

Texas Exam Candidates Top National Averages

Have you ever wondered how CPA candidates educated in Texas fare on the Uniform CPA exam compared to candidates educated elsewhere? The answer, based on a recent NASBA compilation of exam results for 2006, is this: quite well, thank you. In fact, Texas ranked second nationally (only Utah ranked higher) with 54.3% (see chart at bottom) for first-time candidates passing all sections, and Texas candidates, by an overwhelming percentage, are educated in Texas. In 2006, 4,138 Texas candidates tested on at least one section of the exam.

NASBA statistics also show that

- The University of Texas-Austin ranked 1st nationally and Texas A&M ranked 2nd in highest passing rates for first-time candidates without advanced degrees who were taking and passing one to three sections of the exam. UT Austin's 125 candidates had a 76.8% passing rate, and Texas A&M's 75 candidates had a 73.33% passing rate.
- Several Texas universities had high passing rates for their candidates with advanced degrees:

Baylor University	4th
University of Texas-Austin	6th (tie)
University of Texas-Dallas	6th (tie)
University of Texas-Arlington	11th
Texas A&M University	15th

- Texas A&M University ranked 7th and the University of Texas-Austin ranked 10th in first-time candidates without advanced degrees passing all sections.
- Texas A&M University ranked 3rd and the University of Texas-Austin ranked 6th in first-time candidates with advanced degrees passing all sections.

For two of the four sections of the exam, Texas candidates ranked 5th nationally for first-time candidates: FAR, 57.9%, and AUD, 58.5%. National percentages on those sections were 47.8% and 46.2%, respectively.

Overall Passing Percentages by Section (2006)

FAR	AUD	REG	BEC
49.3	49.1	48.2	47.2
National			
44.6	44.2	42.4	43.8

2006 Success Ranking by Jurisdiction for First-Time Candidates Passing All Sections

Rank	Jurisdiction	# of Candidates Taking All 4 Parts	Passing %
1	Utah	50	58.0
2	Texas	696	54.3
3	South Dakota	13	53.9
4	Iowa	187	51.9
5	Wyoming	8	50.0
6	North Dakota	29	48.3
7	Nebraska	51	47.1
8	Maryland	115	46.1
9	Massachusetts	263	45.6
10	Georgia	464	45.3

Study Confirms a Trend Toward Taking Fewer Exam Sections at a Time

Since computer-based testing (CBT) for the CPA exam was initiated in April 2004, fewer candidates have attempted to take all four exam sections in one testing window. CBT allows candidates to take as few as one section of the exam at a time, which allows for more focused preparation and a better chance of performing well on that section. This was just one trend confirmed by the AICPA report, *Summary of Uniform CPA Examination Candidate Test-Taking and Pass-Fail Patterns in the First Ten Windows of Computer-Based Testing*.

Results of the study show that the percentage range of candidates taking one section per window was 58% to 69%; two sections per window, 25% to 32%; three or

four sections, 2% and 6%. In each of the 10 testing windows, at least 90% of the candidates testing took no more than one or two sections.

The study also showed that 75% of the candidates passed one section on their first attempt, and over 90% after one or two attempts. About 50% of all candidates passed all four sections after testing four times, i.e., after one attempt per section. Approximately 19% required five testing sessions, 12% required six, and the remaining 19%, between 7 and 19 sessions to pass all four sections.

The full report can be found on the CPA exam website, www.cpa-exam.org.

Biometric Identification Adds Another Security Measure to Ensure Exam Integrity

Exam security is of utmost importance if the exam is to continue to provide an equal opportunity for all candidates and to maintain its integrity. To this end, the three organizations that partner to provide the exam—NASBA, AICPA, and Prometric—have put security measures in place at every stage of the exam process.

The partner organizations have devised security measures to safeguard stored data, to protect exam content from the development stage forward, and to ensure security when exams reach testing centers. They also have established the means to preserve the confidentiality of candidate data, and the system is constantly monitored to detect contamination of the process.

Prometric recently introduced biometric identification, or electronic fingerprinting, for CPA exam candidates. This

addition to the check-in procedure will require candidates

- to present their Notices to Schedule, along with primary and secondary forms of identification,
- to sign the test center log book,
- to have their photographs taken,
- to have their primary forms of identification scanned to create a digital image that will be stored for future use,
- to place their finger(s) on a scanner so that a digital image of the fingerprints may be taken, encrypted and stored.

Fingerprints will be compared after breaks and every time candidates report to test centers for future testing.

Examinees also are required to sign a confidentiality agreement at the start of each exam session.

Exam FAQ: What rules govern new accounting and auditing pronouncements?

Accounting and auditing pronouncements are eligible to be tested on the Uniform CPA Examination 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 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 by the new.

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.

For other subjects covered in the Regulation (REG) and Business Environment and Concepts (BEC) sections, materials eligible to be tested include federal laws, in the window beginning six months after their effective date, and uniform acts, in the window beginning one year after their adoption by a simple majority of the jurisdictions.

Reports Aid Candidates in Retesting

Candidates who took the Uniform CPA Examination during the October-November 2006 testing window were the first to receive a newly redesigned diagnostic report. The redesign evolved from months of sample report reviews by candidates, accountancy board members and staff, and review course providers, and from constant revision in response to reviewer comments.

Different versions of the diagnostic report were reviewed by candidates in focus groups in Boston, St. Louis, and Houston. The final four focus groups, held in June 2006, all chose the same redesign, and that version was approved for implementation by the AICPA Board of Examiners. The redesign will be monitored to see if it continues to meet candidate needs.

The diagnostic report compares a nonpassing candidate's performance with that of candidates who scored between 75 and 80 in that exam section, in other words, those who barely passed. It will compare performance in the various content areas covered on that exam, as well as overall performance in the multiple choice, simulation, and written communication sections of the exam. The report is intended to serve as a study guide for future test-taking.

NASBA Fee Schedules

Single Section Fees

AUD	\$209.33
BEC	\$161.63
FAR	\$197.40
REG	\$173.55

Multiple Section Fees

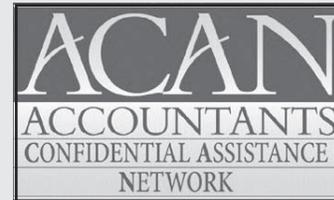
AUD & BEC	\$370.96
AUD & FAR	\$406.73
AUD & REG	\$382.88
BEC & FAR	\$359.03
BEC & REG	\$335.18
FAR & REG	\$370.95

AUD, BEC & FAR	\$568.36
AUD, BEC & REG	\$544.51
AUD, FAR & REG	\$580.28
BEC, FAR & REG	\$532.58

AUD, BEC, FAR & REG	\$741.91
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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



Assistance for CPAs, exam candidates, and accounting students with alcohol or drug dependency problems or mental health issues.

1-866-766-2226

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

VOLUNTEERS NEEDED

ACAN needs volunteers across the state. If you are a CPA in recovery and are interested in volunteering, call 1-866-766-2226.

Sponsored by the TSCPA and Endorsed by the Board

Scoring the Uniform CPA Examination

CPA exams are scored on a scale that runs from 0 to 99, with a total score of 75 required to pass each section. The total score is not a “percent correct” score, but a score that has been determined to reflect sufficient knowledge and skill in a particular area to protect the public interest. Exams are scored using a highly respected method known as Item Response Theory (IRT), which weights scores according to the difficulty of individual questions on the exam.

Scoring is fully automated for all examination components except the written communication portion of simulations. A network of CPA readers score some of the written communication responses; others are scored by an automated process. The exam is scored independently against established standards predetermined to represent sufficient knowledge of the subject matter to warrant a passing score. Scores are verified throughout the process.

In 2006, the American Institute of CPAs (AICPA) sponsored a series of focus groups nationwide to gauge candidate satisfaction with the exam and to determine areas of concern that needed to be addressed. The number one priority of participants was faster score reporting, and that is at the top of the AICPA priority list as well, but faster reporting has to be accomplished without sacrificing scoring accuracy or exam security. At present, scores are released in waves—the first in the second month of the testing window and the second after the window closes.

Once AICPA completes scoring, the information is forwarded without identifying information to NASBA, which matches performance information to individual candidates, and sends the information on to boards of accountancy for approval and release to candidates.

Of the four sections of the exam—Auditing and Attestation (AUD), Business Environment and Concepts (BEC), Financial Accounting and Reporting (FAR), and Regulation (REG)—three include both multiple-choice questions and simulations (case studies that require candidates to use spreadsheets, conduct research, and draft written communications for make-believe clients). Only BEC is made up of all multiple-choice questions.

Different Versions of the Exam

Each of the four sections includes three “testlets,” and each of those has both pretest questions and operational questions. Pretest questions are questions that may become operational questions once they prove to be psychometrically acceptable. Only operational questions are used to determine a candidate’s scores.

Within each section of the test, candidates may be given second and third testlets that are different from those given to other candidates, depending on their performance on the first testlet. The first testlet is always medium difficult. Those who do well on the first testlet will get a harder second testlet, whereas those who do not will get another medium difficult testlet. The difficulty level of the third testlet will be determined by performance on the first and second testlets.

The practice of using statistical characteristics of the individual questions to weight them guarantees that each candidate’s exam is a fair assessment of his or her knowledge. Statistical characteristics reflect a question’s difficulty, how well it differentiates between more and less able candidates, and the likelihood of candidates answering the question correctly just by guessing. Matching testlets to a candidate’s proficiency means fewer questions are needed to accurately assess the candidate’s overall knowledge and proficiency. To read more about the exam and how it is scored, go to www.cpa-exam.org.

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Scheduling Your Exam

The Uniform CPA Examination may be scheduled in specific Prometric Testing Centers in the Texas cities listed below.

Once you receive your Notice to Schedule, scheduling may be completed by phone or online at the Prometric website:

www.prometric.com/cpa

Schedule early, as dates, times, and locations may fill quickly.

- Abilene
- Amarillo
- Austin
- Beaumont
- Corpus Christi
- Dallas
- El Paso
- Ft. Worth/Bedford
- Houston
- Houston/Clear Lake
- Houston/Greenspoint
- Lubbock
- McAllen
- San Antonio (3 locations)
- Tyler
- Waco
- Wichita Falls

Texan Among 2006 Sells Award Recipients

Lina Ginan Dimachkieh was among the 10 candidates named recipients of 2006 Elijah Watt Sells Awards by the American Institute of CPAs (AICPA). Dimachkieh earned Bachelor of Business Administration and Master of Professional Accounting degrees from the University of Texas at Austin, both in 2006. She is now enrolled at Harvard Law School, where she expects to complete the JD program in 2009. After earning her law degree, Dimachkieh plans to practice law in a specialty in which she can utilize her accounting background.

In its present form, the program awards plaques to the 10 candidates with the highest combined scores in a given year. Candidates who pass sections of the exam in two different calendar years are considered in the year they complete testing. Award winners have to pass each section of the exam on their first try. Historically, Texas candidates have been frequent award recipients. They receive recognition during the Board’s swearing-in ceremonies.

AICPA began its Sells Award program in 1923 to honor Elijah Watt Sells, a founding partner in Haskins & Sells, a predecessor to Deloitte & Touche. In 1896, Sells was one of the first to qualify as a CPA in the state of New York, and he was instrumental in the creation of AICPA.

The Award has changed over the years from a single award given to the candidate who received the highest combined scores in passing all four sections of the Uniform CPA Examination to a medal program that recognized the top two, and later, the top three, scorers.

Professional Literature Available Free

Examination candidates who have a Notice to Schedule from NASBA can get access to a free six-month subscription to professional literature used in the computerized CPA exam. To sign up, go online to www.cpa-exam.org and pull down the “Prepare for the Exam” menu. Click on “Access to Prof. Literature” to access the subscription form.

Uniform CPA Examination National Passing Rates by Section

In general, candidates have performed better on the computerized CPA exam than on the earlier paper and pencil version, presumably because the computer-based exam does not have to be taken all at one time. Below are results from 2007 testing windows.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative % Passing 2007
AUD	44.44%	48.35%	51.26%	45.48%	47.57%
BEC	43.84%	48.08%	47.13%	46.69%	46.56%
FAR	43.65%	49.39%	52.38%	46.00%	48.15%
REG	42.02%	47.89%	50.29%	46.54%	47.03%

Websites Offer Invaluable Help for Candidates

Spending a significant amount of time on the CPA exam website, www.cpa-exam.org, is essential to success on the Uniform CPA Examination. Not only can the tutorial answer most of your questions about the examination process, it gives you the opportunity to learn what to expect in terms of types of questions, what tools and resources will be available to you, the best ways to prepare for the exam, and how to navigate through the exam.

You will find articles explaining the scoring process, how the exam is

structured, and the structure and role of diagnostic reports. You can sign up for the exam newsletter and read past issues. Most significantly, the website gives you the opportunity to familiarize yourself with the functionality of the exam, which uses word processing and spreadsheet software similar to, but not the same as, Excel and Word.

Sample test software allows candidates to download and answer a set of multiple-choice questions and to work through one sample case study, called a simulation.

Because it uses the software currently in use for the exam, the candidate can

become familiar with the most recent functionality changes, such as the recent changes brought by Simulation Version 1.5 for transferring answers instead of using a “copy and paste” command. Prior familiarity with simulation functionality prevents the loss of valuable time during the exam. Failure to follow directions during the exam can adversely affect your score.

Specific information on every step of the application process in Texas may be found on the Board website, www.tsbpa.state.tx.us.

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