The Importance of a Strategy
Preparing for the Uniform CPA Examination
Why pursue the CPA?
CPA value

Prestige and respect

Competitive edge

Career security

Job satisfaction and variety

Earning potential
Positive outlook

10%  Projected growth* in accounting/audit jobs by 2016 – 2026

7%  Average growth* for all jobs 2016 – 2026

*Public accounting firms “are taking greater measures to retain their best performers and recruit new employees. They’re offering higher salaries, giving employees bonuses and more time off, and providing perks...”

Who is the AICPA?
What is the AICPA’s role with the CPA Exam?
Your Exam Strategy
5 Easy Strategies

**Understand** candidate requirements

**Learn** about the Exam and what it tests

**Manage** your time wisely

**Form** a support network

**Rely** on Exam partners
Strategy #1: Understand candidate requirements
License eligibility

Education

Examination

Experience

*Ethics

*Confirm Ethics Exam requirement with your specific jurisdiction
The candidate process

- Determine Eligibility
- Submit Application
- Schedule Exam
- Sit for Exam and Get Score
Strategy #2:
Learn about the Exam and what it tests
How do you test me?
Exam basics

18 months to pass all sections
75 or higher on each section
4 exam sections
4 hours of testing per section
5 testlets per section
15 minute break option to pause the Exam timer
What does the Exam test?
Higher order skills

Critical thinking

Analytical ability

Problem solving

Professional skepticism

Effective communication
Skill levels

- Remembering and Understanding
- Application
- Analysis
- Evaluation
CPA Exam Blueprints

Content Organization & Weighting

Skill Allocation & Weighting

Representative Tasks

References
# Summary Blueprint

<table>
<thead>
<tr>
<th>Content area allocation</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Ethics, Professional Responsibilities and General Principles</td>
<td>15–25%</td>
</tr>
<tr>
<td>II. Assessing Risk and Developing a Planned Response</td>
<td>20–30%</td>
</tr>
<tr>
<td>III. Performing Further Procedures and Obtaining Evidence</td>
<td>30–40%</td>
</tr>
<tr>
<td>IV. Forming Conclusions and Reporting</td>
<td>15–25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Skill allocation</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation</td>
<td>5–15%</td>
</tr>
<tr>
<td>Analysis</td>
<td>15–25%</td>
</tr>
<tr>
<td>Application</td>
<td>30–40%</td>
</tr>
<tr>
<td>Remembering and Understanding</td>
<td>30–40%</td>
</tr>
</tbody>
</table>
### Area III — Performing Further Procedures and Obtaining Evidence (30–40%)

<table>
<thead>
<tr>
<th>Content group/topic</th>
<th>Skill</th>
<th>Representative task</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Understanding sufficient appropriate evidence</td>
<td></td>
<td>Investigate evidence that either contradicts or corroborates management explanations, expectations and other hypotheses throughout an audit or non-audit engagement.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conclude on the sufficiency and appropriateness of evidence obtained during the audit engagement for an issuer or nonissuer.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conclude on the sufficiency and appropriateness of evidence obtained during a non-audit engagement based on the objectives and reporting requirements of the engagement.</td>
</tr>
<tr>
<td>B. Sampling techniques</td>
<td></td>
<td>Understand the purpose and application of sampling techniques in an audit or non-audit engagement.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use sampling techniques to extrapolate the characteristics of a population from a sample of items.</td>
</tr>
<tr>
<td>C. Performing specific procedures to obtain evidence</td>
<td></td>
<td>Perform analytical procedures near the end of an audit engagement that assist the auditor when forming an overall conclusion about whether the financial statements are consistent with the auditor’s understanding of the entity.</td>
</tr>
<tr>
<td>1. Analytical procedures</td>
<td></td>
<td>Determine the suitability of substantive analytical procedures to provide evidence to support an identified assertion.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Develop an expectation of recorded amounts or ratios when performing analytical procedures in an audit or non-audit engagement and determine whether the expectation is sufficiently precise to identify a misstatement in the entity’s financial statements or disclosures.</td>
</tr>
</tbody>
</table>

Perform analytical procedures near the end of an audit engagement that assist the auditor when forming an overall conclusion about whether the financial statements are consistent with the auditor’s understanding of the entity.
Auditing and Attestation

Content Areas
- Ethics, Professional Responsibilities, and General Principles
- Assessing Risk and Developing a Planned Response
- Performing Further Procedures and Obtaining Evidence
- Forming Conclusions and Reporting

Skill Weighting
- 5-15% Evaluation
- 15-25% Analysis
- 30-40% Application
- 30-40% Remembering and Understanding

Allocate
- 15-25% 15-25%
- 20-30% 20-30%
- 30-40% 30-40%
- 15-25% 15-25%

MCQ 72
TBS 8
### BEC - Business Environment and Concepts

#### Content Areas
- **Corporate Governance**: 17-27%
- **Economic Concepts and Analysis**: 17-27%
- **Financial Management**: 11-21%
- **Information Technology**: 15-25%
- **Operations Management**: 15-25%

#### Skill Weighting
- **20-30%**: Analysis
- **50-60%**: Application
- **15-25%**: Remembering and Understanding

#### Allocation
- 62 MCQ
- 3 Written Communication
- 4 TBS
Financial Accounting and Reporting

Content Areas
- Conceptual Framework, Standard-Setting and Financial Reporting
- Select Financial Statement Accounts
- Select Transactions
- State and Local Governments

Allocation
- 25-35%
- 30-40%
- 20-30%
- 5-15%

Skill Weighting
- 25-35% Analysis
- 50-60% Application
- 10-20% Remembering and Understanding

66 MCQ
8 TBS
Content Areas

• Ethics, Professional Responsibilities and Federal Tax Procedures
• Business Law
• Federal Taxation of Property Transactions
• Federal Taxation of Individuals
• Federal Taxation of Entities

Allocation

10-20%
10-20%
12-22%
15-25%
28-38%

Skill Weighting

• 25-35% Analysis
• 35-45% Application
• 25-35% Remembering and Understanding

76  8
MCQ  TBS
Exam structure

Welcome/Launch code screens – 5 minutes
Policy/Confidentiality/Section Info – 5 minutes
Survey – 5 minutes

Testlet #1
Multiple-choice question

Optional break (timer runs)

Testlet #2
Multiple-choice question

Optional break (timer runs)

Testlet #3
Task-based simulation

15-minute break (pause timer)

Testlet #4
Task-based simulation

Optional break (timer runs)

Testlet #5
Task-based simulation
(Written communication BEC only)
Sample Tests

Practice with the real CPA Exam software

Highlights:

• Intuitive interface
• Dedicated “work space”
• Seamless cut/copy/paste and highlight
• Microsoft Excel
• TBS answer explanations/WCT model answers
The auditor established the following information relating to the inventory count and product lines of JBU.

- There was no product movement on the day of the count.
- The loading dock is part of Warehouse A for the purposes of the count.
- All product lines within each storage area have been identified on the warehouse maps.
- The warehouse map is reflective of the warehouse on the day of the count.
- Inventory values in the perpetual inventory listing are based on the most recent purchase price.
- Materiality for year-end audit $8,000.
- Performance materiality: $3,000

Complete the inventory tasks below by using the information provided in the exhibits above:

- In column B, quantify the required adjustment, if any, to the product line in the perpetual inventory system.
- Enter increases to the perpetual inventory listing as positive whole dollars.
- Enter decreases to the perpetual inventory listing as negative whole dollars.
- If no adjustment to the perpetual inventory listing is required, enter a zero (0).
- In column C, select the justification for the required audit adjustment, or the reason why no audit adjustment is required, by selecting from the option list provided. A justification can be used once, more than once, or not at all.
- Assume that there is only one reason for each product line discrepancy.

<table>
<thead>
<tr>
<th></th>
<th>Product line</th>
<th>Adjustment required to inventory balance, if any ($)</th>
<th>Justification for adjustment required</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Widgets - 10mm</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>3</td>
<td>Widgets - 5mm</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>4</td>
<td>Hex bolts</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
Strategy #3: Manage your time
The 18-month journey

Navigate family, work, and other personal obligations

When will you study?

Will you need time off from work?
Test day planning

Know the rules of the test center

4 hours to complete each section

15-minute standardized break
Strategy #4: Form a support network
You’ve got support

Friends/Family
Fellow candidates
Professors
Employers/Colleagues
Strategy #5:
Rely on Exam partners
Exam partners

AICPA
(aicpa.org/cpaexam)

NASBA
(nasba.org)

Prometric
(prometric.com)

Boards of Accountancy
aicpa.org/cpaeexam
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Tune in to the official CPA Exam podcast

Next stop: CPA

Hosted by the American Institute of CPAs