

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
PREPARING FOR THE CPA EXAMINATION
THE EXAMINATION PROCESS



FREQUENTLY ASKED QUESTIONS
(JULY 2005)



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The following general information about the examination process is arranged in a question/answer format. Specific questions may be directed to the Qualifications Team at the Board office.

METHODS OF SCHEDULING AN EXAMINATION

When can I schedule my examination?

You should schedule your exam as soon as possible after you receive your *Notice to Schedule* (NTS). Before contacting Prometric to schedule your exam, you should have a first and second choice of dates, times and locations. Keep in mind that you will be scheduling your CPA exam along with other CPA exam candidates as well as other students and professionals. Prometric offers over 100 various types of professional licensing exams and college entrance exams.

To ensure that you can take your examination section(s) on your first choice date, you should make your appointment(s) at least 45 days before you want to take the exam. You must take the examination section(s) during the eligibility date printed on the NTS. The Texas Board, NASBA and Prometric are not responsible if you cannot schedule an appointment before the expiration of your eligibility date.

Who do I contact to schedule my examination?

You may contact Prometric in one of the following ways:

- Schedule on the Internet at www.prometric.com/cpa
- Place a telephone call to the Prometric Candidate Services Call Center at **(800) 580-9648**

Prometric's Candidate Services Call Center is open Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern time. If you call to schedule two or more sections, be prepared to identify the dates, times and locations where you want to take each section. It is not necessary to make all appointments in one call. If you prefer, you may make one appointment at a time. Appointments must be at least five days before testing can occur. Walk-in appointments are not permitted.

Hearing-impaired candidates using teletypewriter (TTY) may call **(800) 529-3590** to schedule appointments.

Will I receive written confirmation of my test appointments?

If you schedule your appointments through the Candidate Services Call Center you will **NOT** receive written confirmation of your appointment. Be prepared to write down the date, time, location, and confirmation number for each of your appointments. You may also visit www.prometric.com/cpa to confirm your appointments.

How do I schedule online?

Follow these simple steps:

1. Go to www.prometric.com/cpa. Select **SCHEDULE APPOINTMENT**.
2. Select **CPA EXAM** and **COUNTRY/STATE**.
3. After viewing welcome screen, click **NEXT**, read all of the policy information, and click "**IAGREE**" to proceed.
4. On the Program Identifier Screen, enter your examination section ID number from your NTS (you have one identification number for each section of the examination; be sure to use the correct examination identification number for the section you are scheduling). Click **NEXT**.
5. Confirm proper section and click **NEXT**.
6. Follow on-screen instructions to select your preferred exam date and location.

May I call the local Prometric Test Center to schedule an appointment?

No. You should schedule on the internet or through the Prometric Candidate Services Call Center.





TEST CENTERS

Is there a central list of test centers?

Yes. A list of Texas Prometric Test Centers is provided on the Board's website. The most current list of all test centers may be found on the Prometric website at www.prometric.com/cpa.

Do I have to take the exam at a test center in Texas?

No. You may take the exam at any of the Prometric test centers in the United States. The most current list of test centers may be found on the Prometric website at www.prometric.com/cpa.

What are the hours of operation of the Texas test centers?

Test centers are usually open during business hours, Monday through Friday. Some test centers are open for evening test appointments and on Saturday. Test center hours of operation are available on the Prometric website, as well as the Prometric Call Services Center and from the local test center.

Can I take the exam in another country?

No. The CPA exam is only offered at test centers in the United States and U.S. territories.

How may I get directions to a Prometric Test Center?

Directions to the test center are available from the Prometric representatives when you schedule your appointment and on the Prometric website. There are multiple test centers in some metropolitan areas, so be sure you are certain of the correct test center location where you are scheduled to take your examination(s).



SCHEDULE CHANGES AND CANCELLATIONS

Can I change my appointment?

Yes. However you may be required to pay a penalty or forfeit your examination fees, depending on when you notify Prometric of the change or cancellation.

How can I change or reschedule my appointment?

You may reschedule an existing appointment by one of three methods:

- Use Prometric's web scheduling tool located at www.prometric.com/cpa. The system is available 24 hours a day, seven days a week.
- Call the Prometric Candidate Services Call Center at (800) 580-9648. The Center is open Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern time.
- Call the local test center where your appointment is scheduled.

If you need to reschedule your appointment, review the table to determine deadlines and associated fees. Please note that Saturday is considered a business day.

You must speak directly to the local test center staff. You cannot leave a message to reschedule your appointment.

What are the rescheduling fees?

The rescheduling fees are shown in the box at right.

How can I cancel my appointment?

You may cancel an appointment by one of three methods:

- Use Prometric's web scheduling tool located at www.prometric.com/cpa. The system is available 24 hours a day, seven days a week.

Rescheduling Fees

If you call this many days before your scheduled appointment pay this fee to Prometric to change a scheduled appointment.
30+ days	\$0.00
5 - 29 days	\$35.00
Five business days and up to 24 hours (If fewer than 24 hours, a new NTS must be obtained from the Texas Board.)	Fee depends on the examination section: AUD: \$101.25 BEC: \$56.25 FAR: \$90.00 REG: \$67.50

- Call the Prometric Candidate Service Call Center at **(800) 580-9648**. The Center is open Monday through Friday from 8:00 a.m. to 8:00 p.m., Eastern time.
- Call the local test center where your appointment is scheduled.

You must speak directly to the local test center staff. You cannot leave a message to cancel your appointment.

If I cancel my appointment will I get a refund?

It is possible to receive a refund under limited conditions. The portion of the examination fee paid for computer testing time and exam grading is subject to refund under the following conditions.

- Because of **extreme hardship** you are precluded from scheduling or taking the section of the CPA exam. Extreme hardship is defined as a serious illness of the exam candidate or a member of the candidate's immediate family. Immediate family is your spouse, child, or parent.
- Your request for refund based on extreme hardship must be in writing, and documentation must be received by the Board not later than 30 days after your eligibility to take the CPA exam section expires.

What should I do in case of severe weather or a local emergency?

If severe weather or other local emergency requires a test center to be closed, every attempt will be made to contact you. However, if you are unsure if your test center is open on the day of your examination, you may call the local test center. If the center is open, it is your responsibility to keep the appointment. If the center is closed, you will be given the opportunity to reschedule without penalty. If you are unable to contact the local test center, check on the web at www.prometric.com/cpa or call the Candidate Services Call Center at **(800) 580-9648**, Monday through Friday, from 8:00 a.m. to 8:00 p.m., Eastern time.

Can the Board cancel my exam appointment?

Yes. The Board will inform NASBA that you are ineligible to take the CPA exam, and your NTS will be cancelled under specific circumstances.

- You have provided false or misleading information on the *Application of Intent* or the *Eligibility Application*.
- The fee submitted for the *Application of Intent* or the *Eligibility Application* does not clear the Board's account.
- The Board has found that you cheated on the Uniform CPA Examination in this state or another.

TEST CENTER IDENTIFICATION

What should I bring with me to the test center?

You must bring your *Notice to Schedule* (NTS), and two forms of identification. The primary identification document must be unexpired, and contain your photograph and signature. The name on the identification documents and the NTS must match exactly to the name you used to schedule your examination. Do not change the spelling and do not change the order of your name when scheduling the examination appointment. If you do not have these documents you will not be admitted into the test center and you will forfeit the examination fee for the section.

You must keep your identification with you at all times. If you leave the testing room for any reason, you are required to show your identification to be readmitted.

What is considered an acceptable identification document?

You must present one of the following **primary** forms of identification:

- a valid (not expired) state or territory-issued driver's license with photograph and signature;
- a valid (not expired) state or territory issued identification card with a recent photograph and signature. A candidate who does not drive may have an identification card issued by the agency that also issues drivers' licenses;
- a valid (not expired) government-issued passport with a recent photograph and signature; or
- a United States military identification card with a recent photograph and signature.

Your **secondary** form of identification may be one of the following (or another item from the list above):

- a valid (not expired) Board-issued ID card which includes the same name that appears on the NTS, a recent photograph, and signature; or
- a valid (not expired) credit card, bank ATM card, or debit card that includes the same name that appears on the NTS, with your signature.

What are UNACCEPTABLE forms of identification?

The following are unacceptable forms of identification:

- a draft classification card;
- a Social Security card;
- a student identification card; and
- a United States permanent residency card (green card).

What happens if the test center administrator does not accept my identification documents?

If the test center staff has questions about the identification presented, you may be asked for additional proof of identity and you will forfeit the examination fee for that section. You may be refused access to an examination if the test center administrator believes that you have not proven your identity. Admittance to the test center and examination does not imply that your identification is valid or that your scores will be reported if subsequent investigations reveal impersonation or forgery.

TEST CENTER PROCEDURES

When should I arrive?

You must arrive at the test center at least 30 minutes before the scheduled appointment time for your examination. This allows time to sign in, have your digital photograph taken, review the security and test center policies and be seated at your work station. Arriving for your scheduled appointment any time after the scheduled start time may result in your being denied permission to test, and you will not receive a refund. Be sure to arrive at least 30 minutes before your scheduled appointment time to avoid forfeiting all fees for the examination section.

Your examination should begin within 30 minutes of the scheduled start time. If circumstances delay your session more than 30 minutes, you will be given the choice of continuing to wait or rescheduling your appointment.

Where can I keep my personal belongings?

You must place your personal belongings, such as a purse, wallet, and cell phone, in the storage lockers provided by the test center. You will be given the key to your locker, which must be returned to the test center administrator before your leave. The lockers are very small and are not intended to hold large items. Do not bring anything to the test center unless it is absolutely necessary. Neither Prometric nor the test center personnel are responsible for lost or stolen items.

What type of security measures are used at the test center?

Test center personnel will take a digital photograph of your face. If the digital camera equipment is not working, a Polaroid picture will be taken. This photograph will be sent to the Board along with your attendance information.

Each time you exit and re-enter the testing room, you will be required to sign the log book and present identification.

You will be assigned a workstation and escorted to the workstation by a test center administrator. You must remain in your seat during the exam, except when authorized to leave the testing room.

Will I be provided any materials, such as paper or pencils?

Yes. Scratch paper and pencils will be provided. You are required to return the scratch paper and pencils to the test center administrator when your examination is complete. If you need additional scratch paper, you may request it from the test center administrator; however, you must first turn in the original sheets of paper you received in order to get a new supply. Do not bring any other paper or pencils to the workstation in the testing room.



Will I be provided with a calculator?

An on-screen calculator will be available during the testing session. You will not be provided with a hand-held calculator.

What if I need additional supplies or have a problem during testing?

The test center administrator will be visible through a glass wall. Notify the test center administrator if:

- you experience a problem with your computer;
- an error message appears on the computer screen (do not clear the message);
- you need additional scratch paper or pencils; or
- you need the test center administrator for any other reason.

What do I do when I have completed the exam?

When you finish the examination, leave the testing room quietly, turn in your scratch paper, and sign the test center log book. The test center administrator will dismiss you after completing all procedures.

TEST CENTER REGULATIONS

Are there regulations that I must follow during testing?

Yes. A standardized environment is necessary to ensure that the examination you take is essentially equivalent to the examination all other candidates take. For this reason, all candidates must follow the same regulations. **The following items are not allowed in the testing room.**

- papers, books, food, purses, and wallets;
- food, beverages, or tobacco;
- calculators, personal digital assistants or other computer devices; and
- communication devices (e.g. cell phones, pagers, beepers, wireless internet connections to personal digital assistants).

A complete list of prohibited items is found on page 7.

You must not leave the testing room without the permission of the test center administrator.

Talking or communicating with other candidates is prohibited.

You must show your identification to the test center administrator to re-enter the room after any breaks.

Can I take a break during testing?

Yes. Each examination contains units known as testlets. Each testlet is comprised of either a group of multiple-choice questions, or one complete case study, known as a simulation. After indicating that you have completed a testlet, you will be presented on the computer-screen with the option to take a break. You will receive this option between each testlet. If you choose to take a break, you will be asked to leave the testing room quietly and sign the test center log book. The test center administrator will confirm that you completed the testlet prior to your break. **The clock will keep running during the break.** Therefore, it is recommended that you use break time wisely. When you return from a break, you will be required to enter your examination password in order to continue the examination.

Do I have to take a break?

No. You do not have to take a break.

May I take a break at another time during the examination?

No. You will not be allowed to take a break at any other time during the examination. If you leave the testing room at any time without exiting the testlet and selecting the break option you may not be allowed to return to the testing room, and information regarding your absence will be reported to the Board.



Is there a policy about taking a break?

Yes. Before you begin your examination, you will be required to accept the terms of a confidentiality **and break policy statement**. If you do not accept the statement, your test will be terminated and your test fees will be forfeited. The statement is shown below:

I hereby certify that I will respect the confidentiality of the Uniform CPA Examination. I attest that I will NOT:

- *Divulge the nature or content of any Uniform CPA Examination question or answer under any circumstance*
- *Engage in any unauthorized communication during testing*
- *Refer to unauthorized materials or use unauthorized equipment during testing*
- *Remove or attempt to remove any Uniform CPA Examination materials, notes, or any other items from the examination room*

I understand that I am required to report to the AICPA any examination question disclosures or solicitations for disclosure of which I am aware.

I understand that breaks are only allowed between testlets. I understand that I will be asked to complete any open testlet/simulation before leaving the testing room for a break.

In addition, I understand that failure to comply with this attestation may result in invalidation of my grades, disqualification from future examinations, expulsion from the testing facility and possible civil or criminal penalties.

Are there policies about candidate misconduct, cheating, and copyright infringement?

Yes. The Board, NASBA, and the AICPA take candidate misconduct, including cheating on the CPA exam, very seriously. If the Board determines that a candidate is culpable of misconduct or has cheated, the candidate is subject to a variety of penalties including, but not limited to, invalidation of grades, disqualification from subsequent CPA exams for up to five years, and civil and criminal penalties. In cases where a candidate's misconduct or cheating is discovered after a candidate has obtained a CPA certificate, the Board may revoke the certificate.

If the test center administrator suspects misconduct, a warning will be given to the candidate for any of the following situations:

- communicating, orally or otherwise, with another candidate or person;
- copying from or looking at another candidate's materials or workstation;
- allowing another candidate to copy from or look at materials or workstation;
- giving or receiving assistance in answering examination questions or problems;
- reading examination questions or simulations aloud; or
- engaging in conduct that interferes with the administration of the examination or is unnecessarily disturbing to staff or other candidates.

May a test center administrator confiscate prohibited items that are in my possession?

Yes. A test center administrator may confiscate prohibited items and warn candidates for:

- possession of any prohibited item (whether or not in use) inside, or while entering or exiting the testing room;
- use of any prohibited item during a break in a manner that could result in cheating; or
- the removal of examination questions or simulations

What items are prohibited during the CPA exam?

Prohibited items are shown in the sidebar at right.

May I bring a jacket or a sweater?

Yes. You may bring a sweater or a jacket due to the temperature in the room; however, it must be worn at all times.

Are there security measures in place at the test center?

Yes. The Board, NASBA, AICPA, and Prometric use a variety of procedures to prevent candidate misconduct and cheating on the exam. Test center administrators are trained to watch for unusual behavior and incidents during the exam. In addition, all exam sessions are audio/videotaped to document the occurrence or any unusual activity. Candidate misconduct is reported to the Board daily.

PROHIBITED ITEMS

Books
Briefcase
Calculator/portable computer
Calculator watch
Camera, photographic or scanning device
Cellular telephone
Cigarette/tobacco product
Container (any kind)
Dictionary
Earphone
Earplug *
Eraser
Eyeglass case
Food or beverage
Handbag/backpack/hip pack
Hat, cap or visor (except head coverings worn for religious reasons)
Headset or audio earmuffs*
Jewelry – pendant necklace or large earrings
Newspaper or magazine
Non-prescription sunglasses
Notebook
Notes in any written form
Organizer/day planner
Outline
Pager/beeper
Paper*
Pen/Pencil *
Pencil sharpener
Personal digital assistant or other electronic device
Plastic bag
Purse/wallet
Radio/transmitter/receiver
Ruler/slide ruler
Study material
Tape/disk recorder or player
Umbrella
Watch
Weapon of any kind

* Unless provided by test center

Is the Uniform CPA Examination copyrighted?

Yes. All examination materials are owned and copyrighted by the AICPA. Any reproduction and/or distribution of examination materials, including memorization, without the express written authorization of the AICPA, are prohibited. This behavior infringes on the legal rights of the AICPA and, in addition to the penalties listed above, the AICPA will take appropriate legal action when any copyright infringements occur.

Can I be dismissed from the CPA exam?

Yes. If you are engaged in misconduct or do not follow the test center regulations, the test center administrator may dismiss you from the examination, or the Board may cancel your scores. The following are examples of behavior that will not be tolerated during the examination:

- repeating acts of misconduct after receiving prior warning(s);
- removing or attempting to remove examination questions from the testing room by any means;
- copying, writing, or summarizing examination questions on any material other than the scratch paper issued to you;
- tampering with computer software or hardware, or attempting to use a computer for any reason other than completing the examination session;
- intentional refusal or failure to comply with instructions of the test center administrator;
- attempting to have an impersonator gain admission to the testing room or to substitute for you after a break; or
- conduct that may threaten bodily harm or damage to property.

To Contact the Board

Mail Texas State Board of Public Accountancy
333 Guadalupe, Tower 3, Suite 900
Austin, Texas 78701-3900

Telephone (512) 305-7851
FAX (512) 305-7875
e-mail exam@tsbpa.state.tx.us

To Contact NASBA

Mail NASBA Examinations
150 Fourth Avenue North, Suite 700
Nashville, TN 37219

Telephone (800) CPA-EXAM [(800) 272-3926]
(866) MY-NASBA [(866) 696-2722]

To Contact Prometric

If you witness a candidate cheating or believe a test center employee acted improperly, contact Prometric's security department at (800) 347-3781.

If you experience a problem at the test center, contact Prometric's Customer Care at (800) 853-6769.

How should I report concerns about specific questions on the CPA exam?

If you identify possible errors in questions while taking the CPA exam, you should FAX your comments to the AICPA Examination Team at **(201) 938-3443**. This procedure is designed to assure you that all technically accurate answers are considered during grading.

Your FAX should include the precise nature of your concern, the rationale, and if possible, references. It should also include your candidate examination section identification number. In order to ensure that all comments are received and reviewed in a timely manner and before grades are released, the AICPA must receive your FAX within four days after you have completed the referenced examination section. The AICPA cannot respond personally to candidates who FAX concerns; however, every fax received by the deadline will be reviewed and considered.

How should I report concerns or comments about the test center?

If, after you have completed your examination, you have concerns, comments, or questions about the test center environment, the test center administrator, or other issues not directly related to the content of the examination, you should notify the Board, Prometric, or NASBA no later than ten business days from the date you took the examination.

SCORE REPORTING

Will I get my scores at the conclusion of the examination?

No. Scores will not be reported to candidates at the conclusion of an exam session.

When will scores be reported?

IF YOU TEST FROM	SCORES WILL BE SENT
July 1 through July 31, 2005	Mid August, 2005
August 1 through August 31, 2005	Mid September, 2005
October 1 through October 31, 2005	Mid November, 2005
November 1 through November 30, 2005	Mid December, 2005
January 1 through January 31, 2006	Mid February, 2006
February 1 through February 28, 2006	Mid March, 2006
April 1 through April 30, 2006	Mid May, 2006
May 1 through May 31, 2006	Mid June 2006

Will I get information other than my scores?

Not at this time. The American Institute of Certified Public Accountants (AICPA) is developing a diagnostic report that gives detailed information about your performance on various content areas for each section of the CPA exam. The Board will evaluate the diagnostic report when it becomes available, and will include it with an *Eligibility Application* to retake an examination section, if the Board determines that the information may be helpful to candidates.

May I have my examination re-scored?

Yes. If, after receiving your failing score, you believe your performance on the CPA exam was different than your score indicates, you may ask that your responses be re-scored. Instructions for submitting a request for re-scoring may be obtained from the Board. There is a fee for this service.



RETAKING THE EXAMINATION

If I fail a section of the CPA Exam, how do I apply to retest?

You should submit an *Eligibility Application* to the Board for the section you want to retake. The Board will send an *Eligibility Application* upon request, or you may submit a copy of an application that the Board previously sent to you.

May I retake the exam section within the same testing window?

No. You may only take each section of the CPA exam once during a testing window. A testing window is a two-month period when the CPA exam is available. The testing windows are:

- April through May
- July through August
- October through November
- January through February

EXAMINATION CONTENT

How should I prepare for the CPA exam?

The best preparation for the CPA exam is a thorough review of the examination content. A tutorial, available at www.cpa-exam.org, is intended to familiarize candidates with the computer-based examination format, functionality, and question-and-response types. **The tutorial will NOT be available at the test center.**

How is the examination structured?

The Uniform CPA Examination is a 14-hour examination comprised of four sections:

- Auditing & Attestation
- Business Environment & Concepts
- Financial Accounting & Reporting
- Regulation

Each exam section contains units known as "testlets." Each testlet is comprised of either a group of 24 to 30 multiple choice questions or one complete case study, known as a simulation.

What is covered on the Auditing & Attestation examination?

Auditing & Attestation, referred to as **AUD**, is tested over 4½ hours. It contains three multiple-

choice question testlets and two simulation testlets.

AUD covers knowledge of auditing procedures, generally accepted auditing standards, and other standards related to attest engagements, and the skills needed to apply that knowledge in those engagements. The main content areas on **AUD** are:

1. Planning the engagement
2. Internal controls
3. Obtain and document information
4. Review engagement and evaluate information
5. Prepare communications

Additional information on the content specifications for **AUD** can be found at www.cpa-exam.org.

What is covered on the Business Environment & Concepts examination?

Business Environment & Concepts, referred to as **BEC**, is tested over 2½ hours. It contains three multiple-choice question testlets.

BEC covers knowledge of general business environment and business concepts that candidates need to know in order to understand the underlying business reasons for, and accounting implications of, business transactions, and the skills needed to apply that knowledge. The main content areas on **BEC** are:

1. Business structure
2. Economic concepts
3. Financial management
4. Information technology
5. Planning and measurement

Additional information on the content specifications for **BEC** can be found at www.cpa-exam.org.

What is covered on the Financial Accounting & Reporting examination?

Financial Accounting & Reporting, referred to as **FAR**, is tested over four hours. It contains three multiple choice question testlets and two simulation testlets.

FAR covers knowledge of generally accepted accounting principles for business enterprises, not-for-profit organizations, and governmental entities, and the skills needed to apply that knowledge. The main content areas on **FAR** are:

1. Concepts and standards for financial statements
2. Typical items in financial statements
3. Specific types of transactions and events
4. Accounting and reporting for governmental entities
5. Accounting and reporting for nongovernmental and not-for-profit organizations

Additional information on the content specifications for **FAR** can be found at www.cpa-exam.org.

What is covered on the Regulation examination?

Regulation, referred to as **REG**, is tested over three hours. It will contain three multiple choice question testlets and two simulation testlets.

REG covers knowledge of federal taxation, ethics, professional and legal responsibilities, and business law, and the skills needed to apply that knowledge. The main content areas on **REG** are:

1. Ethics and professional responsibility
2. Business law
3. Federal tax procedures and accounting issues
4. Federal taxation of property transactions
5. Federal taxation -- individuals
6. Federal taxation -- entities

Additional information on the content specifications for **REG** can be found at www.cpa-exam.org.

How will the testlets of multiple-choice questions be grouped?

Testlets of multiple choice questions are constructed to appear together. Each testlet within a section of the exam contains the same number of questions. Depending on the section, each testlet has between 24 and 30 questions.

How will the simulations be presented?

Simulations are condensed case studies that test your accounting knowledge and skills using real life work-related situations. Each simulation is considered one "testlet." Each simulation is expected to take approximately 30-50 minutes to complete, depending on the section, and complements the multiple-choice portion of that section. All simulations are intended to assess knowledge and skills that are appropriate for an entry-level accountant.

Will written communications be tested?

Yes. As part of a case study simulation, you may be asked to complete tasks such as creating a letter or memo.

Will authoritative literature be needed to complete the simulations?

Yes. While completing the case study simulations, you will use financial accounting, auditing, or taxation databases. The databases include all the excerpts that are necessary for completion of the case study simulations.

- The financial accounting database will include certain portions of the FASB's *Original Pronouncements and Current Text*.
- The auditing database will include certain portions of the AICPA's *Statements on Auditing Standards*.
- The taxation database will include certain portions of the federal tax code.



Will recent pronouncements be tested?

Accounting and auditing pronouncements are eligible to be tested on the CPA exam in the testing window beginning six months after a pronouncement's *effective* date, unless early application is permitted. When early application is permitted, the new pronouncement is eligible to be tested in the testing window beginning six months after the *issuance* date. In this case, both the old and new pronouncements may be tested until the old pronouncement is superseded.

For the federal taxation area, the *Internal Revenue Code* and federal tax regulations in effect six months before the beginning of the current window may be tested on the CPA exam.

For all other materials covered in the Regulation and Business Environment and Concepts sections, material eligible to be tested includes federal laws in the testing window beginning six months after their *effective* date, and uniform acts in the testing window beginning one year after their adoption by a simple majority of the jurisdictions.

SCORING THE EXAMINATION

What score is considered passing?

A score of 75 is a passing score. Scores are reported on a numeric scale of 0-99. This scale does NOT represent "percent correct." A score of 75 reflects examination performance that represents the knowledge and skills needed to protect the public.

How are points awarded?

- You will receive points for each correct answer to a multiple-choice question.
- You will receive points for correct answers or completing a task correctly on a simulation.
- Points are not subtracted for incorrect responses.
- Points are accumulated according to the relative contributions of each question, which is weighted. (Additional information about weighting specific to content areas can be found at www.cpa-exam.org).
- Overall scores are adjusted to ensure scores for all candidates (even those who test in different administrations with different examinations) are comparable.

Where can I get more information about setting passing scores?

More information about setting passing scores can be found in an AICPA white paper; *Setting Passing Scores on the Uniform CPA Examination* (see www.cpa-exam.org/lrc/reports.html). This paper:

- provides the context for setting passing scores on the CPA Exam;
- explains the importance of the process used to set a passing score;
- describes some of the methods used to set passing scores on licensing examinations like the CPA Exam; and,
- documents decisions made by the AICPA Board of Examiners with regard to the computer-based Uniform CPA Examination.



THE PUBLIC ACCOUNTANCY ACT

Subchapter G
Uniform CPA Examination



Section 901.301. Administration; Board Rules

- (a) The board shall conduct or contract with another person to conduct uniform CPA examinations administered under this chapter.
- (b) The board by rule may establish the:
 - (1) manner in which a person may apply for the examination;
 - (2) time, date, and place for the examination;
 - (3) manner in which the examination is conducted; and
 - (4) manner in which a person's examination score is reported to the person.

Section 901.304. Examination Fee

- (a) For each examination or reexamination, the board by rule shall apportion an amount of the total examination fee among the parts of the examination that an applicant is eligible to take on a particular examination date. For each examination or reexamination, the board shall set a fee by board rule not to exceed the cost of administering the examination. Notwithstanding *Section 2113.203, Government Code*, the board may delegate the collection of an examination fee to the person who conducts the examination
- (b) The board by rule may provide for a refund of the examination fee paid by an applicant who:
 - (1) fails to attend the examination; and
 - (2) presents the board with a satisfactory reason for that failure.

Section 901.305. Frequency of Examination

A uniform CPA examination shall be administered under this chapter as often as necessary but at least once each year.

Section 901.306. Content and Security of Examination

- (a) The board may use or require the use of all or part of the uniform CPA examination and any related service available from:
 - (1) the American Institute of Certified Public Accountants; or
 - (2) the National Association of State Boards of Accountancy.
- (b) The examination must test the person's knowledge of accounting, auditing, and any other subject the board determines is appropriate.
- (c) If the examination is secured by the preparer, the board may not release a copy of any question or answer to any person.
- (d) The board by rule may adopt a system to maintain the security and integrity of the examination process.

Section 901.307. Grading Examination

- (a) The board by rule shall:
 - (1) adopt methods for grading examinations; and
 - (2) establish the criteria for passing the examination.
- (b) Rules adopted under this section must, to the extent possible, be uniform with those of other states.

Section 901.309. Reexamination

A person who fails all or part of an examination may apply for a subsequent examination, subject to the board's satisfaction that the person meets the requirements of this chapter relating to the person's moral character and education.

Section 901.311. Restructure of Examination

If the uniform CPA examination is restructured, the board by rule shall determine the manner in which credit for a subject is integrated into the new structure.

Subchapter K **Prohibited Practices and Procedures**

Section 901.503. Board Action Involving Applicant

- (a) On a determination that a ground for discipline exists under *Subsection (b)*, after notice and hearing as provided by *Section 901.509*, the board may:
- (1) deny an individual's application to take the uniform CPA examination;
 - (2) prohibit an individual from taking the uniform CPA examination for a period not to exceed five years; or
 - (3) void an individual's uniform CPA examination grades.
- (b) The board may discipline an individual under *Subsection (a)* for:
- (1) fraud or deceit on an application for the uniform CPA examination;
 - (2) cheating on the uniform CPA examination;
 - (3) a final conviction of or the imposition of deferred adjudication for an offense under the laws of any state or the United States that:
 - (A) is a felony; or
 - (B) includes fraud or dishonesty as an element of the offense; or
 - (4) conduct indicating lack of fitness to serve the public as a professional accountant.
- (c) The board shall refund the examination fee submitted by a person whose application for examination is denied under this section.



BOARD RULES

Chapter 511. Subchapter A **General Information**

Section 511.11. Definitions

- (a) Wherever the term “*examination*” or “*exam*” appears in these rules, reference is made to the Uniform Certified Public Accountant Examination (UCPAE) prepared and graded by the American Institute of Certified Public Accountants (AICPA), to include, but not limited to the UCPAE.
- (b) Wherever the term “*applicant*” or “*candidate*” appears in these rules, reference is made to any person attempting any examination prepared and graded by the AICPA, to include, but not limited to, the UCPAE.

Subchapter B **Certification by Examination**

Section 511.29. Examination Candidate Data

- (a) The Board shall provide candidate data to the National Association of State Boards of Accountancy (NASBA) for the sole and specific purpose of maintaining the national candidate database of individuals eligible for the Uniform CPA Examination.
- (b) In compliance with *Section 901.160(c)(1)* of the *Public Accountancy Act (Chapter 901 of the Occupations Code – Vernon’s 2003)*, the Board shall obtain authorization from the candidate for the sharing of data with NASBA.

Subchapter D **CPA Examination**

Section 511.70. Grounds for Disciplinary Action of Candidates

- (a) The board may discipline a candidate for any grounds specified in *Section 901.503* of the *Public Accountancy Act*. Such grounds include but are not limited to the conduct described in subsections (b) - (e) of this rule.
- (b) The board may discipline a candidate for making a false, fraudulent or materially misleading statement or a material omission on, or in connection with, any application for evaluation, examination or to become a certified public accountant of this state. The withdrawal of any application shall not deprive the board of its authority to take action against the applicant.



THE BOARD'S
www.tsbpa.state.tx.us
WEBSITE



(c) The board may discipline any candidate for failing to comply with written guidelines of conduct to be adhered to by candidates during the examination or oral guidance by a testing center administrator at any examination location.

(d) The board may discipline any candidate for cheating, subverting, attempting to subvert, aiding, abetting or conspiring to cheat on the CPA Examination at any location within the state where the examination is given, or where a Texas candidate is taking the CPA Examination at a location outside of the state. The voluntary departure or expulsion from an examination shall not deprive the board of its authority to take action against the applicant.

(e) Cheating, subverting, attempting to subvert, aiding, abetting or conspiring to cheat on the CPA Examination includes, but is not limited to, engaging in, solicitation, or procuring any of the following:

(1) any communication between the examinee and any person, other than a proctor or exam administrator while the examination is in progress;

(2) any communication between the examinee and any person at any time concerning the content of the examination including, but not limited to, any exam question or answer, unless the examination has been publicly released by the preparer of the examination;

(3) taking by another of all or any part of the examination for the examination candidate;

(4) possession or use at any time during the examination or while the examinee is in the examination testing center of any device, material, or document that is not expressly authorized for use by examinees during the examination including but not limited to, notes, crib sheets, books, and electronic devices; or,

(5) using or referring at any time after the commencement of the examination and prior to the conclusion of the examination, to include all breaks during the examination, to any device, material, or document that is not expressly authorized for use by examinees.

Section 511.72. Uniform Examination

(a) The board shall contract with the National Association of State Boards of Accountancy for the administration of the examination, in conjunction with the American Institute of Certified Public Accountants and a test vendor, for a certificate as a certified public accountant within the Board's jurisdiction. The examination may be offered at the board's office and at testing facilities within the state that are approved and monitored by the board or its designee. The examination shall be offered during scheduled months as determined by the American Institute of Certified Public Accountants, the National Association of State Boards of Accountancy, and the testing vendor.

(b) The board shall utilize the uniform CPA examination available from the American Institute of Certified Public Accountants covering the following subjects:

(1) auditing and attestation;

(2) business environment and concepts;

(3) regulation; and

(4) financial accounting and reporting.

(c) All candidates taking the examination are required to have in their possession the board authorization form and one other government issued form of identification containing a photograph of the candidate.

(d) All candidates taking the examination are required to sign a statement of confidentiality and conduct, which must be followed during the entire examination.

Section 511.73. Notice to Candidate to Schedule Taking a CPA Exam Subject

(a) The board shall inform examination applicants of their eligibility to take the CPA examination.

(b) The applicant is required to pay an examination fee to the National Association of State Boards of Accountancy for the examination subject for which the applicant is eligible. The actual fee set by the board is identified in *Section 521.2* of this title (relating to *Examination Fees*).

(c) After payment of the examination fee, the applicant is required to schedule to take the subject at a board approved location.

(d) The payment of the required examination fee and taking of the CPA examination subject must be completed within the time of eligibility as determined by the board. Applicants not in compliance with this section must reapply to the board for the establishment of a new eligibility.

Section 511.76. Examination Refund Policy

(a) The eligibility fee paid to the board is not refundable or transferable.

(b) The board, on behalf of the applicant, may request a refund of a portion of the examination fee paid to NASBA for scheduling a section of the CPA examination. The portion of the examination fee that is eligible for a refund is the fee paid for computer seat time and exam grading. A charge for refund processing may be withheld by NASBA. Examination fee refunds are subject to the following condi-

tions.

(1) The applicant because of extreme hardship is precluded from scheduling or taking the section of the CPA Examination. Extreme hardship is defined as a serious illness of the candidate or member of the immediate family or death of an immediate family member. Immediate family member is a spouse, child or parent. Any other extreme hardship situation will be reviewed on a case-by-case basis by the board.

(2) Request for refund based on extreme hardship must be in writing. Documentation of the extreme hardship that precluded the applicant from scheduling or taking the examination must be received by the board not later than 30 days after the applicant's eligibility to take the section of the examination expires.

(c) No examination fee will be transferred to a subsequent examination.

Section 511.77. Grading

Grading of the examination shall be accomplished by the American Institute of Certified Public Accountants, subject to the approval by the board. The candidate must attain the uniform passing grade established through a psychometrically acceptable standard-setting procedure approved by the board. The current minimum passing grade is 75%. The board shall establish a method for the accurate tracking and recording of a candidate's grade. Not later than the 30th day after the day on which the board receives a candidate's grades from the grading authority, the candidate will be notified of the grades unless board action is pending and the individual is precluded from receiving the examination results until the board action is resolved. In no event will any information concerning a candidate's performance on the examination be given to anyone other than the candidate unless the board has written authorization to do so.

Section 511.80. Granting of Credit

(a) The board shall grant credit to a candidate for the satisfactory completion of the Uniform Certified Public Accountant Examination (UCPAE) provided the candidate earns a passing grade as determined by board rule on the subject. The credit shall be valid for eighteen months from the actual date the candidate took the subject.

(b) A candidate who earned credit(s) after implementation of the computer-based examination must pass the remaining subjects within the next eighteen months. Should a candidate's exam credit be invalidated due to the expiration of eighteen months without earning credit on the remaining subjects, the candidate remains qualified to take the examination.

(c) A candidate who earned conditional credit(s) on the UCPAE prior to the implementation of the computer-based examination must pass the remaining subjects within the next six consecutive examinations or eighteen months, whichever is less, from the actual date the candidate earned conditional credit(s). Credit(s) earned for each subject(s) offered on the written UCPAE will transition to the computer-based examination as follows:

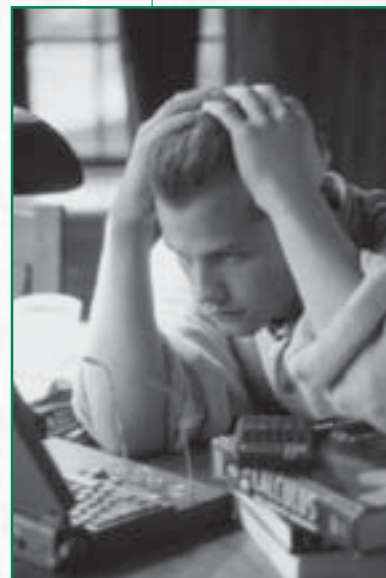
- (1) credit earned for Auditing will equate to credit for Auditing and Attestation;
- (2) credit earned for Financial Accounting and Reporting will equate to credit for Financial Accounting and Reporting;
- (3) credit earned for Accounting and Reporting will equate to credit for Regulation; and
- (4) credit earned for Business Law and Professional Responsibilities will equate to credit for Business Environment and Concepts.

(d) A candidate receiving and retaining credit for every subject on the UCPAE, within an eighteen month period, subject to the limitations imposed by the Act, shall be considered by the board to have completed the examination and may make application for certification as a certified public accountant.

(e) A candidate who has received and retained credit for any or all subjects on the UCPAE may transfer such credits to another licensing jurisdiction if the candidate pays in advance a transfer fee set by board rule as identified in Section 521.7 of this title (relating to *Fee for Transfer of Credits*).

Section 511.87. Loss of Credit

(a) Any candidate having earned conditioning credit under this Act or a prior Act and who has two examinations remaining before the expiration of credits earned shall be notified prior to each examination of these facts.



(b) Any candidate failing to receive credit for all subjects within the time limitation of this Act shall be notified that credits have expired, and this action shall be ratified by the board.

(c) The expiration of credits shall not hinder an examination candidate from reapplying for the examination.

Subchapter E Vendor Requirements

Section 511.102. CPA Examination Availability

(a) The examination will be available at test centers on designated days and at designated times during the months of April, May, July, August, October and November during 2004.

(b) Beginning in 2005, the examination will be available at test centers on designated days and at designated times during the months of January, February, April, May, July, August, October and November.

Section 511.103. Examination Scheduling

(a) Candidates shall schedule the CPA Examination through a call center maintained for that purpose, through the internet at a website maintained for that purpose or at a designated test center. Contact information for the call centers, websites and test centers is available at the board's office and through its website.

(b) A candidate who schedules at least 45 days in advance of their requested exam session will be offered a seat on a specific date if requested and at a test center within 60 miles of the requested test center. If the candidate does not request a specific exam date, the candidate will be offered the first available exam at the requested test center or at a test center within 60 miles of the requested test center.

Section 511.104. Test Center Locations

(a) A list of test center locations is available at the Board's office and on the Board's website.

(b) All test center locations will conform to the standards established by the *Americans with Disabilities Act of 1990*.

Section 511.105. Test Center Check-In

(a) A candidate for the CPA examination must present two forms of identification to the test center administrator at the time of check-in to take a section of the exam. One form of identification must be a government issued document, and contain the photograph and signature of the candidate. The candidate's name on the form of identification must match the record in the vendor's database of the candidate schedules to take the exam.

(b) The candidate is required to have his photograph taken by the test center administrator during check-in.

(c) The candidate is permitted to take into the testing room only items authorized by the board, examined by the test center administrator, and not in violation of the vendor's security policy and procedures.

Section 511.106. Compliance with Test Center Rules

(a) A candidate who fails to follow reasonable test center rules and procedures or who fails to operate the test center equipment with reasonable care may be removed from the test center and excluded for future examinations for up to five years.

(b) The board shall be informed of the removal and exclusion of a candidate.

Section 511.107. No-Show, Late Arrival and Late Cancellation

(a) A candidate is not eligible for a refund of the hourly testing fee if the candidate:

(1) fails to appear for a scheduled section of the CPA exam;

(2) arrives more than 15 minutes after the scheduled start time for taking the section of the CPA exam and is refused admission to the exam; or

(3) changes or cancels a section of the CPA exam after the applicable Test Cancellation/Change Deadline.

(b) The candidate may be charged a reasonable fee for a rescheduled exam or cancellation.

(1) A candidate that requests a change in scheduling or cancellation 30 or more days prior to the original day of testing will not be charged an additional fee.

(2) A candidate that requests a change in scheduling or cancellation 29 to 5 days prior to the original day of testing will be charged an additional fee of \$35.00. The candidate must make direct contact by noon of the fifth business day before the day of the exam with personnel at the call center or at a local testing center. Leaving a message on a recorder or a voice mail is not sufficient to confirm a change or cancellation.

(3) A candidate that requests a change in scheduling or cancellation less than 5 days prior to the original day of testing will be charged an additional fee equal to the amount of the full test fee.

Chapter 521 **Fee Schedule**

Section 521.2. Examination Fees

(a) The following fees shall be effective for the Uniform CPA Examination, and do not include the fee for the *Application of Intent*.

(b) Until the implementation of the computer-based CPA examination, the fee for the initial examination conducted pursuant to the *Act* shall be \$234.00. The fee for any examination shall be apportioned as follows:

- (1) eligible for one subject — \$73.50;
- (2) eligible for two subjects — \$117.00; and
- (3) eligible for four subjects — \$234.00.

(c) Upon implementation of the computer-based CPA examination, the following fees shall become effective, and do not include the eligibility fee.

- (1) eligible for Auditing and Attestation — \$159.25;
- (2) eligible for Financial Accounting and Reporting — \$148.00;
- (3) eligible for Regulation — \$125.50; and
- (4) eligible for Business Environment and Concepts — \$114.25.

(d) All examination fees shall be paid to the National Association of State Boards of Accountancy.



Chapter 525 **Criminal Background Investigations**

Section 525.1. Applications for the Uniform CPA Examination, Issuance of the CPA Certificate, a License, or Renewal of a License for Individuals with Criminal Backgrounds

(a) The board shall not examine a CPA candidate, issue the CPA certificate, issue an initial license, or renew a license, and shall revoke a current license if the board finds that the applicant or licensee has been convicted of a felony offense which results in incarceration or upon revocation of applicant's or licensee's felony probation, parole, or mandatory supervision.

(b) The board may not examine a CPA candidate, issue the CPA certificate, issue an initial license, or renew a license if the board finds that the individual applying has been convicted of a felony or misdemeanor offense which directly relates to the practice of public accountancy. In determining whether the felony or misdemeanor conviction directly relates to such duties and responsibilities, the board shall consider:

- (1) the nature and seriousness of the crime;
- (2) the relationship of the crime to the board's statutory responsibility to ensure that persons professing to practice public accountancy maintain high standards of competence and integrity in light of the reliance of the public, and the business community in particular, on the reports and other services provided by accountants;
- (3) the extent to which a license to practice public accountancy might offer an opportunity to engage in further criminal activity of the same type as that in which the individual was previously involved; and
- (4) the relationship of the crime to the ability, capacity, or fitness required to perform the duties and discharge the responsibilities of a certified public accountant or public accountant.

(c) In addition to the factors stated in subsection (b) of this section, the board shall consider *Section 52.023 (Texas Occupations Code)* in determining the present fitness of a candidate who has been convicted of a crime.

(d) Because an accountant is often placed in a position of trust with respect to client funds, and the public in general, and the business community in particular, rely on the reports and other services of accountants, the Texas State Board of Public Accountancy considers that the following crimes directly relate to the practice of public accountancy:

- (1) any felony or misdemeanor of which fraud or deceit is an essential element;
- (2) any felony or misdemeanor conviction which results in the suspension or revocation of the right to practice before any state or federal agency for a cause which in the opinion of the board warrants its action; and
- (3) any crime involving moral turpitude.

(e) The following procedures shall apply in the processing of an application to sit for the uniform CPA examination.

(1) The candidate will be asked to respond, under penalty of perjury, to the question if he or she has ever been convicted of a felony or misdemeanor.

(2) The board may submit identifying information to the Texas Department of Public Safety and or other appropriate agencies on board letterhead requesting conviction records on all initial examination candidates and on those reexamination candidates about whom the executive director finds evidence to warrant a record search.

(3) The board will review the conviction records of candidates and will approve or disapprove applications as the evidence warrants. If the requested information is not provided by the Texas Department of Public Safety and or other appropriate agencies at least 10 days prior to the examination, a candidate may be permitted to sit for the uniform CPA examination, with his or her grades subject to being voided. A candidate may have his or her grades voided or may be denied the opportunity to sit for the uniform CPA examination on the basis of a prior conviction pursuant to a hearing as provided for in the *Act*.

(f) The following procedure shall apply in the processing of an application for issuance of the CPA certificate.

(1) The individual will be asked to respond, under penalty of perjury, to the question if he or she has ever been convicted of a felony or misdemeanor.

(2) The board may submit identifying information to the Texas Department of Public Safety and or other appropriate agencies on board letterhead requesting conviction records on individuals requesting issuance of the CPA certificate.

(3) The board will review the individual applications and the conviction records of applicants and will approve or disapprove applications as the evidence warrants. No CPA certificate or initial license may be issued to an individual whose application for a CPA certificate has been denied. The board may disqualify a person from receiving a CPA certificate or initial license on the basis of a prior conviction pursuant to a hearing as provided for in the *Act*.

(g) The following procedure shall apply when renewing a license annually.

(1) Each licensee will be asked to respond, under penalty of perjury, to the question if he or she has ever been convicted of a felony or misdemeanor of which the board has not previously been informed. If the licensee responds in the negative and pays the required license fee, a renewal license will be issued in accordance with established procedures. If the licensee responds affirmatively and pays the required license fee, the board may submit identifying information on board letterhead to the Texas Department of Public Safety and other appropriate agencies requesting conviction records on the individual.

(2) The board will review the conviction records and either approve or deny the application for a renewal license as the evidence warrants. The board will refund any renewal fee submitted if the application is denied. The board may suspend or revoke or refuse to renew an annual license on the basis of a prior conviction pursuant to a hearing as provided for in the *Act*.

(h) In the event the board suspends or revokes a valid license or denies a person a license or certificate or the opportunity to sit for the uniform CPA examination or voids the grades of a candidate because of a person's prior conviction of a crime and the relationship of the crime to the license and certificate pursuant to a hearing as provided for in the *Act* the board shall notify the person in writing:

- (1) of the reasons for the suspension, revocation, denial, or disqualification;
- (2) that the person, after exhausting administrative appeals, may file an action in district court in Travis County, for review of the evidence presented to the board and its decision in accordance with the *Act*;
- (3) that a person must begin the judicial review within 30 days after the board's decision is final and appealable; and
- (4) that the earliest date a person may appeal is when a motion for rehearing is denied, or when the time for filing a motion for rehearing has expired and no motion has been filed.

NOTES



Address your questions to:

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

e-mail your questions to:

exam@tsbpa.state.tx.us

Telephone:

(512) 305-7851

FAX:

(512) 305-7875

***You may also personally meet
with a Qualifications Team member
at the Board office.***



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