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AICPA APPROVES SIGNIFICANT CHANGES TO THE CPA EXAMINATION

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ON APRIL 5, 2010, THE UNIFORM CPA EXAMINATION (CPA EXAM), IN ITS PRESENT FORM CELEBRATED ITS SIXTH BIRTHDAY.

BUT IT WILL BE ITS LAST BIRTHDAY BECAUSE THE CURRENT CBT (COMPUTER-BASED TESTING) FORMAT IS BEING REPLACED WITH A NEW AND IMPROVED CPA EXAM, EFFECTIVE JAN. 2, 2011. IT IS INTERESTING TO NOTE THAT MORE THAN 338,000 CANDIDATES TOOK THE CBT CPA EXAM BETWEEN 2004 AND 2008, AND IN JULY 2009, THE ONE-MILLIONTH CBT SECTION WAS ADMINISTERED. DURING THIS TIME, THE CBT CPA EXAM “HAS GROWN IN STATURE TO BECOME A STATE OF THE ART COMPUTERIZED LICENSURE EXAMINATION WHILE MAINTAINING OPERATIONAL STABILITY AND PSYCHOMETRIC INTEGRITY.”

CURRENT STRUCTURE OF THE CPA EXAM				
SECTION	AUDITING (AUD)	BUSINESS ENVIRONMENT AND CONCEPTS (BEC)	FINANCIAL ACCOUNTING AND REPORTING (FAR)	REGULATION (REG)
FORMAT	<ul style="list-style-type: none"> • Three multiple-choice question (MCQ) testlets containing a total of 90 questions • Two simulations (long format) • Two written communication tasks 	<ul style="list-style-type: none"> • Three MCQ testlets containing a total of 90 questions 	<ul style="list-style-type: none"> • Three MCQ testlets containing a total of 90 questions • Two simulations (long format) • Two written communication tasks 	<ul style="list-style-type: none"> • Three MCQ testlets containing a total of 72 questions • Two simulations (long format) • Two written communication tasks
TESTING TIME	4.5 hours	2.5 hours	4.0 hours	3.0 hours
NEW (CBT-E) STRUCTURE				
FORMAT	<ul style="list-style-type: none"> • Three multiple-choice question (MCQ) testlets containing a total of 90 questions • One testlet containing 7 TBS with the research question in a new format* 	<ul style="list-style-type: none"> • Three MCQ testlets containing a total of 72 questions • Three written communication tasks on BEC topics 	<ul style="list-style-type: none"> • Three MCQ testlets containing a total of 90 questions • One testlet containing 7 TBS with the research question in a new format* 	<ul style="list-style-type: none"> • Three MCQ testlets containing a total of 72 questions • One testlet containing 6 TBS with the research question in a new format*
TESTING TIME	4.0 hours	3.0 hours	4.0 hours	3.0 hours

*The format for the research question will be provided in advance of the first CBT-e CPA Exam.

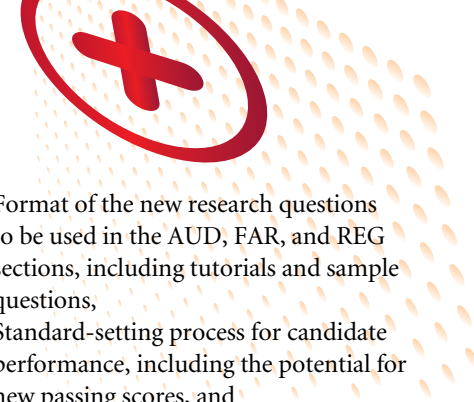
The new CPA Exam

In October 2007, the AICPA’s Board of Examiners (BOE) issued an Invitation to Comment (ITC) on potential changes to the CPA Exam. The ITC incorporated suggestions received from accountancy boards and other stakeholders with several BOE projects already in progress. Eighty-two responses were received, analyzed, and thoroughly discussed, before the BOE made its final recommendations.

In November 2009, the BOE announced its decision to implement its recommendations regarding the CPA Exam.

The most significant changes seem to involve the section structure, section time allocations, and scoring weights of the CPA Exam. In addition, the BOE recently (May 2009) approved new Content and Skill Specification Outlines (CSOs/SSOs) that also included specific guidance on the testing of International Financial Reporting Standards (IFRS). These changes are collectively referred to as CBT-e (Computer-Based Testing-evolution). According to the BOE, “the launch of CBT-e will, in effect, be the launch of a new CPA Exam” and will result in “the next generation of the CPA Exam.”





Section structure

The CPA Exam currently consists of four sections: Auditing (AUD), Business Environment and Concepts (BEC), Financial Accounting and Reporting (FAR), and Regulation (REG). It is administered on an on-demand basis each quarter in a two-on/one-off pattern (i.e., candidates can take the CPA Exam in January and February, but not March). April and May are “on months,” but June is an “off-month,” and so on.

The new CPA Exam will have the same four sections (i.e., AUD, BEC, FAR, and REG). However, two significant changes in the structure of these four sections has been approved: all testing of written communications skills will be moved to the BEC section and the (long-format) simulations currently used in the AUD, FAR, and REG sections will be replaced with Task-Based Simulations (TBS). TBS were favored because they are “shorter simulations with fewer interdependencies.” Additional advantages of the TBS format are (a) they can be pre-tested on the CPA Exam itself without burdening the candidates and (b) they will produce more valid (accurate) and reliable (consistent) exam scores.

The structural changes to the CPA Exam are summarized in the chart on page 8.

Section time allotment

The total testing time for the CPA Exam will remain at 14 hours. However, the testing time for the AUD section will decrease

by 30 minutes and the testing time for BEC will increase by 30 minutes. The AICPA’s psychometricians carefully analyzed the proportion of time candidates spent on each item format and each section of the CPA Exam before developing detailed estimates of the time candidates are likely to spend for each section after the CBT-e is in effect under the new CSOs/SSOs.

Scoring weights

Also based on the recommendations of its psychometricians, the BOE approved new scoring weights for each item format (e.g., MCQs, TBS, and written communication items) used in determining a candidate’s total score on the CBT-e CPA Exam. The changes in the scoring weights are summarized in the chart below.

In essence, the new scoring weights reflect the elimination of the long-format simulations currently used on the CPA Exam, substitution of the TBS format in place of the simulations (long-format), shift of all writing tasks to the BEC section, and decrease in the number of MCQs used in the BEC section.

Other changes

The changes described above are not the only ones being considered by the BOE for CPA Exams beginning in January 2011. For example, the following topics will need to be fully addressed now that the CBT-e format has been approved by the AICPA:

- Weights of specific topics within each section’s CSOs/SSOs (e.g., professional responsibilities is currently 16-20 percent of the AUD section),

- Format of the new research questions to be used in the AUD, FAR, and REG sections, including tutorials and sample questions,
- Standard-setting process for candidate performance, including the potential for new passing scores, and
- Revisions to the candidate performance report.

Additional information regarding the changes made to the CPA Exam is, and will be, posted on the CPA Exam web site (www.cpa-exam.org), including the new CSOs/SSOs. Background information concerning the CBT-e CPA Exam is available in the fall 2008, spring 2009, and fall 2009 issues of The

Uniform CPA Examination Alert (www.cpa-exam.org). The tables and material quoted in this article was taken from The Uniform CPA Examination Alert (Fall 2009) published by the American Institute of Certified Public Accountants (AICPA).



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SCORING WEIGHTS

SECTIONS	AUD, FAR, REG		BEC	
	CURRENT WEIGHT	CBT-E WEIGHT	CURRENT WEIGHT	CBT-E WEIGHT
MCQs	70 percent	60 percent	100 percent	85 percent
TBS	—	40 percent	—	—
SIMULATIONS (LONG-FORMAT)	20 percent	—	—	—
WRITTEN COMMUNICATION TASKS	10 percent	—	—	15 percent