

## Changes in the CPA Exam Ahead

**B**eginning with the launch of the much-anticipated CBT-e (computer-based testing - evolution) on January 1, 2011, every CPA examinee will be tested under the new format. If you have already passed sections of the exam by that date, that credit will stand, of course, but any additional testing will be under the revamped exam. For example, if you have pass Auditing and Attestation (AUD), Financial Accounting and Reporting (FAR), and Business Environment and Concepts (BEC) before the end of 2010, but still need to pass Regulation (REG), you will take that last segment of the exam under the new format.

The new, improved examination is the result of several years of research, testing, and information gathering by the three partners that collaborate in administering the exam: the National Association of State Boards of Accountancy (NASBA), which represents CPA licensing jurisdictions; the American Institute of CPAs (AICPA); and Prometric. The new exam marks the most significant change in testing since the electronic format replaced the paper-and-pencil exam in April 2004.

Of the many announced changes, none has generated more interest than the inclusion of International Financial Reporting Standards (IFRS) in the new exam. An extensive practice analysis has indicated that such knowledge is needed by entry-level CPAs in a number of different business environments. Questions on international standards will begin to be integrated gradually into the FAR, AUD, and BEC sections while U.S. standards continue to be tested. You might be asked, for example, to explain the differences between financial statements prepared on the basis of U.S. GAAP vis-à-vis IFRS or to demonstrate your understanding of the impact of globalization on the business environment. Sample questions will be posted on the CPA Examination website, [www.cpa-exam.org](http://www.cpa-exam.org), early this Fall.

**T**he revised exam format also includes a couple of significant structural changes: (1) written communication will be tested only in the BEC section and will count for 15% of the score for that segment, and (2) short task-based simulations (TBS) will replace the long simulations in the current AUD, FAR, and REG sections. Time allocations will be altered for two sections of the exam: BEC, whose testing time will increase by a half hour, and AUD, whose testing time will decrease by a half hour. Testing time for the entire exam remains at 14 hours. The Board of Examiners has also approved changes in scoring weights: In AUD, FAR, and REG, multiple-choice questions will account for 60% of the score and simulations will account for 40% of the total score. In BEC, multiple-choice questions will account for 85%; written communication tasks, for 15% of the total score for that section.

The word that applies to virtually all of the CBT-e is *new*. The introduction of new authoritative literature—with FASB Accounting Standards Codification™—had necessitated a revision to

*continued on next page*

Auditing and Attestation (AUD)		Regulation (REG)	
Current Structure	CBT-e Structure	Current Structure	CBT-e Structure
3 Multiple-Choice Question testlets consisting of a total of 90 questions	3 Multiple-Choice Question (MCQ) testlets containing a total of 90 questions	3 Multiple-Choice Question testlets consisting of a total of 72 questions	3 Multiple-Choice Question (MCQ) testlets consisting of a total of 72 questions
2 Simulations in long format	1 Testlet consisting of 7 short Task-Based Simulations (TBS) with the research question in a new format	2 Simulations in long format	1 Testlet containing 6 short Task-Based Simulations (TBS) with the research question in a new format
2 Written Communication tasks		2 Written Communication tasks	
Current Testing Time: 4.5 hours	Current Testing Time: 4 hours	Current Testing Time: 3 hours	Current Testing Time: 3 hours

Financial Accounting and Reporting (FAR)		Business Environment and Concepts (BEC)	
Current Structure	CBT-e Structure	Current Structure	CBT-e Structure
3 Multiple-Choice Question testlets consisting of a total of 90 questions	3 Multiple-Choice Question (MCQ) testlets consisting of a total of 90 questions	3 Multiple-Choice Question testlets consisting of a total of 90 questions	3 Multiple-Choice Question (MCQ) testlets consisting of a total of 72 questions
2 Simulations in long format	1 Testlet containing 7 short Task-Based Simulations (TBS) with the research question in a new format		3 Written Communication tasks on BEC Copics
2 Written Communication tasks			
Current Testing Time: 4 hours	Current Testing Time: 4 hours	Current Testing Time: 2.5 hours	Current Testing Time: 3 hours

**Changes Coming /**  
continued from page 1

the research task format. To learn how to respond to research tasks, candidates will need to view the new tutorial. To see the revised format "in action," review the new sample tests, all of which will be available on the exam website early this Fall. At that time, you will be able to study and master the functionality of a new online calculator and spreadsheet so that they are second nature by the time you take the exam.

Preparation will be the key to success with the launch of the new examination because virtually every aspect of it will be new. Especially if you have tested on some segments of the current exam, it will be important for you to become proficient with everything in the way of tools that AICPA provides in the next several months. The Content and Skill Specification Outlines(CSOs) that will govern the CBT-e are already in place and may be reviewed on the exam website ([www.cpa-exam.org](http://www.cpa-exam.org)). By perusing those, you will learn what material will be eligible to be tested, but keep checking the website regularly during the Fall because there are many more changes coming and the better prepared you are for them, the easier it will be to be successful in taking the exam.

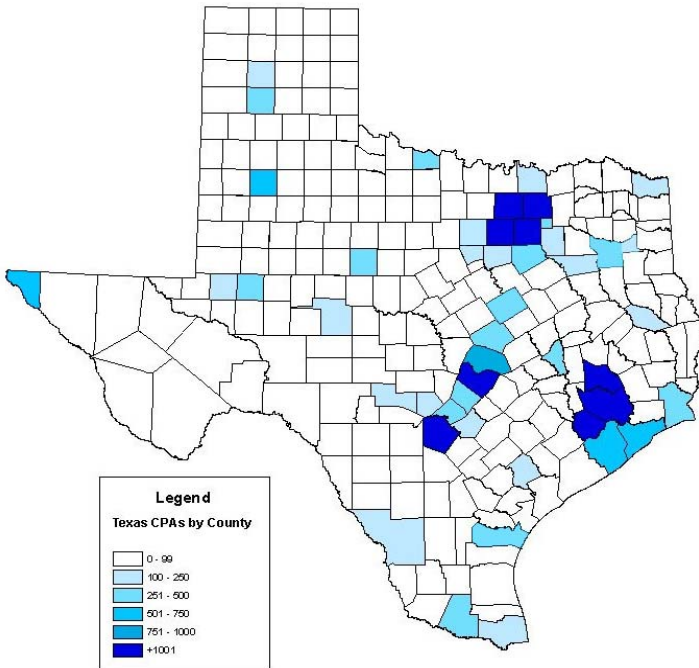
# Moving??

**Be sure to let us know.**



- **Online under "Online Services" at [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)**
- **Email: [exam@tsbpa.state.tx.us](mailto:exam@tsbpa.state.tx.us)**
- **Phone: 512-305-7851**
- **Mail: TSBPA  
333 Guadalupe, Twr 3, Ste 900  
Austin, TX 78701**

## Where in Texas Are Today's CPAs?



### TEXAS COUNTIES WITH 100+ CPAs

Angelina	126	Jefferson	269
Bell	262	Johnson	197
Bexar	3,279	Kaufman	113
Bowie	109	Kendall	155
Brazoria	660	Kerr	118
Brazos	337	Lubbock	534
Cameron	160	McLennan	483
Collin	3,847	Midland	364
Comal	333	Montgomery	1,369
Dallas	8,370	Nueces	445
Denton	2,120	Parker	256
Ector	118	Potter	154
Ellis	262	Randall	318
El Paso	602	Rockwall	265
Fort Bend	2,420	Smith	442
Galveston	567	Tarrant	4,786
Grayson	144	Taylor	291
Gregg	244	Tom Green	194
Guadalupe	165	Travis	3,642
Harris	12,949	Victoria	163
Hays	313	Webb	113
Hidalgo	299	Wichita	213
Hood	115	Williamson	957

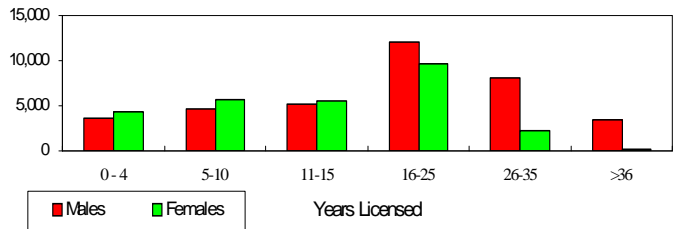
As of April 15, 2010, approximately 85% of the Board's individual licensees resided in Texas. Of those licensees who reside in Texas, almost 94% live in these 46 counties that have 100 or more CPAs. The three largest concentrations of licensees are in Dallas/Fort Worth, Houston, and the I-35 corridor from San Antonio to Waco. Where does your future lie?

## Ever-Changing Accounting Profession Offers Many Opportunities

**A**ccounting, according to *The New Yorker* (June 3, 2010), has been the “safest of all degrees” for members of the Class of 2010 to acquire because 46% of graduates had job offers by the time they graduated. A quick look at *Fortune’s* “100 companies that are hiring” also suggests there are many opportunities for accounting graduates. And, this profession, formerly almost exclusively the bailiwick of men, has opened up for women in a big way. The Texas Board currently licenses more women than men each year.

In addition to public accounting, having accounting skills qualifies you for positions in every sector of today’s economy. Many Texas licensees never work in public accounting, never work for the Big Four. They find employment instead in government, education, or the private sector. In Texas, 31% of our licensees are in public accounting and almost 39% work in private industry. Another 5% have found opportunities in government at the local, state, or federal level. The FBI and the SEC, as examples, are two of many federal agencies that value accounting skills. The rise in identity theft has been a boon to accountants and fraud examiners, as well. The profession is decidedly rebounding from the initial disfavor it experienced because of the scandals in the early 2000s. Those events and the legislative changes that followed have driven the need for skilled and ethical accounting.

**Y**ou are no doubt aware that the Baby Boomer generation is leaving the workforce in ever-increasing numbers, which is opening up more opportunities at the management level. Accounting skills transfer across

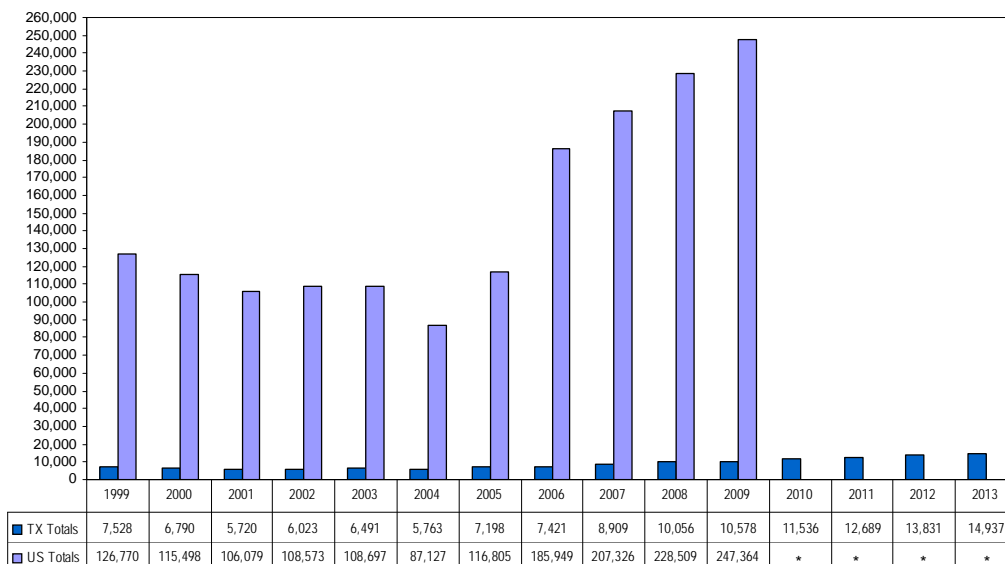


Women are catching up to men in the formerly male-dominated field of accounting.

industries, which makes it possible to choose from a variety of fields that interest you: oil and gas, entertainment, forensics, sports, environmental, non-profit, the arts, manufacturing, and, particularly, international business. The demand for accounting teachers is also increasing as today’s professors reach retirement age.

Accounting prepares you for practically any venture. Many of our licensees have started and built their own businesses, either as a sideline or a full-time occupation. Who better to know how to formulate a sound business plan and to avoid the pitfalls that undermine many new business ventures?

Changing demographics have also served to improve the workplace by bringing different expectations into the equation. Younger employees often place more value on work/life balance and job satisfaction than their elders did, which has created more flexible work options, such as the ability to work from home or to work less than full-time. By choosing accounting, you have chosen well. The opportunities are there for those who seek them.



After a dip when the computerized exam was introduced in April 2004, the number of CPA candidates in the state and the nation has steadily risen to meet the need.

Read back issues of the Candidate Chronicle at <http://www.tsbpa.state.tx.us/general/candidate-chronicles.html>

## TSBPA? TSCPA? Huh?

There are other alphabet-soup entities that will play a role in your career—AICPA and NASBA, for example—but the two that are most often confused are the TSBPA and the TSCPA. TSBPA, the **Texas State Board of Public Accountancy**, is the state agency that will grant your license and that governs the practice of public accountancy in Texas. The Board is charged with protecting the public by ensuring that those licensed to practice public accountancy in Texas have the necessary skills and experience to perform competently in that role.

In administering the *Public Accountancy Act*, the Board has responsibilities in several areas. The **Qualifications Division** evaluates the qualifications and experience of applicants to determine if they have met all statutory requirements to take the uniform CPA examination and become a Texas CPA. The **Licensing Division** handles the annual license renewal process, continuing professional education (CPE), sponsor review, and peer review. The sponsor review program evaluates CPE courses offered to Texas CPAs to ensure top-quality CPE. Peer review provides for periodic review of the work product of licensed Texas CPA firms. The Board's website, [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us), offers extensive information on every aspect of the application and certification process. The public can use the searchable database to find individual CPAs and firms, and licensees can find registered CPE sponsors. The website also allows licensees to renew online and report and track their CPE hours.

In addition, the **Enforcement Division** investigates complaints against Texas licensees and protects both the public and the profession by taking action against anyone wrongly holding out as a CPA when he or she has not met the statutory qualifications for licensure. The Board also keeps an eye on the broader national and global business picture for changes that could affect the practice of public accountancy, and it brings relevant issues to the attention of the Texas Legislature, when necessary, to stay in the forefront of the ever-changing business environment.

TSCPA is the **Texas Society of Public Accountancy**, the voluntary professional membership association for Texas CPAs. The Society offers a number of services to its members, including offering a number of continuing education courses throughout the year, representing the interests of public accountants in the Texas legislature, and alerting its members to issues of interest at the state, national, and international level. In addition, Society members have access to a statewide membership directory, speakers bureau, employment services, a monthly magazine and other communications, and access to local chapters in the community. The Society also works to bolster the public image of the profession. Membership is voluntary. For information on the Society, go to [www.tscpa.org](http://www.tscpa.org).

At its June 5 swearing-in ceremony in Austin, the Board honored these Outstanding Candidates for their exemplary performance on the uniform CPA exam, L-R, Stephanie Singson, Cornelia Sawatzky, Amanda Sulak, Anthony Adkins, and Lindsay Greer. Five other Outstanding Candidates did not attend. They are Michelle Mokry, Brian Harris, Carolyn Raden, Phillip Bowman, and Christopher Mowry.



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### Scheduling Your Exam

The Uniform CPA Examination may be scheduled in one of the Prometric Testing Centers in the Texas cities listed below.

Once you receive your Notice to Schedule, you may complete scheduling online at the Prometric website:

[www.prometric.com/cpa](http://www.prometric.com/cpa)

Schedule early, as dates, times, and locations may fill quickly.

- Abilene
- Amarillo
- Austin
- Beaumont
- College Station
- Corpus Christi
- Dallas
- El Paso
- Ft. Worth/Bedford
- Houston
- Houston/Clear Lake
- Houston/Greenspoint
- Lubbock
- McAllen
- Odessa
- San Antonio (3 locations)
- Tyler
- Waco
- Wichita Falls

### Colleges May Grant Academic Credit For Military Service

The Texas Legislature, during its 2009 session, adopted H.B. 269, which allows Texas universities to grant up to 12 hours of credit as electives outside a minor or major degree program for a student's service in the military. The legislation also allows universities to grant credit for any physical education courses required as part of a degree program.

In order to be eligible to receive college credit for military service, the student must have

- Graduated from a public or private high school accredited by a generally recognized accrediting organization or from a high school operated by the U.S. Department of Defense.
- Completed a minimum of two years of military service unless discharged because of disability.
- Been honorably discharged from the armed forces.

For particulars on eligibility and on the impact accepting credit will have on the student's overall program, eligible veterans should consult advisors in their academic departments.

### NASBA Fee Schedules

#### Single Section

AUD	\$218.18
BEC	\$174.08
FAR	\$207.15
REG	\$185.10

#### Multiple Sections

AUD & BEC	\$392.26
AUD & FAR	\$425.33
AUD & REG	\$403.28

BEC & FAR	\$381.23
BEC & REG	\$359.18

FAR & REG	\$392.25
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AUD, BEC & FAR	\$599.41
AUD, BEC & REG	\$577.36
AUD, FAR & REG	\$610.43
BEC, FAR & REG	\$566.33

AUD, BEC, FAR & REG	\$784.51
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**NOTE:** If you submit an Eligibility Application for multiple sections of the exam, NASBA requires that payment be made for all sections selected at one time. You will not be allowed to pay for them one at a time.

### ACAN

Confidential Assistance  
for CPAs, exam candidates,  
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### Uniform CPA Examination National & State Passing Rates by Section

Below are results from the four most recent testing windows comparing success rates of Texas candidates with national averages.

	2nd Quarter 2009		3rd Quarter 2009		4th Quarter 2009		1st Quarter 2010		Cumulative	
	Texas	National	Texas	National	Texas	National	Texas	National	Texas	National
<b>AUD</b>	51.13%	51.79%	52.55%	51.52%	49.11%	47.99%	47.36%	46.86%	50.03%	49.54%
<b>BEC</b>	54.56%	48.62%	52.61%	52.27%	46.20%	45.65%	56.33%	46.59%	52.43%	48.28%
<b>FAR</b>	50.95%	50.58%	52.77%	51.18%	48.72%	46.15%	62.17%	44.95%	53.65%	48.22%
<b>REG</b>	60.23%	52.25%	54.92%	52.41%	48.69%	46.57%	53.55%	49.00%	54.35%	50.06%



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## Scholarship Money Available for Fifth-Year Students

When the Texas State Board of Public Accountancy assumed responsibility for the 5th Year Accounting Students scholarship program for the 2009-2010 academic year, one of the first things it did was to greatly expand the program. The program was initiated in 1991 to help qualified accounting students complete the last 30 hours of the 150-hour education requirement to take the CPA exam. It had been administered by the Texas Higher Education Coordinating Board from its inception until legislation passed during the 2009 legislative session transferred the fund.

For each of the 2009-2010 and 2010-2011 academic years, the Accountancy Board has allocated \$1.6 million, which will permit significant increases in both the number of scholarship recipients and the size of the awards. Awards will be for a minimum of \$1,500 and maximum of \$5,000 per student. The program was made available to those Texas colleges and universities that offer approved accounting programs as well as an approved ethics course. Participating schools determine the recipients and the amounts of the individual awards. Funding for the program comes from a \$10 fee added to each CPA's annual renewal.

The awards may go only to Texas residents who plan to take the CPA exam under jurisdiction of the Texas Board.

Awards may be used for tuition, fees, books, supplies, and living expenses. To be eligible, students must have

- Submitted an Application of Intent to take the CPA exam with the Texas Board.
- Completed 120 semester hours of college credit or hold a baccalaureate degree from a 4-year educational institution recognized by the Board.
- No more than 30 semester hours remaining in their courses of study to meet these education requirements:

- a. 150 semester hours of college credit
- b. 30 semester hours of upper-level accounting courses
- c. 24 semester hours of upper-level business courses
- d. 3 semester hours of a Board-approved ethics course

Applicants must be making satisfactory academic progress, have not already taken the CPA exam, have registered for the Selective Service or be exempt, and be able to demonstrate financial need.

Check with the accounting department or financial aid office at your college or university for deadlines and additional requirements, or to complete application materials. Funds may still be available for Fall 2010.