

Candidate Chronicle

A NEWSLETTER FOR TEXAS CPA EXAMINATION CANDIDATES - PUBLISHED BY THE TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

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AUSTIN, TEXAS

The Computerized Uniform CPA Examination*

*COMING TO A LOCATION NEAR YOU!

THE UNIFORM CPA EXAMINATION IS ONE OF THE WORLD'S LEADING high-stakes examinations.

Its purpose is to admit individuals into the profession only after they have demonstrated the entry-level knowledge and skills necessary to protect the public interest in a rapidly changing business and financial environment.

In order to continue to meet its mission, the examination has, from time-to-time, undergone revision and change. These modifications in recent years have included changes in structure and content, non-disclosure of test questions, multiple formats, and equating. The more closely an examination reflects the current real-world environment, the more effective the test is in protecting the public interest.

Once again, it is time to restructure the examination to ensure that the process continues to meet our public protection mandate. To this end, the Texas Legislature passed H.B. 430 on April 24 to amend the *Public Accountancy Act*. These changes will provide the necessary legal authority to implement the computerized format.

The amendments to

the *Public Accountancy Act* in Texas are twofold:

- ✓ removal of the fee cap in the current *Act* to accommodate the increased cost of the examination and the associated computer time; and
- ✓ allowance for non-numerical

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What are the benefits of a computerized exam?

THE CONVERSION TO A COMPUTERIZED EXAMINATION will benefit the exam candidates, the Board, and the profession by increasing:

- ✓ the ability to offer the examination at more frequent intervals and to spread out test dates at the candidates' convenience; and
- ✓ the ability to offer the examination at more locations.

Computerized Exam

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grading, such as pass/fail, in the event that it is determined that such a method is the best way to score the exam.

William Holder, CPA, DBA and Craig N. Mills, EdD, wrote in their recent article “Pencils Down, Computers Up — The New CPA Exam” in the *Journal of Accountancy*, “A powerful force that has affected the practice of accounting is the expanding universe of information that accountants must know. One need look no further than the body of literature that represents the enforceable professional standards to realize the tremendous increase in information that is the foundation of competent practice. Further, with the increase in volume has come a growth in complexity.”

The intent of the examination will change if it is computerized, as it will examine a candidate’s skills to handle the volume and complexity of accounting literature in finding solutions to exam questions.

The exam is crucial to the responsibility of state boards of accountancy to protect the

public. It must remain a high-quality and well-respected means of determining entry into the accounting profession.

Although the test has been modified to some extent in recent years, its standard premise and format remain unchanged. Holder and Mills believe that “the new exam must equal or exceed the current one in its quality or it will not protect the public.”

Paper-based examinations are limited in their ability to test higher-level skills, information technology, and integration of knowledge across subject areas. The revised examination has been targeted for delivery via computer in order to create an examination expe-

rience that more closely replicates this “real world” environment. By restructuring the examination to a computerized format, it will reflect the changes in the work performed by entry-level CPAs, including the need for more complex skills, while also recognizing the increasingly integral role of technology in the work product.

As the profession and the world’s technology evolves, more emphasis is put on research and the use of technology in problem-solving situations, with less emphasis on recall of facts.

Holder and Mills state, “Perhaps the most obvious change in the practice [of accounting] is the tremendous and pervasive effort of technology; accountants are able to obtain almost unlimited information electronically. Developing effective solutions for client problems involves gathering information. Thus, the ability to use technology to address and resolve client problems has become an important feature of practice.”

They go on to say, “Consequently, a practicing accountant doesn’t need simply to know the answers to practice questions as they arise but needs, rather, the ability to find such answers.”

The “real world” — a perspective that focuses on the changing realities in which the computerized examination will operate — shows us:

- ✓ a marketplace that continues to challenge the work of entry-level CPAs;
- ✓ the continual evolution of the services that CPAs provide;
- ✓ the need for entry-level CPAs to be technologically competent;
- ✓ the rate and pace at which new information must be assessed and assimilated; and
- ✓ the increasingly complex requirements of the public interest that the 54 state boards of accountancy serve.

The current paper-based examination will not keep pace with the need to

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stay aligned with the expanding “real world” requirements of the entry-level work. By testing the required skills in a more robust manner, a computerized examination helps ensure uninterrupted protection of the public interest. A computer-based Uniform CPA Examination also makes available to the regulatory community (*i.e.*, the 54 state boards of accountancy) a number of powerful benefits, including those shown in the sidebar on page 1.

Prior to its implementation, a great deal of study, testing, and analysis of various models must be completed. The National Association of State Boards of Accountancy and the American Institute of CPAs’ joint committee on the computerized examination initiative is working toward resolving the myriad details surrounding the conversion to the computerized examination.

Psychometricians are involved in research to determine whether the computerized exam is sound, state boards of

accountancy are providing input from the legislative and regulatory sector, volunteer participants are taking part in exam simulations, and research groups are proceeding with various other aspects.

Holder and Mills see the need for a computerized Uniform CPA Examination essential to maintaining the esteem that American CPAs have earned. “Thus, we see a profession that is both highly regarded and yet subject to increasing criticism and questioning. This situation affects all accountants and, by extension, the CPA exam. We do not believe the current exam fails to protect the public; however, we do think the exam must change if it is to remain effective in protecting the public interest. We also suggest that to ensure continuous improvement in the midst of critical advances in technology calls for substantial modifications in the way licensing requirements are applied to the knowledge and skills of CPA candidates.”



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**Texas State Board
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333 Guadalupe
Tower 3, Suite 900
Austin, Texas 78701-3900

Website
www.tsbpa.state.tx.us

E-Mail
exam@tsbpa.state.tx.us

Qualifications
(512) 305-7851

FAX
(512) 305-7875

Automated Information
(512) 305-7870

Application Requests
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Future Exams

THE DATES OF FUTURE EXAMS AND THE FILING DEADLINES ARE shown below. Please use these dates when planning for these exams.

NOVEMBER 7-8, 2001

Filing deadline September 15, 2001

MAY 1-2, 2002

Filing deadline March 15, 2002

NOVEMBER 6-7, 2002

Filing deadline September 15, 2002

MAY 7-8, 2003

Filing deadline March 15, 2003

NOVEMBER 5-6, 2003

Filing deadline September 15, 2003

MAY 5-6, 2004

Filing deadline March 15, 2001

CONCERNED CPA NETWORK

Offering **CONFIDENTIAL** assistance to CPAs, exam candidates, and accounting students who may have a drug or alcohol dependency problem or mental health issues.

The network is sponsored by the TSCPA and is endorsed by the Board.

For information call
(800) 289-7053

LEGAL NOTICE: The identity and communications and fact of membership of anyone attending this group are confidential and protected under penalty of law under *Chapter 467 of the Texas Health and Safety Code.*

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CANDIDATES MUST COMPLETE THE

Grade Reporting and Statistical Questionnaire

EACH TEXAS EXAM CANDIDATE IS REQUIRED TO COMPLETE THE *UNIFORM CPA Examination Grade Reporting and Statistical Questionnaire*.

This form, which is mailed with each photo admittance card, must be turned in at the examination site prior to taking the exam. The National Association of State Boards of Accountancy analyzes the completed forms to determine the performances of the graduates of the various colleges and universities across the country. The individual educational institutions may then use the information to evaluate their accounting programs.

The questionnaire asks about such matters as the candidate's educational and CPA exam history, including:

- ✓ the level of education and type of degree(s);
- ✓ the name of the college or university where most of the candidate's accounting education was received;
- ✓ the number of hours earned;
- ✓ the candidate's exam history (times sat and credits previously earned);
- ✓ type(s) review courses taken in preparation for the exam, if any; and
- ✓ expenses incurred in taking the exam (lodging, meals, transportation) and miles traveled to the exam site.

The Board asks each candidate to have the questionnaire completed and ready to turn in to a proctor upon entering the examination room.

IMPORTANT REMINDER

Be sure to have your questionnaire completed and ready to hand to your section proctor upon entering the exam room.

MAY 2001

Uniform CPA Examination Schedule

WEDNESDAY

May 2, 2001

Business Law & Professional Responsibilities (LPR)

9:00 AM - 12 NOON

Auditing (AUD)

1:30 PM - 6:00 PM

THURSDAY

May 3, 2001

Accounting & Reporting (ARE)

8:30 AM - 12 NOON

Financial Accounting & Reporting (FAR)

1:30 PM - 6:00 PM

LOCATIONS

Arlington

Arlington Convention Center

Austin

Palmer Auditorium

El Paso

Hawthorn Inn & Suites

Houston

George R. Brown Convention Center

Lubbock

Lubbock Civic Center

San Antonio

Live Oak Civic Center

EXAM SECURITY

Items



in the exam room

The following items are not permitted in the secure area of the examination room before, during, or after the CPA examination:

- ✗ books, notes, outlines, or study material;
- ✗ dictionaries, calculators, watch/calculators, or rulers;
- ✗ radios, pocket pagers, cellular telephones, laptop computers, or other electronic devices;
- ✗ hats, caps, handbags, purses, briefcases, large wallets, or paper bags, pens, highlighters; or
- ✗ food or beverages not purchased at the exam site.

Board implements new examination

SECURITY MEASURES

In an effort to strengthen security during the Uniform CPA Examination, the Board has implemented two new policies beginning with the May 2001 exam:

- ✓ Any candidate seeking admittance to the exam room after the official start of the exam must receive authorization from an on-site Board representative.
- ✓ No candidate will be permitted to terminate the exam and turn in exam papers until two hours after the official start time for the session.
- ✓ Candidates will be permitted to leave the examination room only if the designated restrooms and concession areas are not in the exam room.

Look for your



PHOTO I.D.

in the mail

PHOTO ID CARDS FOR THE May 2-3, 2001 examination were all mailed by April 16. If you have not received your card, contact us at:

(512) 305-7851.

You must have your photo ID and one other form of identification to enter the examination room.