



## The Practice Analysis: The CPA Exam Responds to the Needs of the Profession

By Michael A. Decker, Director of Examinations



We are now embarking on a new Practice Analysis, a research study that will form the basis for the design and development of the next CPA Exam. The Practice Analysis helps to ensure

the exam is aligned with the needs of the profession. It is a multi-year project used to determine the knowledge and skills CPAs require at entry-level. As in the past, the results of the Practice Analysis will inform the content and skills tested on the CPA Exam. This process is part of our commitment to all the boards of accountancy, NASBA and the profession, to apply best measurement practices and ensure a valid and legally defensible exam.

### The People Behind the Practice Analysis

The Board of Examiners (BOE), a senior AICPA committee, provides the oversight for this process through the sponsorship and consultation of a group of dedicated, professional volunteers. This group is comprised of experts representing the field of psychometrics, CPAs representing a broad range of the profession, including firms of various sizes and business and industry, as well as board of accountancy executive directors and members. To ensure that we receive continuous oversight and feedback from the boards of accountancy, 50% of the Practice Analysis sponsor group consists of individuals with state board experience.

According to BOE policy, the Practice Analysis must be conducted at least every seven years. The last one began in 2008 and the results are defined in the Content and Skills Specification Outlines of the current

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exam. The project is managed by AICPA Examinations staff, comprised of psychometricians who are PhDs and experts in the field of educational measurement and CPAs who are also trained in test development. They are in constant communication with all stakeholders of the exam.

### The Six Phases

The Practice Analysis consists of six phases: Exploration; Confirmation; Design New CPA Examination; Exposure of Proposed Changes; Finalize Design of Revised CPA Exam and Announce New Exam (CBT-3).

The Exploration phase, will begin in 2014. It will utilize qualitative research methods such as interviews and focus groups to understand the activities performed by entry-level CPAs; identify the knowledge and skills required to perform those activities; learn which knowledge and skills are increasing and which are decreasing in importance; and provide data that can be used to define the subset of skills to be tested.

The next stage, the Confirmation phase, confirms the findings of the first phase through a survey that tests whether the information is broadly applicable to entry-level practice. The survey will be administered to a large sample of CPAs with relevant experience by 2015.

The phase of Designing the New CPA Examination answers the question: "What assertions will be made?" Test specifications such as content and skill areas are outlined, and other factors such as the test length and structure are set. An Exposure Draft is developed describing the proposed changes and stakeholders are invited to comment on the proposal.

The final outcome, the Content and Skills Specification Outlines (CSOs/SSOs), documents the findings of the Practice Analysis, or the skills and knowledge that will be tested on the Exam. We refer to the CSO/SSOs as the blueprint of the Exam. The revised CPA Exam's design is finalized and announced.

### Feedback Loop

We want your feedback to guide our thinking, help us identify risks and address any concerns you may have. We will issue white papers with an invitation to comment over the coming year, and we will hold sessions at upcoming NASBA conferences to hear your feedback and answer your questions. We will be communicating information on the Practice Analysis through our website, newsletters, e-mails and social media to keep you informed on this process.

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## Updates and Resources From the Uniform CPA Examination

The AICPA Examinations team has implemented some recent updates to help make the CPA candidate's experience more user-friendly when taking the examination.

- The [tutorial](#) has been updated to reflect a [few recent changes to the CPA Exam](#) as well as some technological enhancements that will make it easier for candidates to access the tutorial on a variety of hardware platforms.
- The AICPA Examinations team has added a comma to the calculator on the CPA Exam. The comma is meant for large numbers such as 1,000 and above to make them easier to read. We have received much positive feedback on the comma from candidates. Both the tutorial and comma went into effect Oct. 1.
- A 10-minute timer will be launched Jan. 1 on the introductory screen of the CPA Exam. This enables candidates to keep track of their time while going through the required introductory stages of the CPA Exam. (The

introductory screen includes the examination policy, copyright and section introductions.) If the 10-minute time limit is exceeded, the test session will automatically terminate and cannot be restarted.

- Additionally, the National Association of State Boards of Accountancy (NASBA) has re-vamped the [Candidate Bulletin](#) into an interactive document for easier user navigation.
- As the CPA Exam continues to evolve, its value can be seen through its sheer volume. As of May 2013, the CPA Exam delivered more than 2,000,000 sections globally. Almost twenty-one thousand sections were delivered at international locations in Bahrain, Japan, Kuwait, Lebanon and the United Arab Emirates since the launch of [international administration of the CPA Exam](#) in Aug. 2011 and Brazil in Feb. 2012.

## Business Environment and Concepts (BEC) Section Update: COSOs *Internal Control-Integrated Framework*

The 1992 version of the *Internal Control-Integrated Framework*, along with related illustrative documents, was updated on May 14, 2013 by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. CPA Exam candidates taking the BEC section should be aware that while the 2013 update to the Framework is effective as of the date of issuance, the 1992 version remains in effect during a transition period which runs until Dec. 15, 2014.

COSO is a joint initiative of five private sector organizations, including the AICPA, dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence. The Framework provides guidance for designing, implementing and conducting internal control and assessing its effectiveness. Candidates can learn more about COSO and the Framework at [www.coso.org/](http://www.coso.org/).

## Managing Test Anxiety Part 1: Reducing Anxiety

By Penny Vernon, NASBA Candidate Care Manager



Almost everyone experiences jitters before a big test – butterflies in your stomach, apprehension, clammy hands, edginess or a sense of being psyched out.

A certain level of nervousness associated with taking a high-stakes examination is normal, and actually can be beneficial. The sensation of being on “high alert” often helps to sharpen the mind and focus one’s attention.

As manager of NASBA’s Candidate Care Department, I have read thousands of emails from CPA candidates who

have experienced difficulties before, during and after taking the Uniform CPA Examination. When something unexpected happens, the normal level of exam nerves often rapidly escalates into full blown test anxiety.

Candidates who experience this heightened level of anxiety often report difficulty concentrating or following instructions, as well as feeling rushed and/or “blinking out.”

In this three part series, Managing Test Anxiety, I will share ways to help alleviate some of the stress and anxiety that comes with taking the CPA Exam.

Part I will teach you methods that have proven to be successful in reducing anxiety. In Part II, I’ll provide tips to avoid getting off to a shaky start on the CPA Exam. Finally, Part III will be a step-by-step guide about what to expect when faced with the unexpected during the Exam.

### METHODS FOR REDUCING ANXIETY

#### Method 1: Deep Breathing

Deep breathing is handy because it’s a relaxation technique that you can teach yourself that quickly calms your nerves. There are many websites, videos and stress-reducing CDs available. One easy-to-follow instruction can be found on this [stress relief exercises website](#).

#### Method 2: Visualization

Instead of dwelling on the negatives, which only increases anxiety, learn to create a positive image. Visualize yourself succeeding in your goal of passing the Exam. [Creative visualization techniques have been used successfully with athletes to enhance performance](#), and they can work for you, too. When you first arrive at the testing center after signing in, pause to combine deep breathing with positive imagery. To get started, try these [visualization exercises for beginners](#).

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### Method 3: Stretching

Anxiety causes muscles to tighten, so take the time to pause and stretch in order to release this built up tension. If you arrive early at the testing center, stop and do a few stretches in the waiting room before sitting down at the computer.

Some simple examples:

- [8 Yoga Poses for Simple Stress Relief](#)
- [The Human Instinct to Stretch](#)

### Method 4: Aerobic Exercise

The release of endorphins during exercise has a calming effect on the body. Take short exercise breaks from studying to clear your mind and release tension in your body. If time permits on the day of the Exam, try to work in 20-30 minutes of aerobic exercise.

### Method 5: Body Temperature Alterations

Anxiety may cause changes in body temperature, such as an exaggerated sensitivity to heat or cold. As a precaution, take a sweater to the testing center in the event that the room temperature feels chilly to you. Or wear light layers of clothing that can be removed in the event you are feeling too warm. Be aware that you are not permitted to take anything off during testing. You will need to wait until a break between testlets to remove your sweater or light jacket and place it in your locker.

### Method 6: Sensitivity to Sound

Anxiety and stress have an effect on external surroundings. For example, sounds that normally would be experienced as mere background noise may become exaggerated and interfere in your ability to concentrate. While [Prometric](#) does provide head phones to block out external stimuli, many candidates report that they are cumbersome. Remember, you are permitted to bring your own earplugs (without strings or wires) for use at the testing center. They will be examined by the staff during the check-in process.

I hope these tips will prove useful to you as you prepare to take the CPA Exam. Stay tuned to [NASBA.org](#) for Part II in the Managing Test Anxiety series.

*Penny Vernon has worked at NASBA for over 15 years, serving as manager of Candidate Care for the past 10. She earned a master's in Clinical Psychology from Middle Tennessee State University, and her research on anxiety was published in the Journal of Clinical Psychology. Vernon was also instrumental in opening and running NASBA's testing center in Guam, giving her first-hand experience with the workings of a testing center.*

- [Read Part II: Avoiding Pre-Exam Stress](#)
- [Read Part III: Facing the Unexpected](#)

## Perspectives from U.S. CPAs Living Outside of the U.S.

We asked U.S. CPAs living outside of the U.S. why they pursued licensure and how the credential has been of value to them as professionals in their home country. Here is what they said:



*"I have known since high school the benefits of learning the English language especially in terms of pursuing a global career. Passing the U.S. CPA Exam has demonstrated knowledge of English to employers, and getting licensed has fulfilled a dream of mine."*

*Since obtaining licensure, I have been able to advance at my company. I also became a provisional member of the New Zealand Institute of Chartered Accountant (NZICA) and an associate member of Institute of Certified Public Accountant Singapore (ICPAS). I was able to do all of this because the U.S. CPA is highly acclaimed all over the world."*

- Toshiyuki Shimbo, Senior Accountant in MASIMO Japan Corporation (Subsidiary of US Company), Secretary of JUSCPA, Member of AICPA, Provisional Member of NZICA, Associate Member of ICPAS



*"Specialization and professional skills have become vital key elements for success in today's business world. I have found that the CPA qualification is the most known, suitable and prestigious tool to enhance and sharpen my skills toward developing my career."*

*The CPA qualification is a highly recognized credential in the business society in the UAE as well as in the rest of the world. Such recognition has helped me significantly advance and accelerate in my career."*

- Dr. Abdulkarim Alzarouni, National Bank of Abu Dhabi, United Arab Emirates (UAE)



*"I was pursuing a new chapter for my career. The U.S. CPA has deepened my own professional knowledge which is the center piece of my career vision. After receiving the U.S. CPA, I improved my weak points, and the relationship between other sections (of the company) and Finance became more efficient."*

- Fumi Sugawara, Senior Accountant, Mattel International K.K., Tokyo, Japan



*"It is the best practical accounting professional certificate available in the market, and since I work for an American multinational company, it made sense to pursue licensure. It turned out to be beneficial for me to get a US certification as compared to getting some other credential. It has helped increase my overall professional attitude*

*in my work environment, in addition to gaining better understanding and knowledge of the US rules and regulations. Moreover, it has enhanced my chances for a better career within the market."*

- Hassan Sayed, Emerson, Bahrain



## Volunteer Spotlights: Behind the Scenes of the Uniform CPA Examination



**Rick Niswander,  
PhD, CPA**

*Vice Chancellor for Administration  
and Finance, East Carolina  
University*

Through all of Rick Niswander's experiences, the CPA license has been an important component of his career. "Even though I haven't practiced in public accounting since I worked for Deloitte and Touche,

the CPA license has been at the foundation of what I do. My experiences have been broad – from staff accountant to teaching to being a CFO in an academic setting and also in a real estate setting. The CPA license has been the foundation and the continuity of my career. Accounting and the CPA provide breadth and depth."

### **On Volunteering With the Board of Examiners**

"Before volunteering for the Board of Examiners, I theoretically understood the value of the BOE, but I didn't know much about how it worked. Now that I know more, I am continually astounded by the quality and the dedication of the volunteers and the examination's staff: From the professionals on the content committee who vet the questions, which encompasses a tremendous amount of work; to the staff who live and breathe this on a daily basis ... and the diverse areas of expertise of the members of the board. The knowledge, the skills and dedication of the professional staff continue to be amazing and inspiring and make me glad that I'm a small part of this very big and complex process."

### **Tips for Candidates**

"First, study. The exam is difficult, and it's not meant to be anything other than that.

Also, students should take the exam as soon as they can once they graduate. The exam will not get easier with time.

One thing I found very helpful is to study with others. I was a member of a five-person study group, and we studied as a group every day except Sunday all semester long, starting at 5 am, for about 4 hours every day. Of that group of five, four of us passed the first time, and only one of us did not pass one section. We're all convinced that studying together is what helped us all get through. One person cannot know everything. By studying with a group, we were able to help each other learn and understand the material."

## Volunteer Spotlights: Behind the Scenes of the Uniform CPA Examination



### **Beth Helle, CPA/ABV**

*Senior Manager,  
Veris Consulting, Inc.  
Member, AICPA Business  
Environment and Concepts (BEC)  
Subcommittee*

Accounting runs in Beth Helle's family, and it was only natural for her to pursue her CPA. Helle graduated from Miami University in Ohio seven years ago and started her career

at Veris Consulting Inc., where she advanced to her current role as Senior Manager.

Helle specializes in the field of forensic accounting and litigation consulting. "Anytime accounting enters the litigation world, CPAs are hired by attorneys to help judges and jurors understand complex accounting issues. It's the CSI of accounting and encompasses many of the high profile cases you see in the newspaper."

"The accounting issues she handles range from disputes regarding financial restatements to contract breaches to auditor malpractice. The challenge lies in thinking creatively as each case is remarkably different and often involves the recreation of historical accounting transactions. Helle says, "The highlight is when one of my cases goes to trial. It's thrilling to present our accounting analysis in court and see how the trier of fact ultimately rules on a particular matter."

### **On Collaboration With the BEC Subcommittee and the CPA Exam**

Helle feels that being a member of the BEC subcommittee has been one of the best experiences of her career. It has added to her already impressive resume and has provided her with a renewed respect for the effort and vigor that goes into making the CPA Exam. She notes that since the BEC section assesses a broad range of knowledge and skills, the subcommittee is equally diverse with professionals from a wide variety of specialties within the profession. However, the one thing all committee members do share is a passion for their chosen field, which becomes abundantly clear when they debate the

technical merit and content of each question. All subcommittee members spend a significant amount of effort to ensure that each question is clear, unambiguous and appropriate for an entry-level CPA.

### **Tips for CPA Exam Candidates**

Helle tells candidates to understand the underlying accounting concepts, instead of focusing on memorizing cues provided in the review courses. "Learn how you best absorb and comprehend accounting information. For example, I discovered early on in my studying that I'm a tactile learner, so I bought a dry erase board and focused on writing down as many concepts as possible. I also bought a pair of noise cancelling headphones to help me stay focused." Lastly, she suggests saving your review course materials after you pass the exam. She keeps hers at her office and even today, uses her CPA review materials to refresh and jog her memory on certain concepts.

## Volunteer Spotlights: Behind the Scenes of the Uniform CPA Examination



### Daniel Sweetwood

*Executive Director, Nebraska State Board of Public Accountancy  
Member, AICPA State Board Committee (SBC)*

Daniel Sweetwood is the Executive Director of the Nebraska State Board of Public Accountancy, where he has been serving for ten years. He is also a member of the

AICPA State Board Committee (SBC) and the current vice-chair of the Accountancy Licensing Database (ALD) Task Force for NASBA. He was formerly a member of NASBA's Executive Directors and Uniform Accountancy Act (UAA) committees.

Sweetwood started his career in the Kansas City, MO police department where he was an officer for five years. He then transitioned to the Nebraska State Racing Commission for a period of fifteen years, ending as the chief investigator for the Commission.

### On Collaboration With the SBC and the Boards of Accountancy

"As a non CPA and coming from the law enforcement/regulatory fields, I have been impressed with the work ethic and integrity of the vast majority of CPAs. This begins with the difficult entrance examination administered by very dedicated organizations, including the AICPA Examinations Team (overseen by the Board of Examiners), NASBA's National Candidate Database group and Prometric," Sweetwood remarked.

Sweetwood adds that "State Boards of Accountancy are also very interested in the continued development and operation of the Uniform CPA Examination since the requirement for the examination rests within state law and the responsibility of the boards. It is assuring to know the examination is in good hands and progressing well. As an Executive Director, I appreciate being a member of the SBC that allows me to concentrate on the issues involving the examination and ensure state boards are being kept apprised of new developments."

The SBC also answers questions and concerns that arise from the state boards. A recent example of an SBC initiative is the [CPA Exam booklet](#), which provides an overview of the administration of the CPA Exam including its eligibility requirements, governance, international administration and partnerships. Sweetwood adds, "This is a great tool to hand out to new state board members so they can familiarize themselves with the examination."

### Tips for CPA Exam Candidates

To pass the CPA Exam, he encourages candidates to familiarize themselves with and utilize the resources that AICPA and NASBA provide. It is a common misconception that candidates can evade the available resources without incurring any surprises in their journey to obtaining licensure. "Take the time to read through the Candidate Bulletin and review the available tutorials and overview information provided on the AICPA and NASBA websites."



## Volunteer Spotlights: Behind the Scenes of the Uniform CPA Examination



### Suzanne Lane, Ph.D.

*School of Education, University of Pittsburgh*

Professor Suzanne Lane is an expert in the field of psychometrics and is a full professor at the Research Methodology Program in the Department of Psychology in Education at the University of

Pittsburgh. She was past president of the National Council of Measurement in Education and past member and chair of the Board of Examiners' Psychometric Oversight Committee (POC).

### On Psychometrics and the Work of the POC

In general, the field of psychometrics applies conceptual and quantitative models to the design of tests to help ensure the validity of inferences that are made based on test scores. In the case of the CPA Exam, psychometricians focus on ensuring that the examination provides valid and reliable results for the licensing of candidates as CPAs. For example, psychometricians ensure that test items and task-based simulations (TBS) are of the highest quality both in terms of content and statistical properties and that the test score as a whole is of the highest quality.

"The main goal of the POC is to provide consultation to ensure that test score inferences are valid and appropriate and that candidates who pass have the knowledge and skills entry-level CPAs need to perform well. We also help ensure that the content and skills outlined in the CSOs/SSOs are represented across the test questions provided to candidates. Our goal is to provide advice that will produce an examination of the highest quality," Lane explains.

Lane recently ended her term as a member on the POC where she served for six years. "One of my highlights working with the POC was being involved and providing advice on the task-based simulations (TBS). The AICPA is one of the leaders in the field of task-based simulations. The TBS help emulate the conditions of candidates' potential positions as entry level CPAs."

### Tips for CPA Exam Candidates

The Content and Skills Specification Outlines are the blueprints of the Exam. Lane suggests that candidates visit the AICPA's website and review any materials provided in terms of content and skills being assessed on the Exam. Then study and prepare to be tested on those content and skills.

The Uniform CPA Examination is developed and administered through the coordinated efforts of the AICPA, NASBA and Prometric.



#### About the American Institute of CPAs

The [AICPA](#) is the world's largest member association representing the accounting profession, with more than 394,000 members in 128 countries and a 126-year heritage of serving the public interest. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting.

The [AICPA](#) sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination and offers specialty credentials for CPAs who concentrate on personal financial planning; fraud and forensics; business valuation; and information technology. Through a joint venture with the Chartered Institute of Management Accountants, it has established the Chartered Global Management Accountant designation to elevate management accounting globally.



#### About the National Association of State Boards of Accountancy (NASBA)

Celebrating more than 100 years of service, the [National Association of State Boards of Accountancy \(NASBA\)](#) serves as a forum for the nation's boards of accountancy, which administer the Uniform CPA Examination, license more than 700,000 Certified Public Accountants and regulate the practice of public accountancy in the United States.

NASBA's mission is to enhance the effectiveness and advance the common interests of the boards of accountancy in meeting their regulatory responsibilities. The Association promotes the exchange of information among accountancy boards, serving the needs of the 55 U.S. jurisdictions.



#### About Prometric

Prometric, a wholly owned subsidiary of ETS, is a trusted provider of technology-enabled testing and assessment. As the global standard in professional competency measurement, Prometric reliably delivers 10 million tests per year on behalf of 400 clients in the academic, financial, government, health care, professional, corporate and information technology markets. Through innovation, workflow automation and standardization, Prometric achieves customer-inspired advances that are better, faster and at less cost for its clients, helping to put the right people in the right jobs at the right time. Prometric delivers tests flexibly via the Web or by using a robust network of more than 8,000 test centers in more than 160 countries. For more information, please visit [prometric.com](http://prometric.com).