

THE CPA EXAM IS CHANGING

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The title of the 1964 Bob Dylan song “The Times They Are A-Changing” has never been more true than in today’s business world. Advancing technology, changing business practices and mounting government regulations are rapidly reshaping the business environment. The accounting profession must change with the times.

There is much talk among accountants about the difficulty of the CPA exam and the dichotomy that exists: How can the profession maintain high standards in a complex world but still get the desired number of quality accountants?

To adapt the CPA exam to today’s changing environment, the AICPA gathered input from a wide range of stakeholders who share an interest in preserving the strength and mission of the profession. Their analysis showed that higher-order skills (such as critical thinking, problem solving, analysis, communication and professional skepticism) are increasingly essential to succeed in the CPA profession. Thus, the AICPA has updated the CPA exam to place a greater emphasis on these skills. Beginning April 1, 2017, the test will include more real-world, task-based questions requiring practical knowledge. Undoubtedly, the new exam will be even more complex to reflect the changing business environment.

The AICPA employed a comprehensive process to design a Uniform CPA Examination Blueprint. In the process, the AICPA identified approximately 600 specific tasks newly licensed CPAs are required to complete. These tasks were then mapped to the specific skills and knowledge required to successfully complete them.

The blueprint is intended to:

- ✓ Document the minimum level of knowledge and skills necessary for initial licensure.
- ✓ Assist candidates in preparing for the Exam.
- ✓ Apprise educators of the knowledge

and skills needed to function as a newly licensed CPA.

- ✓ Guide the development of Exam questions.

It is significant that the skills were mapped to specific tasks and then organized in a methodical way, from lower-level basic skills to higher-order complex skills. These skills, from lower to higher level, are: remembering and understanding, application, analysis, and evaluation. This thoughtful organization of the blueprint facilitates the development of effective tools for accounting graduates.

The AICPA has also created resources for candidates preparing for the exam. At aicpa.org/nextcpaexam, there are sample tests including the new Document Review Simulation (DRS) questions introduced on the July 2016 exam. These new questions present scenarios that add authenticity and real world experience. The requirements for the exam and licensure process are explained at ThisWayToCPA.com/examinfo. The link also provides tools, study schedules and advice from CPAs who successfully passed the exam.

To foster success, the AICPA identified critical success factors to guide educators, employers and accounting graduates:

EDUCATORS

There are two roles educators must play in preparing students for the CPA exam:

- ✓ Educators should be supportive of the profession, discuss industry opportunities and provide relevant guest speakers to students.
- ✓ Accounting curricula should be en-

hanced by incorporating the higher-order skills noted above. Group projects, simulations, controls assessment and formal presentation of findings are techniques that faculty can use to emphasize the application of classroom learning to the real world.

EMPLOYERS

Employers need to provide support and resources to candidates taking the exam. New Jersey accounting firm Wilkin & Guttenplan provides a successful model for managing new accountants. Managing Shareholder Edward I. Guttenplan, CPA, explains that each new hire is assigned a performance coach who works with the new employee to identify goals, desired outcomes and the process to achieve them. The coach also provides specific tools. Guttenplan explains that expectations must be established in collaboration with each employee. Factors like commitment, ownership, career direction and focus, and a positive attitude are stressed for professional achievement. The coach helps make the connection between effort and success. The firm also has a supervisor who serves as a CPA exam coach for those who are CPA candidates. The CPA exam coach provides useful tips, monitors and encourages progress, facilitates study sessions, and reinforces the importance of passing the CPA exam. This culture has resulted in higher levels of performance for both the firm and employees and presents an effective model for assisting new hires in exam preparation.

ACCOUNTING GRADUATES

Of course, much of the responsibility for passing the exam rests on the candidates. The exam is rigorous and comprehensive and requires hundreds of hours of studying. There are no shortcuts. The AICPA, colleges and employers all have important roles to play. But it is up to the candidates to take ownership. This ownership may include taking a CPA exam review course.

Roger Philipp, CPA, CGMA, CEO of Roger CPA Review, says that he and his team designed the review course with the same goal as the AICPA Exposure Draft. He explains that the emphasis of the



updated course is to help students understand concepts and material, not merely memorize facts. Being “book smart” isn’t enough. In the exam, candidates must be prepared to apply the same knowledge they will eventually use as a newly licensed CPA. Philipp astutely points out that the new exam, while still highly academic in nature, will benefit those with practical experience. Under the old exams, candidates could memorize entire sections and do well on the exam yet have poor performance on the job. Clearly, the resources needed to pass the exam are available. It’s up to the candidates to take advantage of them.

Bob Dylan has even more wisdom for us. Later in “The Times They Are A-Changing,” he wrote, “You better start swimming or you’ll sink like a stone.” This bit of advice may be especially true for accountants in today’s changing environment. The profession now requires

accountants with enhanced skills to meet the demands of these changing times. Sink or swim. 🏊

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