

Candidate Chronicle

A NEWSLETTER FOR TEXAS CPA EXAMINATION CANDIDATES - PUBLISHED BY THE TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
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Need for Research, Communication Skills Drives Changes

Professional associations and CPAs themselves have long recognized the value of good research and communication skills in the accounting profession. This is especially true as CPAs are being increasingly called upon as business advisors and consultants. Because these skills can make you a better CPA, the Texas State Board of Public Accountancy has made research and communication part of the requirements to take the CPA exam effective July 1, 2011.

The CPA Journal, in an article by Burke, Katz et al. published in January 2008, said, "Accountants need to know what databases and other resources to access, how to extract the relevant data, and how to organize and analyze the data and develop recommendations." The authors placed the responsibility for teaching those skills on accounting educators.

The Accounting Education Change Commission appointed by the American Accounting Association 18 years earlier, recognized the ability to "identify, gather, measure, summarize, verify, analyze, and interpret" financial and other data as an important objective of accounting education. The CPA exam tests your ability to find and use relevant information in the professional literature throughout the exam. Your proficiency in conducting research and applying it to the problem at hand will be reflected in how well you do on the exam. That is why a free six-month subscription to the professional literature is made available to exam candidates (see www.cpa-exam.org for information) so that they can develop a proficiency in using the relevant literature before taking the exam.

Although written communication skills are explicitly tested only in the Business Environment and Concepts (BEC) section of the CBT-e, you will rely on these skills throughout your career. You will use them to convince a prospective employer or client to hire you. You will use them to synthesize complex concepts and explain your analysis in layperson's terms to a non-CPA employer or client. And you will certainly use them to make written reports to an employer or client.

The effective communicator knows how to be clear, concise, and focused. He or she can take a jumble of facts and information and organize them into a readily understandable form. The good communicator also knows how to tailor a message to the audience for greater understanding. Good communication also includes good listening skills, which means actually hearing what your client or boss is telling you. The need for good research and communication skills is becoming more and more appreciated in the business world and these skills are increasingly becoming required for admission into the profession.

Texas to Require Research, Communication Courses

The research and communication requirements enacted by the Texas Board apply to exam candidates whose Application of Intent is approved **after July 1, 2011**. These changes are to Board Rule 511.57, which identifies the courses that may be counted toward meeting the 30 hours of accounting courses needed to take the CPA exam, and Board Rule 511.58, which lists other business courses that may be counted toward the 24-hour requirement for other business courses. The change to 511.57 adds a requirement for two semester hours in accounting research. The change to 511.58 specifies that two semester hours be in accounting or business communication. The necessary hours may be in a stand-alone course or integrated into certain accounting courses.

When these changes were initially adopted without specifying an implementation date, they went into effect as soon as they were passed by the Board in January 2010. However, after Texas accounting educators advised the Board that colleges and universities needed significant lead time to accommodate the changes, the Board suspended the changes until the matter could be studied further. On May 29, 2010, with feedback from educators and the Board's Qualifications Committee, the Board adopted an effective date of July 1, 2011.

Familiarize Yourself with Changes on CPA Exam

As it is with most things worth doing, preparation is the key to success on the CPA exam, especially since there are so many differences between the exam that was in place and the new one launched January 1. Some of you will be particularly challenged because you have already passed sections of the previous exam, but still need to pass sections on the new exam. For all candidates, there is plenty of help on the Internet at www.cpa-exam.net.

By reviewing the tutorial and sample tests, you should develop a familiarity with the features and functionality of the various tools available to you so that you can navigate smoothly and efficiently through the exam. Help screens, which are mini-versions of the tutorial screens, are also available.

When you begin a section of the exam, you may encounter a slight load time issue if you are testing at a center equipped with a slow processor. Each instruction page warns that it may take up to 25 seconds for the first multiple-choice questions (MCQs) or task-based simulations (TBSs) of each testlet to load. Candidates taking the exam at a center with faster processors may not experience a delay. Either way, there should be no delay navigating between items or TBSs. The instruction screen for each section will alert you to how many testlets there are, how many are multiple choice, and so on.

You will next see a Directions screen with information about navigation and toolbars. Read the directions carefully so that you do not inadvertently exit a testlet before you have answered all the questions. When you indicate you are done with a testlet, you will be shown a screen that allows you to review the testlet, continue on to the next testlet, or quit the exam altogether. You can take a break between testlets, but use these wisely, as the clock

continues to run while you are on break. A clock at the top of each screen tells you how much time you have left in each exam. Once you choose "Quit Exam," you will have to turn in your exam and leave the testing center.

The directions screen for the simulation testlets include information about the task navigation, tab navigation within the task, and the toolbar. For the simulation testlets for the AUD, FAR, and REG sections, each task will have at least three tabs—a work tab, an authoritative literature tab, and a help tab. For BEC, each of the three tasks will have one written communication tab and a help tab. BEC will not have an authoritative literature tab. Spell check is also available for the written communication task, but there is no spell check button, so familiarize yourself with this function so you don't lose time trying to figure out how to use it. The same is true for the edit toolbar—for greatest efficiency, learn how to use it ahead of time. The help tab does provide relevant information, but looking up everything in the middle of the exam consumes precious time. The authoritative literature in each section is tailored for that section, but the controls function the same in all three sections.

The structure and testing times for the four sections follow:

- AUD consists of 3 multiple MCQ testlets with a total of 90 questions plus one testlet consisting of 7 short TBSs, with a research question in a new format. Testing time is 4 hours (previously 4.5 hours)
- REG includes 3 MCQ testlets with a total of 72 questions and one testlet with 6 short TBSs and a research question in a new format. Testing time is 3 hours.
- FAR includes three MCQ testlets with a total of 90 questions and one testlet with 7 short TBSs and a research question in a new format. Testing time is 4 hours.
- BEC consists of three MCQ testlets with a total of 72

continued on next page



The TOP TEN CANDIDATES, as determined by their composite scores on the CPA exam, were recognized at the December 4, 2010, swearing-in ceremony in Austin. They included, L-R, Johan Oosthuizen, Evelyn Veal, Matthew Kubic, Stephanie Kuhl, Jared Borton, Matthew Aulds, and James Palmer. Not pictured were Ansel Michels, Jeffrey Stringer, and Lisa Broussard.

CBT-e Changes / continued

questions plus 3 written communication tasks on BEC topics. Testing time is 3 hours (formerly 2.5 hours).

Although there are helps along the way, there is no substitute for being prepared. Because you can take one or two sections at a time, the test should be much less grueling than taking the entire exam over a three-day period, as your predecessors had to do. Sign up for only what you

can study for at one time, thoroughly familiarize yourself with the format and functionality, take advantage of the free six-month subscription to the literature available to you, and approach the exam with confidence. It takes a lot less wear and tear on you and your loved ones—not to mention your wallet—to do it right the first time and go on with your career. You can bet the candidates pictured on the previous page went in well prepared!

Scholarship Funds Available

Texas residents who are enrolled at least half time in a participating college or university may still be able to apply for scholarship monies through the Board's Fifth-Year Accounting Student Scholarship Program. Application must be made through your school's financial aid office or accounting department. Even if your school has awarded its allotment for this year, there may be reallocation funds available from the Board.

In order to qualify, you must have no more than 30 semester hours remaining to complete the 150-hour education requirement to take the CPA exam, be able to demonstrate financial need, and have submitted an Application of Intent with the Board.

Awards are for a minimum of \$1,500 but not more than \$10,000 over a lifetime. Awards may be used for tuition, fees, books, supplies, or living expenses.

Consult your financial aid office or accounting department for a complete list of requirements. You are eligible if you qualify in any semester.

Moving?

Be sure to let us know.



- Online under "Online Services" at www.tsbpa.state.tx.us
- Email: exam@tsbpa.state.tx.us
- Phone: 512-305-7851
- Mail: TSBPA
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Austin, TX 78701

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.

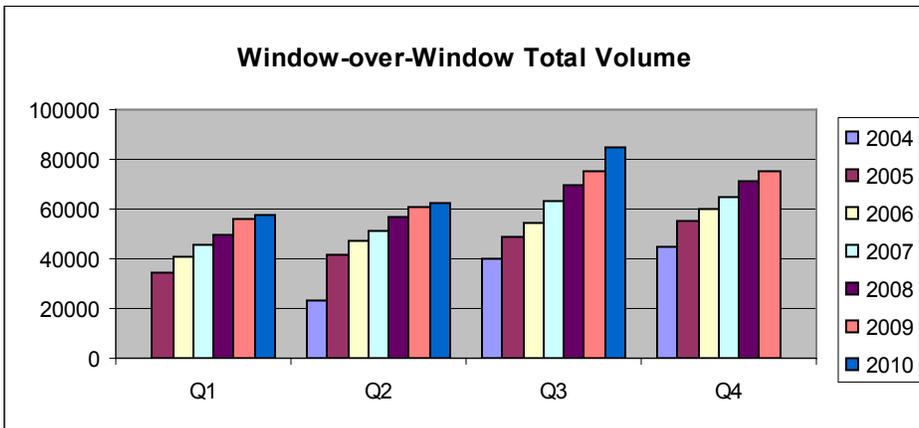
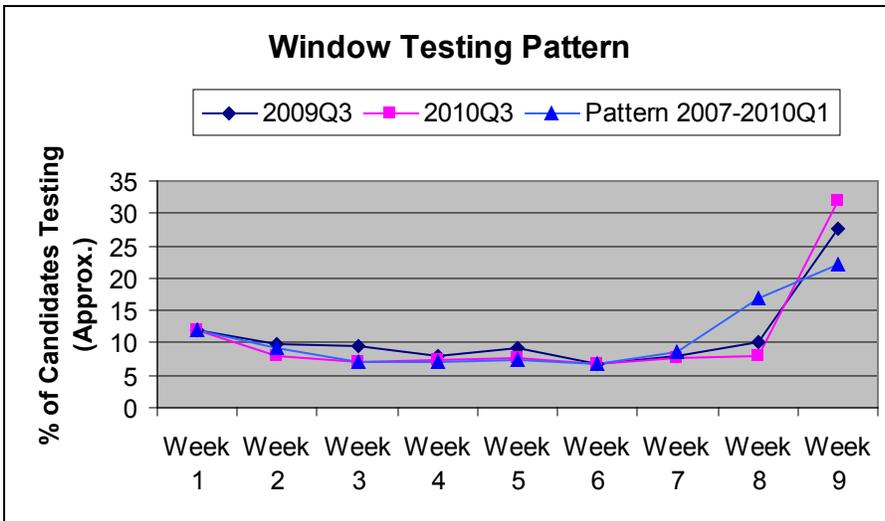
	1st Quarter 2010		2nd Quarter 2010		3rd Quarter 2010		4th Quarter 2010		Cumulative	
	Texas	National	Texas	National	Texas	National	Texas	National	Texas	National
AUD	48.93%	47.36%	58.43%	56.82%	51.77%	51.62%	48.46%	47.60%	51.90%	50.85%
BEC	58.32%	56.33%	47.79%	47.38%	50.75%	50.60%	42.31%	43.07%	49.79%	49.35%
FAR	63.53%	62.17%	47.54%	48.00%	52.40%	53.40%	43.87%	43.95%	51.84%	51.88%
REG	55.66%	53.55%	59.40%	57.94%	57.59%	56.77%	50.06%	49.77%	55.68%	54.51%

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

Is There a Right Time to Take the Exam?

Craig Mills, AICPA Vice President - Examinations, in the *The Uniform CPA Examination ALERT*, echoed advice given to him long ago by his professor, who counseled him to take the exam as soon as possible after meeting eligibility requirements. Mills believes this is still sound advice. If you study the charts below (taken from the third quarter summary report of the CBT Steering Group), you will see that the third and fourth quarters of each year are consistently busier than the first two, so testing in the early part of the year may be the better choice.

Is there a time during the two months the exam is administered that works to your advantage? Yes, in the sense that you are better able to get the time slot and testing location that you want, weeks 3 - 6 are the best choices. As you can see below, the beginning and, by far, the end of the testing window are much busier than the middle weeks of the period. In the last two weeks, your choices are more limited.



2004		23,136	39,880	44,938
2005	34,714	41,404	49,082	53,066
2006	40,670	47,128	54,549	60,007
2007	45,786	51,050	63,216	64,442
2008	49,997	56,666	69,214	71,474
2009	56,347	60,423	74,843	75,261

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News Shorts

- Fifteen hours of the 30 required hours in upper-division accounting coursework must be taken in a traditional classroom setting. The remaining 15 hours may be taken in the classroom, through an approved hybrid course (part classroom, part distance learning), or by distance learning. Board Rule 511.57 delineates what may or may not be counted but **no course** taken from a correspondence or vocational school may be counted as such schools do not meet accreditation criteria. Before

you sign up for a course that may not meet the eligibility criteria, call the Board's Qualification Division and ask, 512-305-8951.

- The newly revamped CBT-e launched as scheduled on January 1, 2011, but the process of setting passing scores will continue through the first two testing windows of 2011. Accordingly, grades for the first three testing windows of 2011 will come out only once—in March, June, and September. Psychometric and content experts have already studied components of the new exam and made judgments and recommendations, but empirical data from the first testing window will provide feedback and help the Board of Examiners make final recommendations on a passing score. This final review will occur in March 2011 before scores are released for the first testing window.

- Requests for re-scoring your exam almost never result in a change in score because almost all of the computerized exam is scored and there is little possibility for error. It is generally advisable to re-take the exam.

Scheduling Your Exam

You may schedule to take the Uniform CPA Examination in one of the Prometric Testing Centers in the Texas cities listed below.

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

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

NASBA Fee Schedules

Single Section

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

Multiple Sections

AUD & BEC	\$392.25
AUD & FAR	\$414.30
AUD & REG	\$392.25
BEC & FAR	\$392.25
BEC & REG	\$370.20
FAR & REG	\$392.25
AUD, BEC & FAR	\$599.40
AUD, BEC & REG	\$577.35
AUD, FAR & REG	\$599.40
BEC, FAR & REG	\$577.35
AUD, BEC, FAR & REG	\$784.50

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.

Accountants Confidential Assistance Network

ACAN

Confidential Assistance provided at no cost by CPAs for CPAs, exam candidates, and accounting students with alcohol or drug dependency problems or mental health issues. It's a stressful field. If you need help, call

1-866-766-2226

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Pathways Commission to Study Accounting Education

A new commission appointed by the American Accounting Association (AAA) and the American Institute of CPAs (AICPA) has begun work on creating a new structure for accounting higher education that will address the business needs of the future. The six-member panel includes **Jerry Strawser**, dean and KPMG chair in accounting, Mays Business School, Texas A&M University.

In a October 2010 article in the *Journal of Accountancy*, Commission Chair **Bruce Behn** of the University of Tennessee, Knoxville, pointed to the importance of bringing together entities from both the supply and demand sides of accounting. The Commission has identified three "supply chain" groups whose input they will seek: The first addresses K-14 education to create interest and develop high-caliber students at an early age; the second focuses on the role of colleges and universities in providing effective, practical, and conceptual teaching approaches; and the third involves regulators, employers and other stakeholders who might provide an experiential learning experience and on-th-job training post graduation. Each of the supply chain groups is made up of 11 appointees with two Commission members acting as liaison.

Using recommendations of the U.S. Treasury Advisory Committee on the Auditing Profession (2008) as a guide, the Pathways Commission will look into identifying accounting curriculum content that can continually evolve as the economic climate changes. They will consider how to attract and retain more minorities in the accounting profession and how to assure a sufficient supply of qualified accounting faculty to meet the increasing demand.

The Commission has established an interactive website, www.pathwayscommission.org, for public comments or they may be submitted to Barbara Brady at barbara@aaahq.org. A public meeting is scheduled for February 26, 2011, in Atlanta.

Through the efforts of the Commission as a whole and work groups within the supply chains, the Commission expects to be able to make recommendations this fall. Former Texas Board Chair **Melanie Thompson**, a faculty member of Texas Lutheran University, represents the National Association of State Boards of Accountancy on the regulatory supply chain. The Commission seeks to represent the diversity of the profession in the discussions.