

IMPROVING THE UNIFORM CPA EXAMINATION

INVITATION TO COMMENT QUESTIONNAIRE

OCTOBER 2007

The AICPA Board of Examiners (BOE) is embarking on a multi-year project to improve the Uniform CPA Examination. The contemplated changes are outlined in the questionnaire that follows. Detailed explanations are provided in the attached “Improving the Uniform CPA Examination” document. Please take the time to read this document before you complete the questionnaire.

At its September 14-15, 2007 meeting, the BOE authorized the AICPA Examinations Team to begin work on the project but also requested input from State Boards of Accountancy and other interested parties prior to finalizing its decision. The scope of the project is outlined in the Executive Summary on page 1 of the “Improving the Uniform CPA Examination” document. Your response to the questionnaire is essential in order to ensure that CPA Examination improvements are made in concert with the needs and preferences of stakeholders.

Questionnaire Completion Instructions: Please read about each planned improvement and respond by indicating your position on the scale provided. Include comments, especially if you do not support the described initiative. If you need more space to comment, please attach additional sheets. Please return all pages of the completed questionnaire, beginning with page 2 (the respondent’s page).

Options for the Return the Completed Questionnaires:

As an e-mail attachment to mcrabtree@aicpa.org

By FAX to: (609) 671-2922, attention Martin Crabtree

By mail to: AICPA, 1230 Parkway Avenue, Suite 311

Ewing, NJ 08628-3018

Attention: Martin Crabtree

DEADLINE DATE: DECEMBER 31, 2007

Deadline extensions may be obtained for responses on behalf of State Boards of Accountancy that are unable to meet the December 31 deadline. All individual responses must be received by December 31, 2007.

**IMPROVING THE UNIFORM CPA EXAMINATION
INVITATION TO COMMENT QUESTIONNAIRE**

RESPONDENT'S PAGE

1. Are you responding on your own behalf or on behalf of a State Board of Accountancy or other entity?

- Independent response
- Response on behalf of (specify) - NASBA'S CPA Licensing Examination Committee (CLEC)

2. Please check off the statements that apply to you:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Current state board member | <input checked="" type="checkbox"/> Educator |
| <input checked="" type="checkbox"/> Former state board member | <input checked="" type="checkbox"/> Working in public accounting |
| <input checked="" type="checkbox"/> State board staff | <input checked="" type="checkbox"/> Working in industry |
| <input type="checkbox"/> No state board experience | <input checked="" type="checkbox"/> Review course provider |
| <input type="checkbox"/> Other (specify) _____ | |

3. Respondent's Name and Address:

Name - CPA Licensing Examination Committee c/o Joe Cote
Affiliation - National Association State Boards of Accountancy
Address - 150 4th Avenue North; Suite 700; Nashville, TN 37211
E-mail address - jcote @nasba.org. Tel. No: 615.880.4200

Date: 1 / 4 / 2008

1. Continue the development of Task-Based Simulations (TBS)

(*Improving the Uniform CPA Examination*, page 1, item 1; “Task-Based Simulations,” page 3-4)

Description:	
Task-based simulations are short independent simulations.	
Rationale:	
<ul style="list-style-type: none">• The use of TBS is a pre-requisite for faster and more predictable score release.• The use of TBS allows for broader sampling of content and skills within a section of the Examination.	

Question: How strongly do you support an initiative to implement task-based simulations?

Please check one of the following:

Strongly Support Support Neutral Do Not Support* Strongly Do Not Support*

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

Should the Board of Examiners choose to continue the use of simulations, it is felt that task-base simulations are preferable to the simulations being used at this time. The ability to pretest and report scores on a more timely basis is positive. It is also felt that the implementation of proper quality controls, associated with pre-testing, would be a positive addition. CLEC questions the value of simulations in their present form. CLEC believes that a defensible examination can be created solely based on objective testing. The Committee is also concerned about the additional cost of developing and scoring simulations and the fact that no empirical evidence has been gathered that simulations are more effective than other testing formats.

2. Introduce Task-Based Simulations (TBS) at the same time as the practice analysis results are introduced.

(*Improving the Uniform CPA Examination*, page 1, item 2; “Risk Factors Impacting Decisions” and the benefits of introducing changes in one release vs. multiple releases over time, pages 7-8)

Description:	
Coordinate the implementation of task-based simulations with the implementation of the practice analysis results.	
Rationale:	
<ul style="list-style-type: none">• The introduction of TBS and the results of the practice analysis will require communications to candidates and state boards. Introducing them concurrently would allow all communications about changes to be addressed in a single communications effort.• Concurrent introduction ensures that the content of the TBS’s is aligned with the new practice analysis.	

Question: How strongly do you support the introduction of task-based simulations and the results of the practice analysis concurrently?

Please check one of the following:

Strongly Support Support Neutral Do Not Support* Strongly Do Not Support*

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

Changes should all be made at one time. This will cause less confusion, for all parties involved, than implementing changes over a period of time. The overall stability of the examination will be achieved sooner by making all changes at one time.

3. Begin the administration of simulations in BEC by consolidating the administration of essay questions in the BEC section at the same time as the practice analysis results are introduced.

(Improving the Uniform CPA Examination, page 1, item 3; “Written Communication Simulations in BEC,” page 4; “Risk Factors Impacting Decisions” and the reasons for introducing changes at the same time, pages 7-8)

Description:	
Consolidate written essay questions into BEC. Remove essay questions from the other sections (AUD, FAR, REG).	
Rationale:	
<ul style="list-style-type: none">• Consolidating the essay questions into one section will provide for faster score reporting.• Consolidating the essay questions into one section will allow for a single communication update to candidates and state boards.• Consolidating the essay questions into one section will help contain costs.• Removing essay questions from AUD, FAR, and REG will allow for the administration of additional task-based simulations in those sections.	

Question: How strongly do you support the consolidation of the written essay questions into one section of the Exam (BEC)?

Please check one of the following:

Strongly Support Support Neutral Do Not Support* Strongly Do Not Support*

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

It is not necessary to have writing samples in all of the sections. Placing the writing skills in a single section would be preferable and would allow for the testing of other issues, such as dilemma-based ethics, with less emphasis being placed on writing skills. The only concern would be the percentage of the BEC section which will be devoted to writing skills, as opposed to other subject matter being tested in BEC.

We note that the issue addressed here does not explicitly consider the change in weightings for MCQs and simulations that would necessarily occur for three of the sections; nor does it address any implication, if any, for rescoring around the cut score. Obviously, these issues will need to be addressed and have important implications. We would hope that CLEC would be part of those discussions.

4. If stakeholders are amenable to objective assessment of communication skills, investigate the feasibility of such assessments for the CPA Exam and, if appropriate, incorporate them into the operational Exam at a future point.

(Improving the Uniform CPA Examination, page 1, item 4; “Testing Written Communication in the Future,” page 5)

Description:	
Investigate ways to incorporate objective assessment of communication skills into the CPA Exam.	
Rationale:	
<ul style="list-style-type: none">• Objective assessment of communication skills will contribute to a reduction in score reporting time and scoring costs.• Objective assessment can broaden the range of communication skills assessed	

Question: How strongly do you support an initiative to investigate the use of objective assessment of communication skills to replace essay questions?

Please check one of the following:

Strongly Support **Support** **Neutral** **Do Not Support*** **Strongly Do Not Support***

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

Objective assessment of communication skills have been proven to be effective. Such assessment is less susceptible to quality control failures and would be less costly. This would also assist in speeding up the delivery of scores.

Of course, we expect CLEC would have the opportunity to comment on the conclusions you reach in your investigation.

5. Introduce additional TBS in BEC when objective assessment of communication is introduced to replace essay questions.
(*Improving the Uniform CPA Examination*, page 1, item 5; “Other Simulations in BEC,” page 5-6)

Description:	
Add simulations (testing other than communication skills) to BEC when objective assessment of communication skills is introduced to replace essay questions	
Rationale:	
<ul style="list-style-type: none">• BEC simulations would provide a greater range of testing options for the section.• BEC simulations would be developed on the basis of 2008 Practice Analysis findings with respect to the skills most appropriately assessed in BEC.	

Question: How strongly do you support the introduction of additional TBS in BEC when objective assessment of communication is introduced to replace essay questions?

Please check one of the following:

Strongly Support Support Neutral Do Not Support* Strongly Do Not Support*

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

Assuming the BOE continues its support of task-based simulations, the inclusion of such simulations in BEC would not be objectionable. As noted earlier, it would be preferable for all proposed changes to occur at the same time. The objective assessment of communication skills would be looked upon as a positive change and would eliminate the need for the writing sample produced by the essay questions.

6. Maintain the current test administration schedule.

(*Improving the Uniform CPA Examination*, page 1, item 6; “Testing Windows,” page 6)

Description:	
The current test administration schedule is two months of testing followed by a month in which the test is not administered.	
Rationale:	
<ul style="list-style-type: none">• Continuous testing may limit the ability to release scores faster and will increase the time needed to pretest items.• There may be unintended consequences to changing the test administration schedule. Without a deadline at the end of a window, candidate volumes may decline and candidates may wait too long to test.• Changing the test administration schedule would require significant systems changes and potentially increased costs.• The CBT Exam is currently available eight months of the year (six days a week) as compared to only twice a year previously with the paper Exam.	

Question: How strongly do you support maintaining the current test administration schedule?

Please check one of the following:

Strongly Support **Support** **Neutral** **Do Not Support*** **Strongly Do Not Support***

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

There appears to be a need for a dark month in each window. Administratively the dark month allows for the continued updating of the examination and delivery of scores prior to the commencement of the next window. The inconvenience to candidates is minimal. In fact, having scores before the beginning of the next window should be viewed as a necessity.

7. Once the statistical properties and content of the new Exam are known, investigate possible reductions in total testing time.

(Improving the Uniform CPA Examination, page 1, item 7; "Length of Examination," page 6)

Description:	
Maintain the current total testing time until more is known about the new Exam.	
Rationale:	
<ul style="list-style-type: none">• The current Exam length was designed to ensure that the Exam met or exceeded quality standards with regard to statistical properties.• The impact of planned improvements on the statistical properties of the Exam is not yet known.	

Question: How strongly do you support maintaining the current total test length until more is known about the statistical properties and content of the new Exam?

Please check one of the following:

Strongly Support Support Neutral Do Not Support* Strongly Do Not Support*

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

Reducing the testing time would reduce candidate cost. Such changes however may not be possible under the current CBT agreement with Prometric. Also, it would be necessary to assure the states that the quality standards of the examination would not be compromised by making this change. It is also of concern whether merely meeting "minimal standards" for testing is desirable when trying to produce the "best possible professional examination."

We expect that CLEC would again have an opportunity to comment before the test length is changed.

8. Overall, how strongly do you support the proposed improvements to the Exam?

Please check one of the following:

Strongly Support Support Neutral Do Not Support* Strongly Do Not Support*

* For a response **Do Not Support** or **Strongly Do Not Support**, please comment below.

Comments:

CLEC always supports improvements to the examination. Questions still exist however regarding the "added value" that simulations or task-based simulations may bring to the examination process. The cost and problems associated with simulations should also be considered when discussing the continued utilization of simulations or task-based simulations. CLEC encourages the BOE to continually explore and implement improvements to the current examination.

9. Is there anything of great importance missing from the list above of potential improvements to the Exam?

Comments:

CLEC has previously expressed its desire for the inclusion of dilemma-based ethics in the examination. Consideration should be given to the testing of dilemma-based ethics in addition to rules-based ethics. Currently, the approach to ethics is solely rules-based and does not test the morale fiber or decision-making of the candidate. CLEC doubts that ethics will be a key issue to those individuals who complete the current practice analysis. However, to properly protect the public, ethics should have a greater role in the examination. Dilemma-based ethics could be tested by means of multiple choice questions or through task-based simulations.

CLEC requests that at the time these potential exam improvements are being finalized, the candidate diagnostic score report be reevaluated. Consideration should be given to either eliminating the diagnostic altogether or to having the numbers reported for section content areas be additive in calculating the candidates score.

10. Are there any additional comments you would like to make to the Board of Examiners as it considers future changes to the Exam?

Comments:

CLEC and the state boards of accountancy want to encourage the BOE to address cost containment on a continual basis. Since the introduction of the CBT there have been continual increases in the cost of the examination. While the cost is directly related to the number of candidates taking the examination, it also must be addressed and controlled by the parties to the examination contract.

The upcoming practice analysis (content and skills) will certainly change the exam as we know it. We request the changes coming from the practice analysis be coordinated with the exam improvements suggested in this questionnaire.

It is clear that a number of changes being considered have quality control implications. CLEC would like to have a summary in writing of how quality control will be addressed for the new Exam.

Your input is greatly appreciated. Thank you for your time and attention to this Invitation to Comment.