

NASBA

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY

NASBA Accounting Education Research Projects



Are Accountants Made or Born?

An Analysis of Self-Selection
and Performance in the
Accounting Major and on the
CPA Exam

Dr. Allen Blay, CPA and
Dr. Martin “Bud” Fennema, CPA

State Policies and Attitudes
Toward Acceptance of Advanced
Placement (AP) Courses and a
Comparison of Success on the
CPA Exam Between Students
That Enter College with
Advanced Placement Credit and
Those That Do Not: A Two Part
Investigation



Dr. Joseph Ugrin, CPA,
Dr. John Morris, CPA
Dr. Dan Deines, CPA



WESTERN
ILLINOIS
UNIVERSITY

Intention to Sit For the CPA
Exam: An Investigation of
Cost, Exam, Support and
Career Factors

Dr. Martin Coe, CPA





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An Accounting Question

A man buys a horse for \$60.

He sells the horse for \$70.

He rebuys the horse for \$80.

He sells the horse for \$90.

How much did he make or lose in the horse trading business?



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Question 1: Self-Selection

Do students self-select into the accounting major based on intrinsic ability to make accounting-related decisions and calculations?

NO, they do not – students who said that they were going into accounting were no better than others at the accounting-related decisions.

However, many students SAID they selected accounting based on natural ability (38%).



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Question 2: Performance in the Accounting Major and CPA Exam

Does performance on accounting-related decisions and calculations predict success in the accounting major beyond intellectual ability?

Success in Accounting Coursework:

Yes – Students who answering accounting-related questions well got higher grades in principles of accounting and in their upper-level accounting courses.

Success at the CPA EXAM:

Yes – For AUD, BEC, and REG. No for FAR. Success in all four parts was highly correlated with a student's grade in their Principles of Accounting course.



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Question 3: Can “thinking like an accountant” be taught?

Do accounting students show improvement in performance by graduation relative to non-accounting students?

Some do. Accounting graduates who were originally in the TOP HALF in performing accounting-related tasks got better. Those in the BOTTOM HALF did not improve any more than a non-accounting major.



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Conclusions

- Natural ability to perform accounting-related tasks appears to be highly correlated with success in principles of accounting, other major accounting coursework, and the CPA Exam.
- However, it is not correlated with self-selection into the accounting major.
- Further, we find no evidence that students lacking the intrinsic ability to “think like an accountant” can be taught that skill.
- However, students with an initial intrinsic ability can be trained to be even better.



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State Policies and Attitudes Toward Acceptance of Advanced Placement (AP) Courses and a Comparison of Success on the CPA Exam Between Students That Enter College with Advanced Placement Credit and Those That Do Not: A Two Part Investigation

Dr. Joseph Ugrin CPA

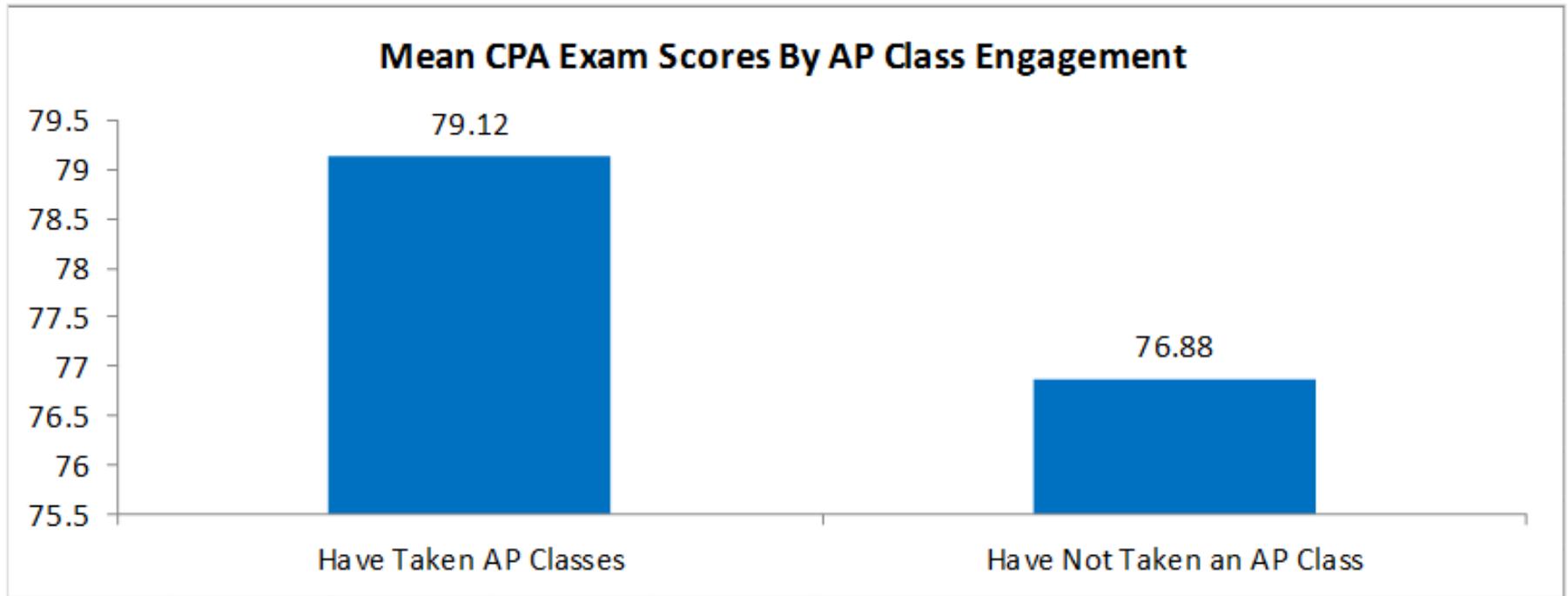
Dr. John Morris CPA

Dr. Dan Deines CPA

Conclusions

- There is support for an AP accounting course.
- AP students ultimately perform better on the CPA exam.
- Students that engage in AP courses that promote higher order intellectual skills such as analyzing, evaluating, and creating are particularly more successful on the exam.

Part II Results – AP Engagement

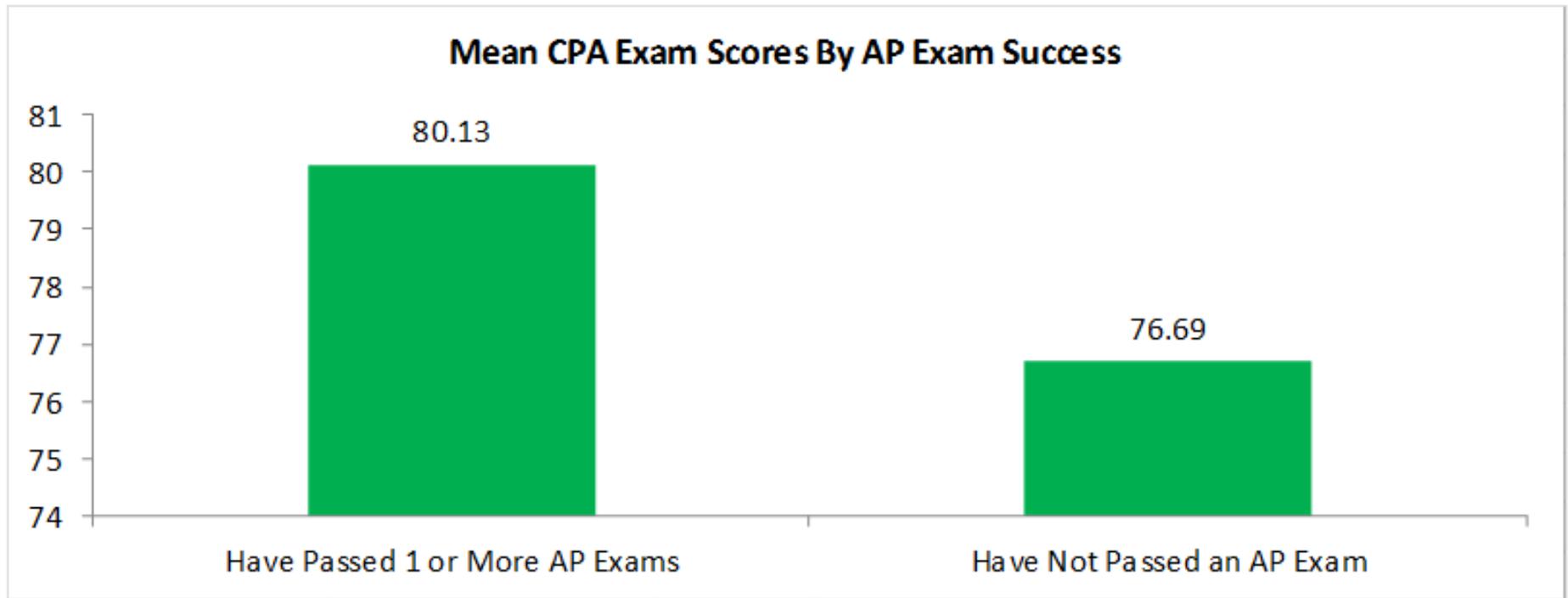


a. Mean Difference: $F=5.223$, $p < .023$

b. Marginal Means

a. Covariates appearing in the model are: Exam Review Type, Masters Degree, GPA, Standardized Test Score, Gender, Age, Ethnicity.

Part II Results – AP Exam Success



a. Mean Difference: $F = 11.588, p < .001$

b. Marginal Means

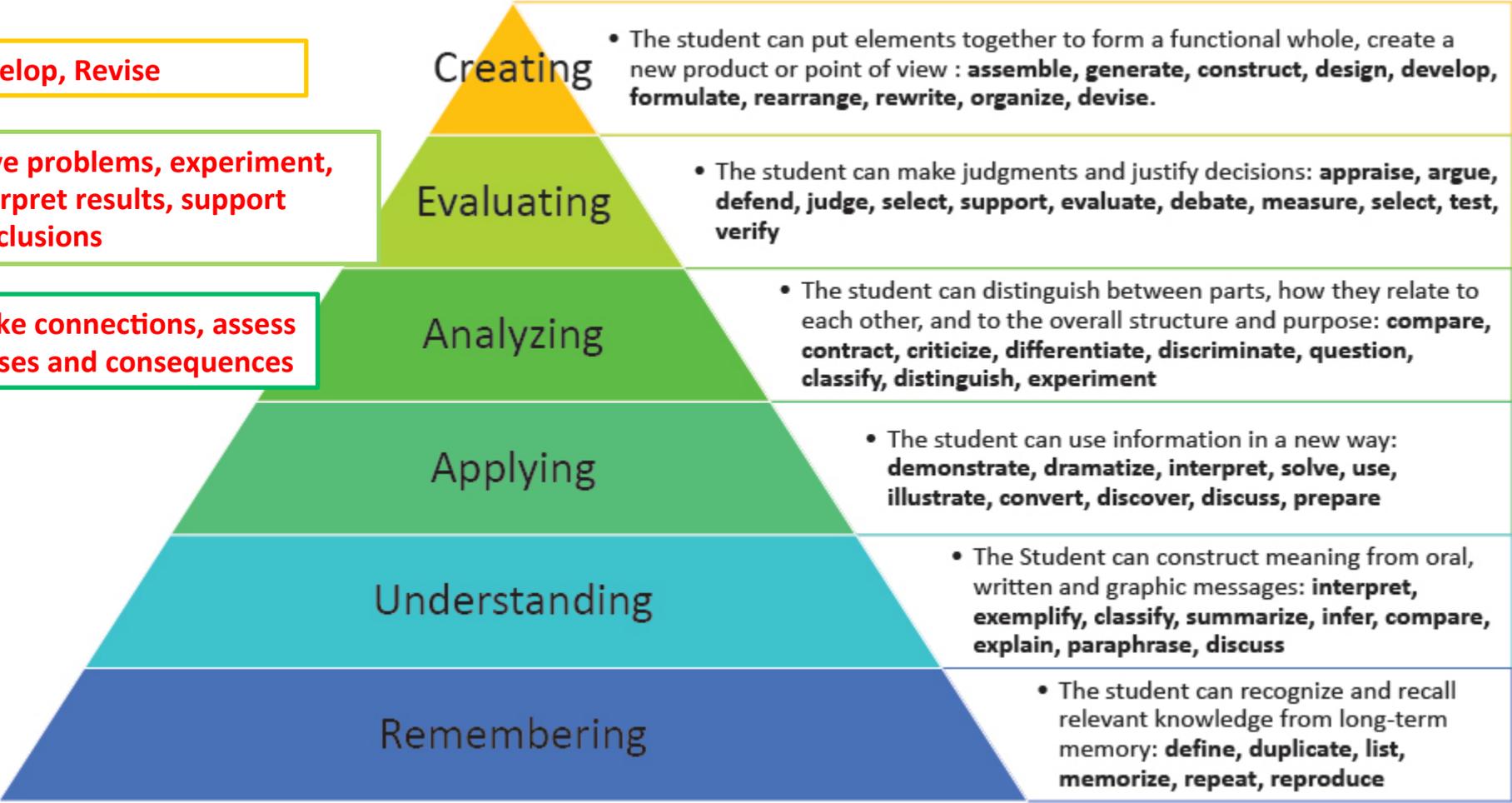
a. Covariates appearing in the model are: Exam Review Type, Masters Degree, GPA, Standardized Test Score, Gender, Age, Ethnicity.

Key AP Course Characteristics

Develop, Revise

Solve problems, experiment, interpret results, support conclusions

Make connections, assess causes and consequences



Blooms Revised Taxonomy

Source: www.mtvernoncsd.org

Intention to Sit For the CPA Exam: An Investigation of Cost, Exam, Support and Career Factors

NASBA Regional Meetings
Martin Coe
June 2015

Conclusion

- Overall, this study found that exam, support and career factors all influence a student's intention to sit for the CPA exam as soon as eligible.
- This study should help practitioners and accounting educators better understand and react to a student's intention to sit for the CPA exam as soon as eligible.

Most Significant Results

- The largest predictors of a student's intention to sit for the CPA exam were:
 - the option to sit for the exam after 120 credit hours
 - the attractiveness of passing the exam
 - social support
 - access to a role model
 - a protean career attitude.
- Contrary to expectations, cost factors were not associated with a student's intention to sit for the CPA exam.

Implications for Practitioners and Educators

- Inform students of the benefits of being a CPA.
- Utilize teaching methods that foster student self-efficacy.
- Inform students that the CPA exam can be taken in a 120-to-sit jurisdiction.
- Increase opportunities for students to interact with role models.
- Help students gain a sense of competency and self-worth.
- Inform students of ways the CPA credential can be used to manage one's career.