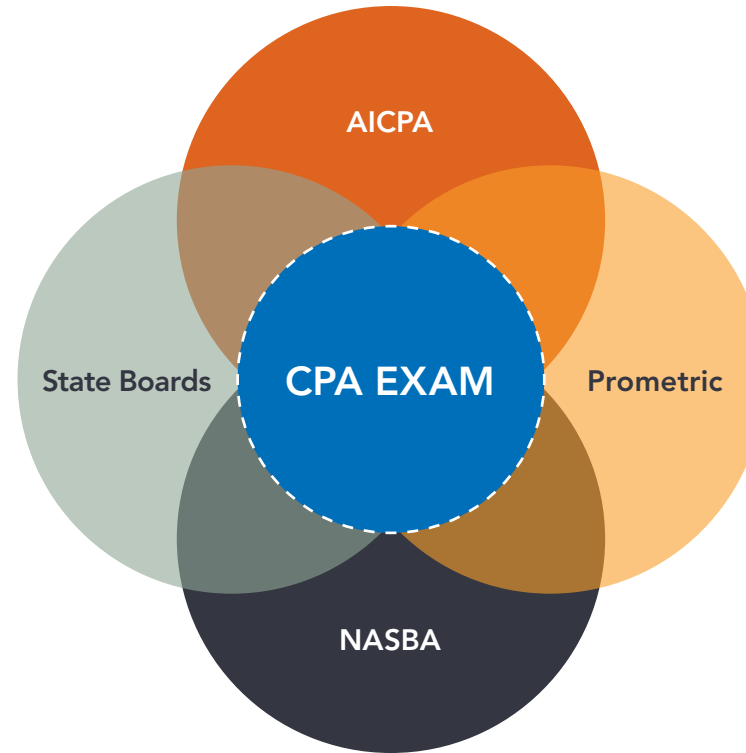
The purpose of the e...  
assurance to the 55 l...  
the CPA Examination...  
knowledge and the s...  
licensure. Public inte...  
qualified individuals a...

### The NASBA, AICPA, Prometric (NAP) Partnership

The [National Association of State Boards of Accountancy \(NASBA\)](#), the [AICPA](#) and [Prometric](#) collaborate closely to deliver the Examination. The AICPA is responsible for the development and scoring of a valid, legally defensible examination. NASBA serves as the forum for the nation's boards of accountancy and works with state boards and candidates on eligibility and score reporting. NASBA is responsible for the National Candidate Database, which was created to help NASBA, state boards, the AICPA and the testing centers protect the personal data provided by candidates during application and examination processes.

As a central repository for all CPA Examination candidate information, the National Candidate Database is a global tracking system for CPA Examination candidates. With the ability to track a candidate's history, from initial application to grading of the examination, the National Candidate Database is a powerful tool for managing testing information. Prometric is responsible for the delivery of the Exam to approved test centers, scheduling test appointments, test administration and returning results to the AICPA for scoring. State boards are the licensing body. The Exam helps them meet their regularity responsibilities.

### The CPA Exam is a Collaborative Effort



PARTNERSHIP

GOVERNANCE

INTERNATIONAL

EXAMINATION

The Uniform CPA Examination is the only qualification exam for CPAs. It is the standard in accounting.

### Protecting the Public Interest

An individual must pass the CPA exam to become a CPA. U.S. boards of accountancy, such as the American Institute of Certified Public Accountants (AICPA), the Council of the Institute of Management Accountants (CIMA), and the Council of the International Board of Standards and Practices for Certified Financial Accountants (IBCFAs), oversee the CPA exam. The CPA exam is the only exam that all CPAs must pass to become a CPA.

The purpose of the CPA exam is to ensure the highest quality assurance to the public. The CPA exam is the only exam that all CPAs must pass to become a CPA. The CPA exam is the only exam that all CPAs must pass to become a CPA. The CPA exam is the only exam that all CPAs must pass to become a CPA.

### The Board of Examiners (BOE)

The [AICPA Board of Examiners \(BOE\)](#), a senior AICPA committee, is the body that sets policy for the Uniform CPA Examination in accordance with legal and psychometric standards as they apply to licensure examinations. In addition, the BOE oversees the development and scoring of the CPA Examination, ensures that the CPA Examination is consonant with entry-level knowledge and skill requirements of CPAs and represents the CPA Examination to state boards of accountancy and the profession.

The 18-member BOE is comprised of CPAs, state board regulators, psychometricians and educators. It represents a cross-section of the CPA profession, with members from the Big 4, industry, academia and government.

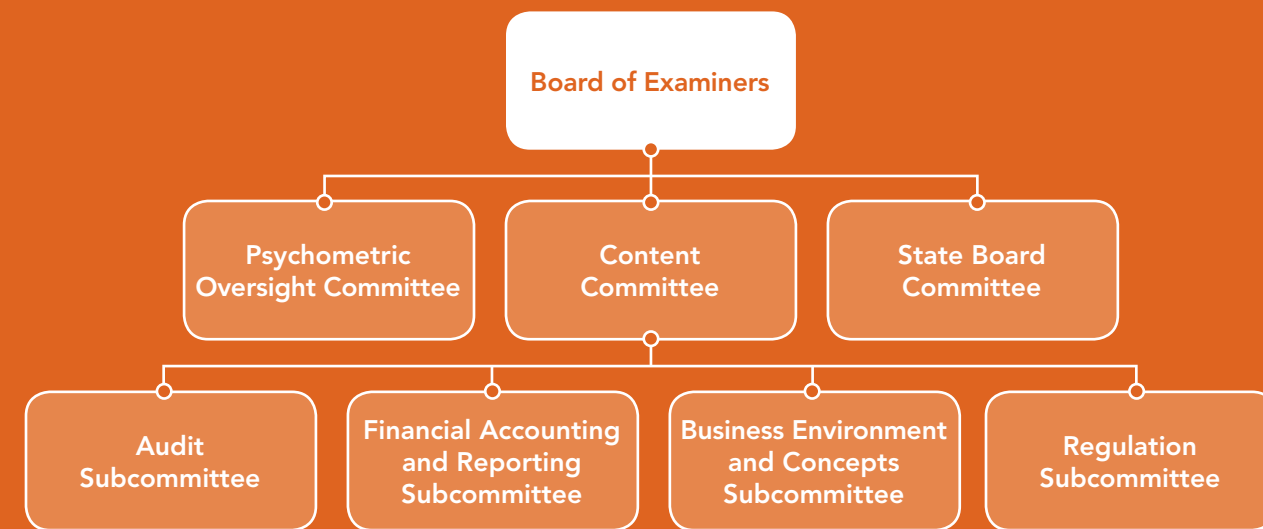
### The BOE Committee Structure

**The State Board Committee (SBC)** — The SBC serves as a communication link between the BOE and the 55 boards of accountancy. It is responsible for communicating state board concerns to the BOE and keeping the state boards advised of BOE activities and decisions. SBC membership is comprised of state board of accountancy members/chairs or executive directors.

**The Content Committee** — The committee is responsible for the monitoring of examination content in accordance with BOE guidelines and policies. Membership in the committee and its four subcommittees — one subcommittee for each of the four examination sections — is limited to CPAs.

**The Psychometric Oversight Committee (POC)** — The POC directs and evaluates examination research and oversees the application of psychometric procedures in accordance with standards applicable to licensure and certification examinations. Members of the POC are psychometricians with expertise in psychometric procedures, measurement theories, computer-based testing and legal issues relevant to licensure examinations.

### Board of Examiners (BOE) Committee Structure



### Volunteer Opportunities

The AICPA is accepting applications until May 15, 2013, for the 2013-2014 volunteer year, which begins October 2013. If you are interested in volunteering for one of these committees, please fill out an application, including your résumé, on [Volunteer Central](#) which can be accessed by clicking "Volunteer" at [aicpa.org](#). If you have questions regarding volunteering at the AICPA, please contact [VolunteerServices@aicpa.org](mailto:VolunteerServices@aicpa.org)

GOVERNANCE

INTERNATIONAL

EXAMINATION

The Uniform CPA Exam is the only qualification exam for CPAs. It is administered by the AICPA in accordance with the CPA Council's standards.

### Protecting the CPA Exam

An individual must pass the CPA Exam to become a CPA. The CPA Council, through the AICPA, sets the standards for the CPA Exam. The CPA Council also sets the standards for the CPA licensure process. The CPA Council is responsible for the CPA Exam and the CPA licensure process.

The purpose of the CPA Exam is to ensure that candidates have the knowledge and skills necessary to practice as CPAs. The CPA Exam is a rigorous exam that tests candidates on their accounting knowledge and skills. The CPA Exam is a requirement for CPA licensure. The CPA Council is responsible for the CPA Exam and the CPA licensure process.

### International Delivery of the CPA Exam

The AICPA and NASBA — in consultation with state boards of accountancy, the BOE and other major stakeholders — spent two years studying an international examination delivery program. The result is the [international administration of the Uniform CPA Exam](#), which uses the state board licensure process and the current examination structure.

The [licensure process for international candidates](#) follows the same general path as CPA candidates in the United States. The primary difference for international candidates is the addition of an informed consent agreement. Candidates who pass the exam agree to obtain a certificate/license through a participating state board of accountancy by signing the informed consent form within three years of passing the Exam.

International locations were evaluated and chosen on a set of criteria:

1. Volume demand as demonstrated by candidates from those countries taking the exam in the United States
2. Ability to deliver the exam without legal obstacles
3. Exam security (both intellectual property security of Exam content and physical security in relation to current local state of affairs) assessed at levels equivalent to those presented domestically
4. Existence of established Prometric test centers

In August 2011, the administration of the Exam was launched internationally in Bahrain, [Japan](#), Kuwait, Lebanon and the United Arab Emirates, marking the first time that candidates sat for the Exam outside of the United States. In February 2012, the Exam was further expanded to South America and administered in [Brazil](#).



### Administration of the Uniform CPA Examination and IQEX

- 54 boards of accountancy jurisdictions
- International CPA Exam delivery
- Citizens and long-term residents who can test in Brazil
- Citizens and long-term residents can test in Bahrain, Kuwait, Lebanon and the UAE
- IQEX MRA countries, Exam administration in the U.S.

More than

# 13,526

sections registered internationally from August 2011 to September 2012



The AICPA also developed the [International Qualification Examination \(IQEX\)](#), which is designed to facilitate the U.S. CPA qualification process for those accounting professionals from other countries whose professional bodies have entered into reciprocity agreements with the U.S. accounting profession. The U.S. accounting profession has mutual recognition agreements in effect with certain professional bodies in the following locations: Australia, Canada, Hong Kong, Ireland, Mexico and New Zealand. In November 2012, the IQEX transitioned to a new format that uses an administration of the Uniform CPA Examination's Regulation section as the required examination.

← OPEN HERE

INTERNATIONAL

EXAMINATION

The Uniform CPA Exam is the only qualification exam for CPAs. It is administered by the AICPA and NASBA in accordance with the CPA Council's standards.

### Protecting the Public Interest

An individual must pass the CPA Exam to become a CPA. The CPA Council, through the AICPA and NASBA, sets the standards for the CPA Exam and the licensure process. The CPA Council also sets the standards for the CPA's professional conduct.

The purpose of the CPA Exam is to ensure that only qualified individuals are licensed as CPAs. The CPA Council, through the AICPA and NASBA, sets the standards for the CPA Exam and the licensure process. The CPA Council also sets the standards for the CPA's professional conduct.

### International Delivery of the CPA Exam

The AICPA and NASBA — in consultation with state boards of accountancy, the BOE and other major stakeholders — spent two years studying an international examination delivery program. The result is the [international administration of the Uniform CPA Exam](#), which uses the state board licensure process and the current examination structure.

The [licensure process for international candidates](#) follows the same general path as CPA candidates in the United States. The primary difference for international candidates is the addition of an informed consent agreement. Candidates who pass the exam agree to obtain a certificate/license through a participating state board of accountancy by signing the informed consent form within three years of passing the Exam.

International locations were evaluated and chosen on a set of criteria:

1. Volume demand as demonstrated by candidates from those countries taking the exam in the United States
2. Ability to deliver the exam without legal obstacles
3. Exam security (both intellectual property security of Exam content and physical security in relation to current local state of affairs) assessed at levels equivalent to those presented domestically
4. Existence of established Prometric test centers

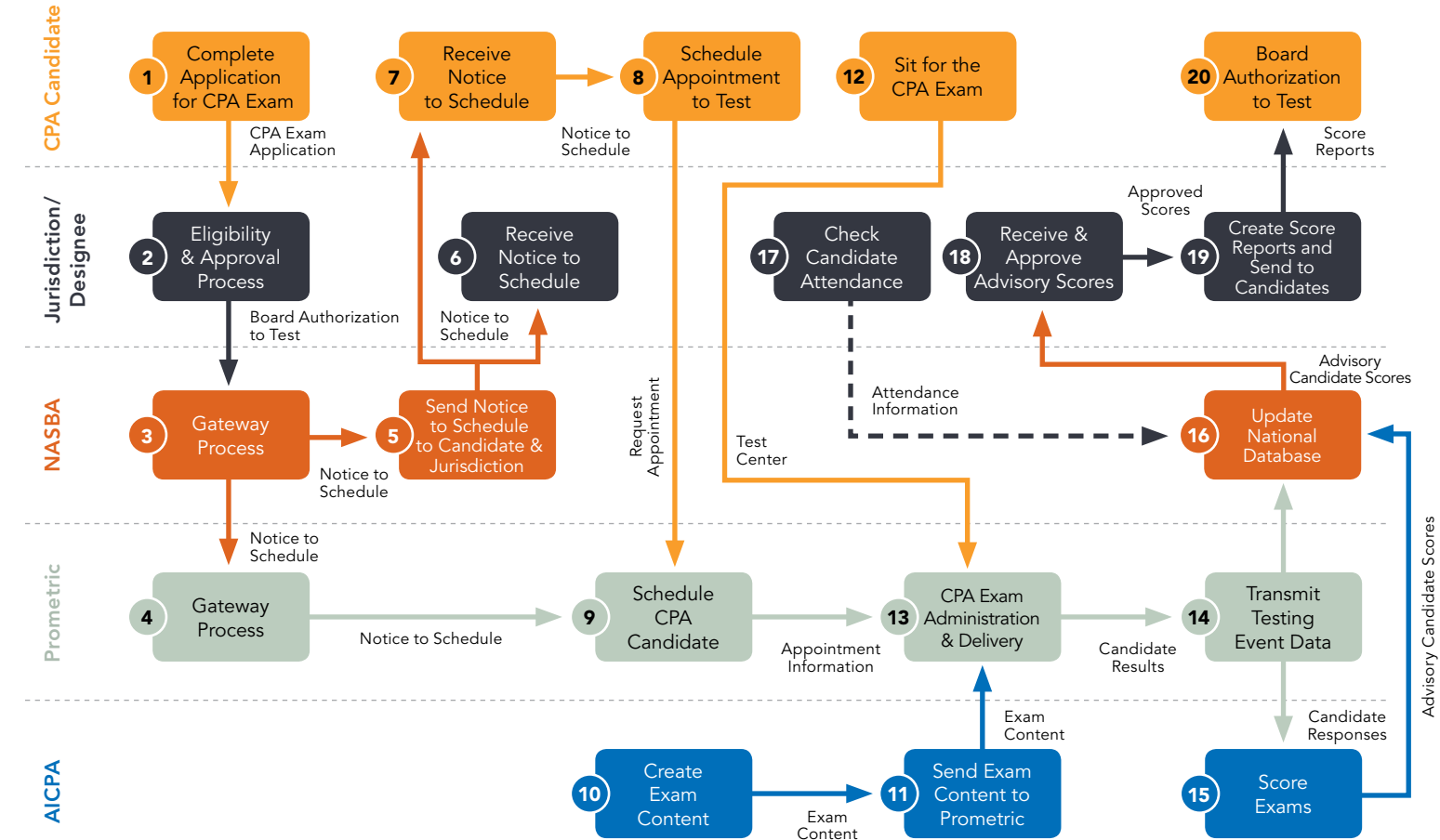
In August 2011, the administration of the Exam was launched internationally in Bahrain, [Japan](#), Kuwait, Lebanon and the United Arab Emirates, marking the first time that candidates sat for the Exam outside of the United States. In February 2012, the Exam was further expanded to South America and administered in [Brazil](#).

### Administration of the Uniform CPA Examination and IQEX

- 54 boards of accountancy jurisdictions
- International CPA Exam delivery
- Citizens and long-term residents who can test in Brazil
- Citizens and long-term residents can test in Bahrain, Kuwait, Lebanon and the UAE
- IQEX MRA countries, Exam administration in the U.S.



## Administration and Delivery of the Uniform CPA Examination and IQEX



### Content

The content of the Uniform CPA Examination is developed through an extensive and integrated process. At each step in the process, expertise in various disciplines is applied to ensure that the test materials are accurate and appropriate for use on the CPA Exam.

The first key area of expertise is accounting. Individuals who draft, review and finalize test materials are experienced CPAs. A second area of expertise is in the science of testing, called psychometrics. At each stage in the test development process, psychometricians are involved in the design, development and implementation of test materials. These include test specifications, test questions and data analysis. A third area of expertise is in test development. Experts in the design and development of test questions are involved in the process.

The CPA Exam is comprised of four sections: Auditing and Attestation (AUD), Business Environment and Concepts (BEC), Financial Accounting and Reporting (FAR) and Regulation (REG). These four sections represent a total of 14 hours of testing. All four sections contain multiple-choice questions (MCQs). AUD, FAR and REG sections have an additional portion for task-based simulation (TBS) questions; BEC has a portion for written communication questions, but no TBS questions.

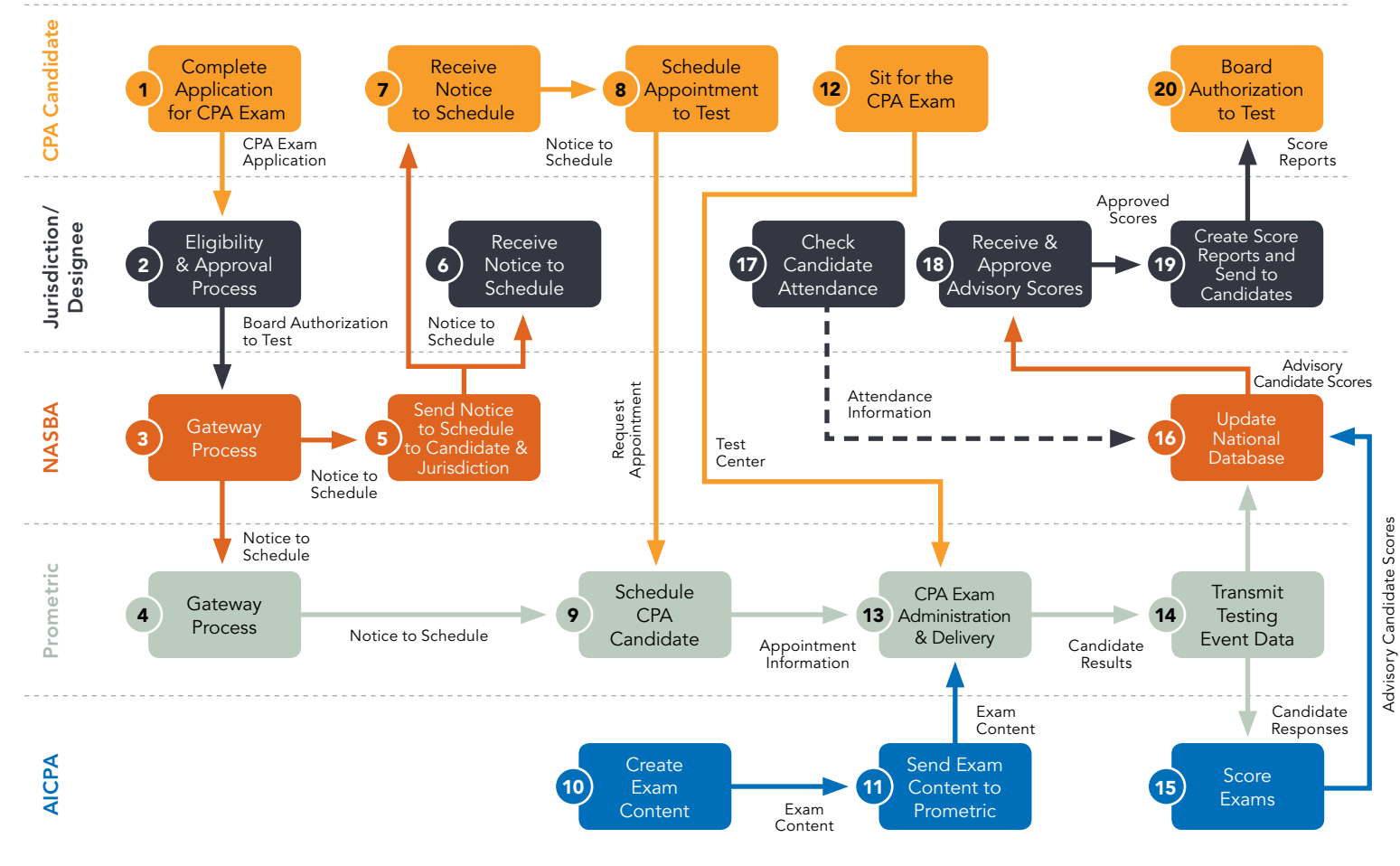
### CPA Policy on New Pronouncements

Accounting and auditing pronouncements are eligible to be tested on the Uniform CPA Examination in the testing window beginning six months after a pronouncement's effective date, unless early application is permitted. When early application is permitted, the new pronouncement is eligible to be tested in the window beginning six months after the issuance date. In this case, both the old and new pronouncements may be tested until the old pronouncement is superseded.

Changes in the federal taxation area, the Internal Revenue Code and federal taxation regulations may be included in the testing window beginning six months after the change's effective date or enactment date, whichever is later.

For all other subjects covered in the Regulation (REG) and Business Environment and Concepts (BEC) sections, materials eligible to be tested include federal laws in the window beginning six months after their effective date, and uniform acts in the window beginning one year after their adoption by a simple majority of the jurisdictions.

## Administration and Delivery of the Uniform CPA Examination and IQEX



## Content Specification Outline by Area

### AUD

- Engagement Acceptance and Understanding the Assignment
- Understanding the Entity and Its Environment (including Internal Control)
- Performing Audit Procedures and Evaluating Evidence
- Evaluating Audit Findings, Communications and Reporting
- Accounting and Review Services Engagements
- Professional Responsibilities

### FAR

- Conceptual Framework, Standards, Standard Setting and Presentation of Financial Statements
- Financial Statement Accounts
- Specific Transactions, Events and Disclosures
- Governmental Accounting and Reporting
- Not-for-Profit Accounting and Reporting

### REG

- Ethics, Professional and Legal Business Law
- Federal Tax Process, Procedures, Accounting and Planning
- Federal Taxation of Property Transactions
- Federal Taxation of Individuals
- Federal Taxation of Entities

### BEC

- Corporate Governance
- Economic Concepts and Analysis
- Financial Management
- Information Systems and Communications
- Strategic Planning
- Operations Management

## CPA Exam Pass Rates (%)

	2011	2012
AUD	45.62	46.89
BEC	47.13	52.83
FAR	45.57	47.97
REG	44.22	48.15

## The Practice Analysis

For the Uniform CPA Examination (and other licensure examinations), a practice analysis is the first step to building a technically sound and legally defensible licensure examination. The practice analysis provides a way to evaluate the knowledge, tasks and skills required of CPAs entering the profession, determine the feasibility and resources required for assessment and develop a blueprint documenting the content, skills, length and time of the examination. Test questions are developed in accordance with the blueprint and this chain of evidence forms the basis for content validity and legal defensibility of the examination.

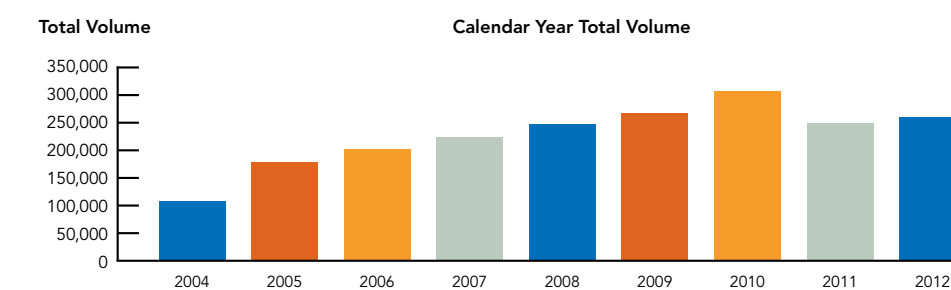
The practice analysis process must be repeated periodically to ensure the continued relevance of the examination to the profession. The last CPA Exam practice analysis was completed in 2008; the next practice analysis is anticipated for 2015.

## Scoring

The BOE determines the passing score, which is 75 on a 0-99 scale. Like most other significant BOE decisions, the passing score decision is supported by a strong collaborative effort among the Exam's partners — NASBA, state boards of accountancy and several consultant psychometricians.

In setting the passing score, the BOE considered many factors, including standard-setting study results, historical trends, any changes in CPA Examination content and input from the academic community and the profession. The passing score is the basis of the pass or fail decision recommended to boards of accountancy on the advisory score report.

## Domestic Volume Chart



## Score Release

A general score release timeline is posted bi-annually at [aicpa.org/cpa-exam](http://aicpa.org/cpa-exam) and on the AICPA Insights blog at [blog.aicpa.org](http://blog.aicpa.org). The target release dates indicate when scores for the CPA Exam will be released by NASBA to state boards of accountancy. Please be advised some boards of accountancy require at least one day beyond the published dates listed in the table to process and release exam scores.

Candidates can test during the first two months of each quarter, or testing window, that is during the months of January and February; April and May; July and August; and October and November.

## Score Reporting Timeline (Domestic & International)

Day in Testing Window*	Target Release Date Timeline
Day 1 - 20	11 business days following day 20 of the testing window
Day 21 - 45	6 business days following day 45 of the testing window
Day 46 - Close of Window	6 business days following the close of the testing window
After Close of Window	6 business days after receiving all scoring data for the testing window

\*Records received by AICPA



### Board of Examiners

Wendy Perez (Chair)  
Wynne Baker  
Robert Brennan  
Lisa Cines  
Colleen Cunningham  
Steve Del Vecchio

Marianne DeVries  
Russ Friedwald  
D.J. Gannon  
Suzanne Lane  
Barbara Ley  
Leslie Mostow

Frederick Niswander  
Richard Reisig  
Mark Shermis  
Michael Tham  
Paula Thomas  
Gina Weaver

### State Board Committee

Barbara Ley (Chair)  
Jimmy Corley  
Bobby Creech Jr.  
Mark Crocker  
David de Silva  
Roberta Newhouse  
Daniel Sweetwood

### Resources for Candidates

#### [aicpa.org/cpa-exam](http://aicpa.org/cpa-exam)

- Score release timetable
- Sample test and tutorial
- International FAQs

#### [thiswaytocpa.com](http://thiswaytocpa.com)

- Exam diaries
- State board requirements
- Candidate planning tools
- List of approved review course providers

#### [nasba.org](http://nasba.org)

- *Candidate Bulletin*
- Licensure and state board requirements

#### [prometric.com](http://prometric.com)

- Scheduling
- Test center locations and hours

#### [uscpaexam.jp](http://uscpaexam.jp)

- Japanese website on the CPA Exam and licensure

This booklet was created to give an overview of the Uniform CPA Examination and its components through the initiative of the State Board Committee (SBC) of the AICPA Board of Examiners, which oversees the Exam's development, scoring and administration.

