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UNIFORM STATISTICAL INFORMATION QUESTIONNAIRE: 1975

A SUPPLEMENTARY REPORT

Prepared by
Park E. Leathers
and
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BIOGRAPHICAL NOTES

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HIGHLIGHTS

This report summarizes data obtained from candidates sitting for the May 1975 and November 1975 CPA Examinations. These data were last gathered in 1970.

The principal findings of the study are as follows:

1. Educational level continues to rise; over 98% of first-time candidates have at least a bachelor's degree, and 16% have advanced degrees.
2. The probability of passing the examination is substantially improved by more formal education, particularly at the graduate level.
3. Both the scholastic aptitude of incoming college students (evidenced by SAT scores) and the student's collegiate achievement (evidenced by grade point average) are strongly associated with examination success.
4. Average undergraduate hours in accounting have decreased slightly, but there is more academic emphasis on calculus and computer courses.
5. More candidates are taking CPA coaching courses, particularly proprietary and college classroom courses, and these courses improve the probability of examination success.
6. Work experience continues to have little relation to examination performance, and the percentage of first-time candidates with less than one year's experience is increasing.
7. Scores on the four examination segments are highly interrelated, and the probability of examination success for repeat candidates is improved greatly if the candidate previously earned conditional credit for two or three examination segments.

I. NATURE AND SCOPE OF STUDY

The USIQ Project

The Uniform Statistical Information Questionnaire is a joint undertaking of the state boards of accountancy and the American Institute of Certified Public Accountants (AICPA). It is conducted with the cooperation of the National Association of State Boards of Accountancy.

Data on CPA examination candidates were collected for five consecutive examinations from November 1964 to November 1966 and again in May and November 1970. The present project includes data submitted for May and November 1975, and it is expected that the study will be repeated in 1980.

The findings of previous surveys have been published in supplementary reports (such as this one) authored by Doyle Z. Williams (in 1968) and Howard P. Sanders (in 1971). Dr. Williams also presented "A Profile of CPA Candidates" in the January 1969 issue of The Accounting Review (pp. 153-164). Dr. Sanders summarized the 1970 findings in the December 1972 issue of The Journal of Accountancy (pp. 85-88). Based upon the 1970 data, Park E. Leathers prepared "Relationship of Test Scores to CPA Examination Performance," which appeared in the September 1972 issue of The Journal of Accountancy (pp. 101-102).

Copies of the 1975 Uniform Statistical Information Questionnaire and instructions for its use are reproduced in the appendix.

Participation in Project

All 54 jurisdictions using the Uniform Certified Public Accountant Examination were invited to take part in the 1975 USIQ project. Not all were able to participate, and the roster of participating state boards differed slightly between May and November. However, overall participation compared favorably to 1970, as shown in Table 1.

TABLE 1
PARTICIPATION IN USIQ PROJECT
1970 and 1975

	May		November	
	<u>1970</u>	<u>1975</u>	<u>1970</u>	<u>1975</u>
Number of participating jurisdictions	49	46	36	46
Total candidates in all jurisdictions	21,400	38,300	26,700	42,100
Total candidates completing usable questionnaires	15,200	25,200	14,300	24,900
Overall candidate participation	71%	66%	54%	59%
Number of first-time candidates participating	6,200	10,000	4,800	9,700
Ratio of first-time to total candidates	41%	40%	34%	39%

Study Methodology and Organization of Report

Candidates were asked to complete the questionnaire when they registered for the examination. There was no audit or outside review of the data submitted by the candidate. Therefore, data may be subject to some bias, e.g., candidates may have forgotten or overstated grade point averages.

Following the AICPA's reporting of CPA examination scores to the state boards, those agencies affixed scores to the candidate's questionnaire, indicated the status of the candidate (passed all parts, received conditional credit for one or more parts, or received no credit) and forwarded the questionnaires to the AICPA.

The data, following their transfer to magnetic tape, were forwarded to the authors for the preparation of detailed analyses and this supplementary report. Separate analyses were prepared for May and November and for both first-time candidates and the total candidate body. These four volumes - each of which contains either 169 or 179 separate tables arraying candidates' characteristics against status of candidate and scores on each examination segment - are being sent to state boards and other concerned parties. State boards will also receive summaries applicable to their own candidates.

This supplementary report has been based primarily on the detailed analyses described above and some special tables developed for this study. Principal findings have been included here so that this report is complete in itself.

Most of the data cited are for first-time candidates in May 1975, but these generally are consistent with the all-candidate data and the November examination data. A comparison of May and November candidates is provided later in the report.

The analyses are presented in terms of percentages of candidates who received credit for one or more examination segments or for all segments for which the candidate sat. A candidate may receive a passing score on a segment but not receive credit. This is because of conditioning requirements, e.g., a requirement that two or more segments be passed in order to obtain credit or that a minimum score be attained on segments failed. Since candidates may "pass" a segment but not receive credit the percentages shown in this report are lower than the percentages of candidates who actually received passing scores.

To supplement the tables, the authors computed simple correlation coefficients showing the relationship of characteristics to scores on individual examination segments. These coefficients are cited, where pertinent, throughout the text. A positive correlation coefficient indicates that the characteristic contributes to examination success. A negative coefficient indicates that the characteristic is associated with poorer performance. Coefficients may range between +1, perfect direct association, and -1, perfect inverse association.

The advantage of the correlation coefficient (over a table) is that it more compactly shows a degree of association. However, both the simple correlation coefficient and tabular presentations share a common flaw. A strong degree of association may occur when two variables are each associated with a third variable, and thus the observed association may not indicate causation between the two variables. To limit this effect, one may compute the "partial" correlation coefficient, which measures the degree of association between two or more variables after the association with one or more other variables has been removed. Partial coefficients have been computed for this study in selected cases.

In discussing the correlation coefficients, it is indicated whether they are statistically significant at the 1% level. If a correlation is statistically significant at the 1% level, this indicates that there is at most a 1% chance of asserting that a relationship exists when one does not; greater statistical assurance is associated with these correlation coefficients.

Importance of Project

The primary objective of the USIQ study is to provide data to those preparing, administering, and grading the CPA examination concerning the nature of the candidate body and any changes that have occurred since the last study. Data also may be useful to regulators and legislators in determining the appropriateness of education, experience, and conditioning requirements, to prospective candidates evaluating their chances for success, and to educators and the profession-at-large in monitoring and seeking to improve the quality of prospective entrants.

II. EDUCATIONAL BACKGROUND

Changing Educational Preparation

Over the past thirty years, there have been dramatic changes in the educational preparation of CPA candidates. The proportion of candidates with at least bachelor's degrees has risen from 47% in November 1946 to 97% in November 1975 (and 98.4% of first-time candidates). A more recent phenomenon is the increase in postgraduate degrees. In November 1975, advanced degree holders constituted 16% of first-time candidates, compared to 10% in November 1970.

The changes in candidate education (for the total candidate body) are summarized in Table 2.

TABLE 2
EDUCATIONAL BACKGROUND OF CANDIDATES SITTING
AT SELECTED NOVEMBER EXAMINATION DATES

	<u>1946</u>	<u>1960</u>	<u>1966</u>	<u>1970</u>	<u>1975</u>
High school graduate	8%	1%	*	*	*
Technical/business school or accounting correspondence course	25	10	5%	2%	1%
College-less than degree requirement	20	12	7	3	2
College graduate	43	73	80	86	84
Postgraduate work completed	<u>4</u>	<u>4</u>	<u>8</u>	<u>9</u>	<u>13</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* Less than ½ of 1%.

Table 3 presents the relationship of educational background to examination success. The probability of passing the examination is substantially improved by more education. This observation applies both to first-time candidates and to "repeat candidates," i.e., those who have failed one or more parts previously.

TABLE 3
RELATIONSHIP OF EDUCATIONAL BACKGROUND
TO MAY 1975 EXAMINATION SUCCESS

	First-time Candidates Receiving Credit For		Repeat Candidates Receiving Credit For	
	One or More Parts	All Parts	One or More Parts	All Remaining Parts
Non-college graduates	29%	7%	33%	19%
Bachelor's degree	40	14	46	25
Advanced degree	61	27	59	35

Attendance at Two-Year Colleges

Two-year colleges continue to grow in importance to the American educational scene. The proportion of first-time candidates who had attended two-year colleges grew from 24% in May 1970 to 29% in May 1975. Virtually all of these candidates complete their studies at a four-year institution. But they receive much of their general education and varying portions of their accounting training at the two-year colleges.

As in 1970, those individuals who received part of their training at two-year colleges did not perform as well on the May 1975 CPA examination as those who had all their training at four-year institutions. Only 36% of first-time candidates who had attended two-year colleges received credit for any examination segments; this compares unfavorably to a 45% success rate for the remaining candidates.

Compared to the other candidates, attendees at two-year colleges tend to lack academic aptitude (as measured by SAT college entrance examination scores), a quality which explains much of the observed difference in examination performance. This is demonstrated in Table 4, which compares simple and partial correlations for examination performance and two-year college attendance. Column 1 of this table shows clear-cut negative correlation (i.e., two-year college attendance associated with poor performance), when the simple correlation coefficient is computed, i.e., when there is no adjustment for the effects of SAT scores. The partial coefficients in Column 2 have been adjusted for academic aptitude (at least in part) by removing the effects of the SAT scores. The partial coefficients are lower, indicating that the negative association noted in Column 1 largely results from the academic aptitude factor. (The relationships between SAT scores and CPA examination scores are presented in Table 18.)

Even after the adjustment for SAT scores, there still remain minor negative correlations between examination performance and two-year college attendance. However, none of the partial correlations are statistically significant at the 1% level.

TABLE 4
CORRELATIONS BETWEEN ATTENDANCE
AT TWO-YEAR COLLEGE AND SCORES
FOR FIRST-TIME MAY 1975 CANDIDATES

<u>Examination Segment</u>	<u>Simple Correlations</u>	<u>Partial Correlations</u>
Auditing	-.09 *	-.04
Accounting theory	-.10 *	-.03
Business law	-.09 *	-.02
Accounting practice	-.11 *	-.02

* Significant at 1% level

Undergraduate Major

Of those candidates without advanced degrees, a large majority (88%) majored in accounting as undergraduates. Only 5% had non-business majors.

The situation was far different for candidates with advanced degrees. Table 5 shows that just 30% of this group had undergraduate accounting degrees, and nearly half majored outside the business area at the undergraduate level.

TABLE 5
 UNDERGRADUATE MAJORS FOR
 FIRST-TIME MAY 1975 CANDIDATES

	<u>No Advance Degree</u>	<u>Advanced Degree</u>
Accounting	88%	30%
Business administration	7	23
Engineering	*	7
Mathematics	1	8
Other liberal arts	3	24
Other	<u>1</u>	<u>8</u>
Total	<u>100%</u>	<u>100%</u>

*Less than ½ of 1%.

Table 6 summarizes the percentages of each of these groups that receive credit for one or more examination segments or all segments for which eligible. Undergraduate accounting majors have slightly more examination success than the other business majors, but their performance is clearly inferior to that of non-business groups. This observation holds regardless of whether the candidate has an advanced degree. Obviously this does not indicate that the content of the other majors is especially valuable to candidates. Rather it shows that desirable candidates often are drawn to other majors as undergraduates.

Some indication of the superiority of the "non-business" candidates is provided by comparing their SAT college entrance examination scores to those achieved by the accounting and business administration undergraduate majors. The portion with verbal scores over 600 is approximately twice as great (42% to 22%). And 79% have mathematics scores over 600, compared to 57% for accounting and business majors.

The "non-business" candidates typically have somewhat less accounting training than the rest of the group. But over half of them have had at least 27 hours in accounting (when both the undergraduate and graduate levels are considered), and only 3% have had less than 12 hours.

Later in this report it is observed that candidates switching into accounting after beginning college perform better on the examination than those who choose an accounting major as freshmen. This condition is consistent with that described above and also has been observed in previous USIQ and other studies. It may be that this situation was accentuated by the state of the job market just prior to 1975 and that today's rapidly-swelling undergraduate business and accounting enrollments include many of the talented candidates who previously majored elsewhere. In general, however, it seems desirable for the profession to attract students who start (or finish) their undergraduate careers in other disciplines. Graduate study in accounting and professional schools of accounting are ways to accomplish this.

TABLE 6
RELATIONSHIP OF UNDERGRADUATE MAJOR
TO EXAMINATION SUCCESS FOR FIRST-
TIME MAY 1975 CANDIDATES

	<u>No Advanced Degree Receiving Credit For</u>		<u>Advanced Degree Receiving Credit For</u>	
	<u>At Least One Part</u>	<u>All Parts Eligible</u>	<u>At Least One Part</u>	<u>All Parts Eligible</u>
Accounting	40%	14%	56%	22%
Business administration	37	12	55	21
Engineering	50	6	69	38
Mathematics	52	19	80	43
Other liberal arts	56	25	66	32
Other	46	20	65	29

Post-Graduate Training

Table 7 summarizes the types of degrees and the success rates for holders of advanced degrees who took the May 1975 examination for the first time. The MBA and other business master degrees (probably Masters of Accountancy in large part) account for the majority of advanced degrees, but there still are many candidates with non-business master degrees.

TABLE 7
ADVANCED DEGREES FOR FIRST-
TIME MAY 1975 CANDIDATES AND
RELATIONSHIP TO EXAMINATION
SUCCESS

<u>Degree</u>	<u>Advanced Degree-Holders</u>	<u>Receiving Credit For</u>	
		<u>At Least One Part</u>	<u>All Parts Eligible</u>
Masters of Business Administration (MBA)	64%	62%	27%
Other business masters	21	61	27
Non-business masters	9	57	28
Law	5	59	27
Doctorate	<u>1</u>	65	53
Total	<u>100%</u>		

Grade Point Averages

For the first time in 1975, candidates were asked to indicate their grade point averages. The reported averages have the weakness of being only the candidates' unverified assertions. Nevertheless, they do provide some indication of scholastic caliber.

The distribution of grade point averages for first-time candidates is summarized in Table 8. Particularly at the undergraduate level, candidates tend to have higher accounting point averages than their overall averages. But regardless of which measure is used, over half of the candidates have better than a B (3.00) average. Point averages for graduate study are higher, consistent with the higher curve generally used in grading graduate work.

TABLE 8
COLLEGIATE GRADE POINT AVERAGES
FOR FIRST-TIME MAY 1975 CANDIDATES

	<u>Undergraduate</u>		<u>Graduate</u>	
	<u>Overall</u>	<u>Accounting</u>	<u>Overall</u>	<u>Accounting</u>
3.50 to 4.00	18%	32%	39%	47%
3.00 to 3.49	36	36	44	40
2.50 to 2.99	33	23	12	10
2.00 to 2.49	13	9	5	3
1.99 or less	*	*	*	*
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* Less than ½ of 1%.

As would be expected, higher point averages are associated with better examination performance. Table 9 shows that this is particularly true in the highest categories. For example, 71% of the candidates with overall averages above 3.50 received conditional credit for at least one examination segment; this compares to 47% in the next group.

TABLE 9
RELATIONSHIP OF COLLEGIATE GRADE POINT AVERAGES
TO PERCENTAGE OF FIRST-TIME MAY 1975 CANDIDATES
RECEIVING CREDIT FOR ONE OR MORE EXAMINATION SEGMENTS

	<u>Undergraduate</u>		<u>Graduate</u>	
	<u>Overall</u>	<u>Accounting</u>	<u>Overall</u>	<u>Accounting</u>
3.50 to 4.00	71%	68%	74%	73%
3.00 to 3.49	47	40	48	47
2.50 to 2.99	32	25	34	26
2.00 to 2.49	23	17	22	18
1.99 or less	15	19	13	0

The simple correlation coefficients presented in Table 10 provide another indication of the clear relationship between grade point averages and examination performance. Correlations are slightly stronger for accounting point averages than overall averages. The weakest associations are between grade point averages and scores on the business law examination.

TABLE 10
CORRELATIONS BETWEEN COLLEGIATE GRADE
POINT AVERAGES AND CANDIDATE SCORES
ON MAY 1975 EXAMINATION SEGMENTS

	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
First-Time Candidates				
Undergraduate overall	.33	.33	.28	.33
Undergraduate accounting	.34	.36	.29	.40
Graduate overall	.33	.35	.29	.36
Graduate accounting	.36	.40	.30	.40
All Candidates				
Undergraduate overall	.25	.28	.22	.30
Undergraduate accounting	.26	.28	.22	.30
Graduate overall	.26	.31	.26	.28
Graduate accounting	.25	.31	.24	.28

All relationships are significant at the 1% level.

Hours of Accounting Studied

Table 11 presents semester hours of accounting for first-time candidates. Those candidates with undergraduate training only are reported in the first column. The next three columns show hours for advanced-degree holders and graduate students -- at the undergraduate level, the graduate level, and in total. The last column shows the distribution of total hours (both undergraduate and graduate) for all first-time candidates.

TABLE 11
SEMESTER ACCOUNTING HOURS FOR
FIRST-TIME MAY 1975 CANDIDATES

<u>Semester Hours</u>	<u>Undergraduate Only</u>	<u>Advanced Degree</u>			<u>Total</u>
		<u>Under</u>	<u>Grad</u>	<u>Total</u>	
30 or more	50%	24%	11%	61%	52%
27 to 29	22	10	5	11	20
24 to 26	17	13	7	12	16
21 to 23	6	8	8	7	6
18 to 20	2	6	9	4	3
15 to 17	1	6	10	1	1
12 to 14	1	7	10	3	1
Under 12	1	26	40	1	1
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Over half of the May 1975 first-time candidates had thirty or more semester hours of accounting, i.e., ten or more three-hour courses. And only 3% of the candidates had less than the 18 hours equivalent to six courses. At the undergraduate level, there was a slight decline from the hours reported by candidates in 1970. This was offset partially by the increased emphasis on graduate study. There is wider disparity among the advanced-degree holders and graduate students; a larger percentage of them have 30 or more hours of training (when both graduate and undergraduate are considered) but there also is greater representation below 15 hours.

Somewhat surprisingly, hours of accounting study have relatively minor association with examination performance. Table 12 presents examination success rates for candidates with undergraduate training only, some graduate training, and the combined distribution for both groups. Candidates with 30 or more total hours do slightly better than the others at both the graduate and undergraduate levels. Some of the changes from class to class are difficult to understand, however, particularly at the lower levels. Relatively few candidates are included in these latter groups, and the results may not be completely reliable; this also may represent the influence of the non-business majors discussed in an earlier section.

TABLE 12
RELATIONSHIP OF SEMESTER ACCOUNTING HOURS
TO PERCENTAGE OF FIRST-TIME MAY 1975
CANDIDATES RECEIVING CREDIT FOR ONE OR MORE
EXAMINATION SEGMENTS

<u>Semester Hours</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>
30 or more	42%	59%	45%
27 to 29	39	59	42
24 to 26	37	54	40
21 to 23	34	56	39
18 to 20	34	56	41
15 to 17	33	29	32
12 to 14	45	48	47
Under 12	38	42	39

Other Academic Preparation

Changes in academic preparation for selected college courses are summarized in Table 13. The biggest gains in 1975 were those observed for calculus and computer courses. There were slight declines for college algebra, business mathematics, and business law.

TABLE 13
MEAN NUMBER OF SEMESTER HOURS IN SELECTED
COURSES FOR FIRST-TIME CANDIDATES SITTING
AT SELECTED EXAMINATION DATES

<u>Course</u>	<u>November</u> <u>1966</u>	<u>May</u> <u>1970</u>	<u>May</u> <u>1975</u>
College algebra	3.0	3.4	3.2
Calculus	1.9	2.5	3.4
Statistics and probability		4.6	5.1
Business mathematics		2.7	2.5
Other mathematics		2.2	2.6
Computer		3.0	3.9
Business law		5.9	5.7

Table 14 summarizes partial correlation coefficients showing association between semester hours in these selected courses and scores on the four examination segments. Because better students may emphasize more difficult courses, it was decided to neutralize academic aptitude by removing the effects of SAT entrance examination scores. When this is done, there remain relatively few statistically-significant associations.

TABLE 14
PARTIAL CORRELATIONS BETWEEN SEMESTER HOURS IN
SELECTED COURSES AND FIRST-TIME MAY 1975 CANDIDATE
SCORES ON INDIVIDUAL EXAMINATION SEGMENTS

	<u>Auditing</u>	<u>Accounting</u> <u>Theory</u>	<u>Business</u> <u>Law</u>	<u>Accounting</u> <u>Practice</u>
College algebra	.00	-.03	-.01	-.03
Calculus	.03	.09*	-.00	.09*
Statistics and probability	.05	.03	.01	.01
Business mathematics	.02	.01	.04	.02
Other mathematics	.02	.00	.02	-.00
Computer	.03	.04	.01	.04
Business law	.02	.01	.12*	.01

* Significant at 1% level

None of the observed relationships, even that for business law hours and business law grade, is especially strong. The observed associations of statistics and computer courses with the auditing score seem particularly weak, in view of the fact that those topics are covered on the auditing examination. Lack of association may indicate either that some of these courses are ineffective or that there is divergence between course content and the material covered on the CPA examination.

The statistically-significant association of calculus with examination performance is somewhat puzzling. A knowledge of calculus contributes specifically to relatively few CPA examination questions, particularly on the theory examination. Calculus hours may be serving as a proxy for quality of program or extent of student motivation.

CPA Coaching Courses

The use of coaching courses by candidates is increasing. In May 1970, only 41% of the first-time candidates had a coaching course; this increased to 53% in May 1975. Of the May 1975 repeat candidates (sitting for at least the second time), some 67% had a coaching course; this compares to 54% in May 1970.

As in 1970, classroom courses were the most popular. Some 34% of all candidates had an independent proprietary classroom course, and 20% had a CPA preparation course in college. Staff review courses were taken by 4% and correspondence courses by 3%.

Table 15 summarizes the relationship between coaching course participation and examination success for first-time and repeat candidates. The relative success rates observed for the various types of coaching courses are consistent with 1970. With one exception, all types of coaching courses are associated with greater examination success. The poorer results associated with correspondence courses probably indicate primarily that the candidates who take these courses have less overall ability than those who have no coaching course.

TABLE 15
RELATIONSHIP OF COACHING COURSE PREPARATION
TO MAY 1975 EXAMINATION SUCCESS

<u>Type of Course</u>	<u>First-Time Candidates</u> <u>Receiving Credit For</u>		<u>Repeat Candidates</u> <u>Receiving Credit For</u>	
	<u>One or More Parts</u>	<u>All Parts Taken</u>	<u>One or More Parts</u>	<u>All Parts Taken</u>
Proprietary	49%	21%	51%	27%
College	47	18	47	26
Staff	51	20	48	24
Correspondence	24	6	38	18
No course	38	12	44	23

The effectiveness of coaching courses in preparing for individual examination segments is presented in Table 16. The "success ratios" shown in this table were computed by dividing the percentage of successful coaching course candidates by the percentage of successful candidates without a course. Other things equal, for example, a candidate with a proprietary coaching course has a 56% better chance to pass the auditing examination than a candidate with no coaching course.

TABLE 16
 RELATIONSHIP OF COACHING COURSE PREPARATION TO SUCCESS
 RATIOS FOR FIRST-TIME CANDIDATES ON MAY 1975 EXAMINATION
 SEGMENTS

<u>Type of Course</u>	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
Proprietary	1.56	1.39	1.60	1.15
College	1.24	1.41	1.34	1.20
Staff	1.46	1.55	1.26	1.26
Correspondence	.66	.58	.78	.56
No course	1.00	1.00	1.00	1.00

III. TEST SCORES

As in 1970, data were collected as to the candidate's scores on the two popular college entrance examinations, the SAT and the ACT, and two tests prepared and administered by the AICPA: the Accounting Orientation Test, which measures aptitude for accounting work, and the Level II Achievement Test, which measures knowledge of topics covered in the undergraduate accounting curriculum.

Unfortunately, data for the two years are not comparable. In 1970 the scores were verified with the testing organizations; in 1975 this could not be done.

The first column of Table 17 summarizes the test scores reported by candidates. The most noteworthy of these results are: (1) the higher college entrance examination scores achieved in mathematics rather than verbal ability, and (2) the relatively high scores reported for the AICPA examinations.

TABLE 17
 REPORTED TEST SCORES FOR FIRST-TIME MAY 1975 CANDIDATES
 AND RELATIONSHIP TO EXAMINATION SUCCESS

	<u>Reporting Candidates</u>	<u>Receiving Credit For</u>	
		<u>At Least One Part</u>	<u>All Parts Eligible</u>
SAT Verbal Score -			
700 to 800	3%	77%	55%
600 to 699	21	72	33
500 to 599	43	54	21
400 to 499	28	42	13
200 to 399	5	21	3
	<u>100%</u>		
SAT Mathematics Score -			
700 to 800	18%	78%	38%
600 to 699	42	59	24
500 to 599	31	42	14
400 to 499	8	20	3
200 to 399	1	20	0
	<u>100%</u>		
ACT Verbal Score -			
32 and above	11 %	62%	31%
28 to 31	9	83	33
24 to 27	24	73	41
20 to 23	40	27	4
Below 20	16	32	5
	<u>100%</u>		
ACT Mathematics Score -			
32 and above	26%	73%	45 %
28 to 31	36	61	26
24 to 27	21	34	10
20 to 23	9	21	11
Below 20	8	0	0
	<u>100%</u>		
AICPA Orientation Test -			
90 to 99 percentile	56%	79%	36%
75 to 89 percentile	23	48	12
50 to 74 percentile	13	32	11
25 to 49 percentile	6	23	0
0 to 24 percentile	2	25	0
	<u>100%</u>		
AICPA Level II Test -			
90 to 99 percentile	44%	83%	43%
75 to 89 percentile	32	55	17
50 to 74 percentile	17	32	5
25 to 49 percentile	6	17	4
0 to 24 percentile	1	33	0
	<u>100%</u>		

Despite the data inadequacies described above, there are clearly-discerned relationships between these test scores and CPA examination success. This is demonstrated in the last two columns of Table 17 and in the correlation coefficients presented in Table 18. All of the correlation coefficients shown are significant at the 1% level except those for the ACT candidates; less than 200 first-time candidates reported scores for that examination.

As expected, higher test scores are associated with greater examination success. The AICPA Level II Achievement Test, in particular, is well-correlated with scores on the accounting theory and accounting practice examinations. Note also that mathematics facility, the trait possessed by more candidates, is better associated with examination success than verbal ability (at least on the SAT examination).

TABLE 18
CORRELATIONS BETWEEN REPORTED TEST
SCORES OF FIRST-TIME CANDIDATES
AND SCORES ON MAY 1975 EXAMINATION
SEGMENTS

	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
SAT Verbal Score	.28	.24	.26	.23
SAT Mathematics Score	.30	.35	.27	.46
ACT Verbal Score	.20	.12	.16	.06
ACT Mathematics Score	.12	.15	.13	.11
AICPA Orientation Test	.40	.40	.37	.38
AICPA Level II Achievement Test	.40	.53	.31	.57

IV. WORK EXPERIENCE

During the past twenty years the experience requirement for beginning CPAs has been de-emphasized. Candidates are sitting for the examination earlier and are being granted certificates and licenses with less experience. The examination itself places greater emphasis on the candidate's academic preparation than on the knowledge of detailed procedures gained from work experience.

A further change in the pattern of first-time sittings is apparent in Table 19. The number of first-time candidates with less than one year experience in public accounting with CPAs increased from 78% to 87%. This attenuation was not as profound for repeat candidates, and the experience pattern for other accounting areas was similar to 1970. As in 1970, more candidates had experience in public accounting with CPAs than in other accounting jobs.

TABLE 19
 WORK EXPERIENCE FOR MAY 1970 AND MAY 1975
 CANDIDATES

<u>Nature of Experience</u>	<u>First-Time Candidates</u>		<u>Repeat Candidates</u>	
	<u>1970</u>	<u>1975</u>	<u>1970</u>	<u>1975</u>
Public accounting with CPAs				
None or less than one year	78%	87%	39%	42%
One to three years	19	11	42	43
Four to five years	2	1	11	9
Six or more years	1	1	8	6
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Public accounting with non-CPAs				
None or less than one year	98%	97%	96%	94%
One to three years	2	2	2	4
Four or more years	-	1	2	2
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Private accounting				
None or less than one year	83%	82%	73%	75%
One to three years	10	11	14	15
Four to five years	4	3	4	4
Six or more years	3	4	9	6
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Governmental accounting				
None or less than one year	92%	92%	90%	88%
One to three years	5	6	4	7
Four to five years	1	1	2	3
Six or more years	2	1	4	2
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Teaching accounting full-time				
None or less than one year	99%	99%	99%	99%
One or more years	1	1	1	1
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The relationship of work experience to examination performance is presented in Table 20. Among first-time candidates with one or more years of experience, only teachers perform better than the total body of experienced and inexperienced candidates. Similar patterns hold for the repeat candidates. However, the performance of repeat candidates with one to three years CPA experience surpasses the general group, and that of repeat candidates with more than six years' CPA experience falls off substantially.

TABLE 20
RELATIONSHIP OF WORK EXPERIENCE TO
PERCENTAGE OF MAY 1975 CANDIDATES RECEIVING
CREDIT FOR ONE OR MORE EXAMINATION SEGMENTS

<u>Type of Experience</u>	<u>First-Time Candidates</u>	<u>Repeat Candidates</u>
Public accounting with CPAs --		
One to three years	40%	49%
Four to five years	39	44
Six or more years	38	34
More than one year --		
Public accounting with non-CPAs	35	40
Private accounting	36	42
Governmental accounting	39	44
Teaching accounting full-time	50	50
All candidates, experienced and inexperienced	44	46

Why does experience contribute so little to CPA examination performance? Various reasons may be advanced. The academic orientation of the examination is one. It is also probable that candidates lose some benefits of collegiate training as they gain offsetting benefits from experience.

It is also possible that candidates who defer sitting for the examination are weaker academically. To adjust for this effect, partial correlation coefficients were computed based upon elimination of the effects of the SAT verbal and mathematics scores, undergraduate and graduate grade point averages, and hours of calculus. These results (presented in Table 21) are sometimes interesting, e.g., the value of teaching experiences is negative once the above effects are eliminated. But only the .11 correlation between auditing grade and CPA experience is strongly consistent with expectations, and neither it (nor any of the other correlations) is significant at the 1% level.

As in previous USIQ studies, it is appropriate to conclude that work experience is not strongly associated with examination performance.

TABLE 21
 PARTIAL CORRELATIONS BETWEEN WORK EXPERIENCE
 AND SCORES FOR FIRST-TIME MAY 1975 CANDIDATES

	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
Public accounting with CPAs	.11	-.04	-.03	-.01
Public accounting with non-CPAs	-.04	.06	-.04	.08
Private accounting	.10	.06	.06	.03
Governmental accounting	-.05	-.11	-.03	-.08
Teaching accounting full-time	-.14	-.10	-.11	-.08

V. STATUS OF CANDIDATE

Number of Sitzings

The pattern of sittings by examination segment is compared for May candidates in Table 22. Changes in the pattern since 1970 are minor. Except for the accounting theory examination, 1975 candidates were slightly less likely to be first-timers. For all parts there were slightly lower percentages of 1975 candidates sitting for the fifth time or more.

Table 22 also compares number of sittings for May 1975 and November 1975 candidates. May candidates were slightly more likely to be first-timers.

TABLE 22
NUMBER OF SITTINGS BY CPA EXAMINATION SEGMENT
AT SELECTED EXAMINATION DATES

	<u>May 1970</u>	<u>May 1975</u>	<u>November 1975</u>
Auditing			
One	52%	49%	45%
Two	20	22	24
Three	12	13	14
Four	7	8	8
Five or more	9	8	9
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Accounting Theory			
One	50%	51%	49%
Two	20	20	22
Three	11	12	13
Four	8	8	7
Five or more	11	9	9
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Business Law			
One	52%	50%	48%
Two	20	22	24
Three	12	13	13
Four	8	8	7
Five or more	8	7	8
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Accounting Practice			
One	52%	51%	50%
Two	21	22	22
Three	11	12	13
Four	7	8	7
Five or more	9	7	8
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Success rates and the maximum number of sittings (for any segment) for May 1975 candidates are presented in Table 23. This table shows that there is relatively little difference in examination success based on number of sittings. Candidates beyond the first sitting are more likely to complete all remaining parts, but they often have fewer parts to complete.

TABLE 23
 MAXIMUM NUMBER OF SITTINGS FOR ANY MAY 1975 EXAMINATION
 SEGMENT AND RELATIONSHIP TO EXAMINATION SUCCESS

<u>Sittings</u>	<u>Reporting Candidates</u>	<u>Receiving Credit For</u>	
		<u>One or More Parts</u>	<u>All Parts Eligible</u>
One	40%	44%	16%
Two	23	49	25
Three	15	47	25
Four	10	44	24
Five or more	<u>12</u>	42	25
Total	<u>100%</u>		

Table 24 examines the effects of number of sittings for the four examination segments. The "success ratios" presented in this table were computed by dividing the percentage of successful candidates at that sitting by the percentage successful at the first sitting. Thus a second-time auditing candidate has a 6% better chance to pass than a first-time candidate, but a second-time accounting theory candidate is only 76% as likely to pass as the first-time candidate. First-time candidates do much better for theory and practice, but number of sittings has relatively little influence on the success of the auditing and business law candidates.

TABLE 24
 RELATIONSHIP OF NUMBER OF SITTINGS FOR
 MAY 1975 EXAMINATION SEGMENTS TO SUCCESS
 RATIOS

<u>Sittings</u>	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
One	1.00	1.00	1.00	1.00
Two	1.06	.76	.97	.80
Three	1.05	.71	.97	.78
Four	.95	.75	.93	.77
Five or more	.94	.74	.86	.74

Conditional Credit Previously Achieved

Of the May 1975 candidates, 40% were first-timers, 26% were repeaters with no conditional credit, 4.5% had previous conditional credit for one section, 14% had credit for two sections, and 15.5% had credit for three sections.

A first-time candidate has a 16% chance of passing all parts of the examination for which he is eligible and a 44% chance to earn conditional credit for at least one part. The outlook for a repeat candidate with no conditional credit is much less promising; he or she has only a 4.5% chance to earn credit for all parts and a 29% chance to earn credit for one or more parts.

The odds improve for the repeat candidate with conditional credit for one part; 7.5% earn credit for all remaining parts and 46% for at least one additional part. Candidates with two parts conditional credit gain credit for both additional parts 28% of the time and one additional part 35% of the time. And the candidate with three parts conditional credit passes his fourth part in 64% of the cases. In general, the more conditional credit a candidate has, the better he performs on the examination segments he undertakes.

Relationship Among Scores on Individual Examination Segments

A candidate who does well on one examination segment tends to do well on other segments. The strength of this association is shown by the simple correlation coefficients presented in Table 25. Correlations for repeat candidates follow a similar pattern but are somewhat lower.

TABLE 25
CORRELATIONS AMONG SCORES ACHIEVED BY FIRST-
TIME CANDIDATES ON MAY 1975 EXAMINATION SEGMENTS

	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
Auditing	1.00	.70	.66	.63
Accounting theory	.70	1.00	.64	.73
Business law	.66	.64	1.00	.59
Accounting practice	.63	.73	.59	1.00

All relationships are significant at the 1% level.

Another approach to these data is to compute the candidate's probability of passing an examination segment, assuming that he has passed (or failed) another segment. Tables 26 and 27 present these probabilities under each of those assumptions, based upon the actual results for first-time candidates in May 1975.

Table 26 shows that a candidate who passed auditing had an 83% probability of passing accounting theory and a 60% probability of passing all segments for which eligible. Probabilities are somewhat lower for the other segments; this is because auditing had the lowest passing percentage in May 1975 and thus constituted the biggest barrier to obtaining credit.

Table 27 is even more illuminating. It shows that a candidate who fails any one segment has a difficult time obtaining credit for any other segment. (One should note that a candidate may obtain a passing score on a segment and not receive credit for it because of conditioning requirements in certain states, e.g., a candidate must pass two or more segments to obtain credit for any.)

TABLE 26
 PERCENTAGES OF MAY 1975 FIRST-TIME
 CANDIDATES WHO ACHIEVED PASSING
 SCORES ON TWO OR MORE SEGMENTS

	<u>Examination Segment Passed</u>			
	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
Chances of passing --				
Auditing	100%	57%	58%	55%
Accounting theory	83	100	73	81
Business law	79	78	100	66
Accounting practice	78	77	70	100
All other segments for which eligible	60	42	45	44

TABLE 27
 PERCENTAGES OF MAY 1975 FIRST-TIME
 CANDIDATES WHO FAILED ONE
 EXAMINATION SEGMENT BUT ACHIEVED PASSING
 SCORES ON OTHER SEGMENTS

	<u>Examination Segment Failed</u>			
	<u>Auditing</u>	<u>Accounting Theory</u>	<u>Business Law</u>	<u>Accounting Practice</u>
Chances of passing --				
Auditing	0%	7%	9%	9%
Accounting theory	23	0	19	15
Business law	20	16	0	15
Accounting practice	23	12	20	0
Chances of obtaining conditional credit for any other sections	25	13	19	13

VI. ACCOUNTING AS A CAREER CHOICE

A series of questions on the 1970 and 1975 questionnaires sought to establish the nature of the candidate's choice of accounting as a career and what factors influenced him. Tables 28 to 31 summarize responses for first-time candidates in May 1970 and May 1975 and associate characteristics with the examination credit earned.

Tables 28 and 29 show that candidates are coming to the accounting field later and are less likely to have been accounting majors as freshmen. Better examination performance is associated with later entry. Mathematics in particular has been a source of well-qualified candidates.

TABLE 28
TIMING OF DECISION TO MAJOR IN ACCOUNTING
FOR FIRST-TIME MAY CANDIDATES AND RELATIONSHIP
OF TIMING TO EXAMINATION SUCCESS

<u>Timing</u>	<u>Reporting Candidates</u>		<u>May 1975 Candidates Receiving Credit for At Least One Part</u>
	<u>1970</u>	<u>1975</u>	
In high school or earlier	29%	23%	36%
First two years of college	54	49	42
Latter two years of college	13	15	44
After bachelor's degree	<u>4</u>	<u>13</u>	55
Total	<u>100%</u>	<u>100%</u>	

TABLE 29
CAREER CHOICE AS A COLLEGE FRESHMAN FOR FIRST-TIME
MAY CANDIDATES AND RELATIONSHIP OF CHOICE TO
EXAMINATION SUCCESS

<u>Choice</u>	<u>Reporting Candidates</u>		<u>May 1975 Candidates Receiving Credit for At Least One Part</u>
	<u>1970</u>	<u>1975</u>	
Accounting	41%	35%	37%
Business administration	15	16	38
Engineering	12	11	48
Mathematics	5	9	52
Other liberal arts	6	9	46
Undecided	13	15	48
Other	<u>8</u>	<u>5</u>	43
Total	<u>100%</u>	<u>100%</u>	

Table 30 shows relatively small switches among the factors considered most influential in the career choice. As this choice now is often made later, the high school influences diminish in importance, and the college accounting course increases. Weaker overall performance is associated with students recruited by high school instructors and college counselors. The strongest performers are those candidates who answered "other" ; presumably this choice also included those who relied on a combination of factors and those who could not identify the principal force impelling them into accounting, as well as those influenced by an unlisted factor.

TABLE 30
 MOST INFLUENTIAL FACTOR IN CAREER CHOICE FOR
 FIRST-TIME MAY CANDIDATES AND RELATIONSHIP OF
 FACTOR TO EXAMINATION SUCCESS

<u>Factor</u>	<u>Reporting Candidates</u>		<u>May 1975 Candidates Receiving Credit for At Least One Part</u>
	<u>1970</u>	<u>1975</u>	
Parent	8%	9%	40%
High school counselor	2	1	39
High school instructor	6	5	33
Friend or relative	16	17	41
College counselor	3	2	36
College instructor	9	8	43
College accounting course	22	24	44
Other	<u>34</u>	<u>34</u>	46
Total	<u>100%</u>	<u>100%</u>	

The changes occurring in characteristics important to a career choice (Table 31) are relatively minor. There are declines in the percentages of candidates ascribing importance to leadership opportunities, originality and creativeness, living and working in the world of ideas, and above-average compensation; all of these characteristics are associated with slightly better examination performance. And more candidates are interested in playing it safe, i.e., moderate steady progress, the characteristic associated with the poorest overall performance. These changes are reflective of changes in social outlook and economic conditions, both of which are beyond the control of the CPA profession.

TABLE 31
 CHARACTERISTICS IMPORTANT IN A CAREER CHOICE FOR
 FIRST-TIME MAY CANDIDATES AND RELATIONSHIP OF
 CHARACTERISTIC TO EXAMINATION SUCCESS

<u>Characteristic</u>	<u>Reporting Candidates</u>		<u>May 1975 Candidates Receiving Credit for At Least One Part</u>
	<u>1970</u>	<u>1975</u>	
Opportunity for above-average compensation	80%	75%	43%
Opportunity to work with people rather than things	61	56	42
Opportunity to be helpful to others or useful to society	55	54	42
A chance to exercise leadership	61	53	43
Opportunity to be original and creative	45	39	44
Living and working in the world of ideas	41	37	43
Opportunity for moderate steady progress rather than extreme success or failure	28	32	38
Freedom from supervision in your work	27	29	43

VII. OTHER CANDIDATE CHARACTERISTICS

Years Out of College

Table 32 compares the college separation status of May and November first-time candidates for 1970 and 1975. The only noteworthy development is the increased number of November candidates who are attending undergraduate and graduate college.

TABLE 32
 COMPARISON OF COLLEGE SEPARATION STATUS
 FOR 1970 AND 1975 FIRST-TIME CANDIDATES

	<u>May Examination</u>		<u>November Examination</u>	
	<u>1970</u>	<u>1975</u>	<u>1970</u>	<u>1975</u>
Attending college -				
Undergraduate	31%	28%	5%	9%
Graduate	6	8	3	7
Sub-total	<u>37</u>	<u>36</u>	<u>8</u>	<u>16</u>
Out of college -				
Under one year	31	33	44	48
One to two years	12	15	22	18
Three to five years	13	9	18	11
Six or more years	7	7	8	7
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

In 1970, first-time candidates who were attending undergraduate college performed better on the May examination than graduated candidates and slightly worse on the November examination. This observation was confirmed for the May 1975 examination but was given only limited support in November 1975. Candidates attending graduate school were substantially superior in both 1970 and 1975. Details on this (and the performance of repeat candidates) are provided in Table 33. In reviewing these data, one must consider that the factors discussed in Section IV are involved.

TABLE 33
RELATIONSHIP OF COLLEGE SEPARATION STATUS TO
PERCENTAGE OF CANDIDATES RECEIVING ALL
OR PARTIAL CREDIT IN 1975

	<u>First-Time Candidates</u>		<u>Repeat Candidates</u>	
	<u>May</u>	<u>November</u>	<u>May</u>	<u>November</u>
Attending College -				
Undergraduate	48%	43%	47%	33%
Graduate	60	57	57	54
Out of College -				
Under one year	43	46	53	56
One to two years	36	40	48	49
Three to five years	35	40	46	46
Six or more years	40	49	42	37

Analysis of Performance of First-Time Candidates

First-time candidates include three groups: (1) those who pass all examination segments at the first sitting, (2) those who receive partial credit, i.e., credit for one or more parts but less than full credit, (3) those who receive no conditional credit. Table 34 compares key characteristics for these three groups. The effects of graduate study, grade point average, SAT scores, and coaching course preparation are clearly apparent in this presentation.

TABLE 34
CHARACTERISTICS OF FIRST-TIME MAY 1975 CANDIDATES
SUMMARIZED BY NATURE OF EXAMINATION CREDIT EARNED

<u>Characteristic</u>	<u>Full Credit</u>	<u>Partial Credit</u>	<u>No Credit</u>
Education level			
Less than college degree	.6%	1.3%	1.9%
Bachelor's degree	77.1	82.1	89.2
Advanced degree	22.3	16.6	8.9
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Undergraduate accounting grade point average			
3.50 to 4.00	62.3%	43.2%	18.3%
3.00 to 3.49	27.7	36.4	38.2
2.50 to 2.99	7.4	16.3	30.4
2.00 to 2.49	2.5	4.0	12.7
1.99 or less	.1	.1	.4
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
SAT verbal score			
700 to 800	8.6%	2.2%	1.7%
600 to 699	33.1	25.3	12.9
500 to 599	41.2	44.4	42.0
400 to 499	16.3	25.1	34.2
200 to 399	.8	3.0	9.2
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
SAT mathematics score			
700 to 800	32.8%	22.2%	8.8%
600 to 699	46.3	45.6	37.3
500 to 599	19.7	27.6	39.0
400 to 499	1.2	4.1	13.4
200 to 399	.0	.5	1.5
	<u>100.0%</u>	<u>100.0</u>	<u>100.0%</u>
Public accounting experience with CPAs			
None or less than one year	89.1%	87.4%	86.7%
One to three years	9.9	10.8	11.5
Four to five years	.5	1.1	1.0
Six or more years	.5	.7	.8
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
CPA Coaching Course Preparation			
College classroom	28.8%	25.6%	23.0%
Proprietary	33.0	25.2	22.0
Staff	3.0	2.6	2.0
Correspondence	.6	1.0	2.0
No Course	34.6	45.6	51.0
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Comparison of May and November Candidates

The comparison between May and November candidates is mainly of interest to those planning and grading the examination. There is, of course, a strong behavioral difference. First-time May candidates tend to be completing their schooling; many states allow candidates to sit for the examination in the last term of their schooling. By November candidates have graduated and begun their first jobs. Past studies have shown only minor other variations between the two groups of candidates.

As previously noted, the percentage of first-time to total candidates is very close for the two examinations, and the overall pattern of number of sittings is similar. While November first-timers are more likely to have graduated, the percentages of candidates either attending school or out less than one year are close: 69% of first-time May 1975 candidates and 64% of first-time November 1975 candidates.

Table 35 compares other characteristics of May and November first-time candidates. These data generally confirm previous conclusions that the nature of the first-time candidate body changes little between May and November. November candidates do have somewhat more work experience, and they are more likely to have had a CPA coaching course.

TABLE 35
COMPARISON OF CHARACTERISTICS FOR MAY 1975
AND NOVEMBER 1975 FIRST-TIME CANDIDATES

<u>Characteristic</u>	<u>May 1975</u>	<u>November 1975</u>
Education level		
Less than college degree	1.5%	1.6%
Bachelor's degree	85.4	82.8
Advanced degree	13.1	15.6
	<u>100.0%</u>	<u>100.0%</u>
Undergraduate accounting grade point average		
3.50 to 4.00	32.1%	33.6%
3.00 to 3.49	36.0	35.3
2.50 to 2.99	22.9	22.1
2.00 to 2.49	8.7	8.6
1.99 or less	.3	.4
	<u>100.0%</u>	<u>100.0%</u>
SAT verbal score		
700 to 800	3.3%	3.7%
600 to 699	21.2	20.8
500 to 599	42.6	43.3
400 to 499	27.5	26.7
200 to 399	5.4	5.5
	<u>100.0%</u>	<u>100.0%</u>
SAT mathematics score		
700 to 800	18.2%	18.2%
600 to 699	42.0	43.5
500 to 599	31.2	30.1
400 to 499	7.8	7.4
200 to 399	.8	.8
	<u>100.0%</u>	<u>100.0%</u>
Public accounting experience with CPAs		
None or less than one year	87.3%	80.1%
One to three years	11.0	16.9
Four to five years	1.0	1.7
Six or more years	.7	1.3
	<u>100.0%</u>	<u>100.0%</u>
CPA coaching course preparation		
College classroom	24.6%	17.7%
Proprietary classroom	24.6	35.4
Staff	2.3	3.8
Correspondence	1.5	2.3
No course	47.0	40.8
	<u>100.0%</u>	<u>100.0%</u>

VIII. CONCLUSION

The two major developments in the CPA examination candidate population since 1970 are that: (1) candidates are taking the examination with less work experience ; and (2) many more candidates have advanced degrees. The first change is relatively unimportant since work experience has little effect on examination performance. Graduate work, on the other hand, contributes strongly to better examination performance. Candidates are receiving slightly less training in accounting and slightly more in quantitative courses, but neither change affects performance significantly.

In addition to the level of formal education, three types of characteristics are strongly associated with candidate performance. These are grade point averages, scores on aptitude and accounting achievement tests, and participation in CPA coaching courses.

This study is valuable to educators, regulators, and members of the profession in their understanding of the nature and qualifications of people who become accountants. However, it must be recognized that a large portion of the variation in candidate performance remains unexplained. This results partly from an inability to satisfactorily identify the quality of the candidate's educational experience. But more important is that motivation and self-study - perhaps the most important factors in examination success - cannot be measured.

APPENDIX

UNIFORM STATISTICAL INFORMATION QUESTIONNAIRE NOVEMBER 1975
(READ INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM)

A. CANDIDATE NUMBER: _____
(SEE SPECIFIC INSTRUCTIONS)

NAME _____ **FIRST** _____ **M.I.** _____
LAST _____

ADDRESS _____
HOUSE, BOX, OR ROUTE NUMBER _____ **STREET NAME** _____

B. _____ **MON. AND YEAR OF (MOST RECENT) CPA EXAM TAKEN IF ANY**

C. _____ **DATE THIS QUESTIONNAIRE COMPLETED**

CITY _____ **STATE** _____ **ZIP CODE** _____

D. IN THE FOLLOWING SCHEDULE, LIST COLLEGES IN ORDER ATTENDED:

COLLEGES ATTENDED	LOCATION	DATE		DEGREE	YEAR OF DEGREE
		FROM	TO		
					19
					19
					19
					19

E. PLEASE INDICATE BELOW WHERE AND WHEN YOU TOOK ANY OF THE TESTS SPECIFIED:

TEST	C O D E	NAME OF COLLEGE OR CENTER WHERE TESTED		WHEN TAKEN	
				MONTH	YEAR
E. AICPA ACCOUNTING ORIENTATION TEST	1				
AICPA ACCOUNTING ACHIEVEMENT TEST LEVEL III	2				
F. COLLEGE BOARD APTITUDE TEST (SAT)	3				
AMERICAN COLLEGE TESTING PROGRAM (ACT)	4				
OTHER COLLEGE ENTRANCE TEST:	5				

DO NOT WRITE BELOW THIS LINE

TEST CITIES

CODE 1	CODE 2	CODE 3	CODE 4	CODE 5
CO				
AL				
AK				
AZ				
AR				
CA				
CO				
CT				
DC				
DE				
FL				
GA				
HI				
IA				
ID				
IL				
IN				
KS				
KY				
LA				
MA				
MD				
ME				
MI				
MN				
MO				
MS				
MT				
NC				
ND				
NH				
NJ				
NM				
NY				
OH				
OK				
OR				
PA				
RI				
SC				
SD				
TN				
TX				
UT				
VA				
VT				
WA				
WI				
WV				
WY				

G. YOUR HOME ADDRESS AT THE TIME YOU TOOK THE COLLEGE BOARD SAT, THE ACT, OR OTHER COLLEGE ENTRANCE EXAMINATION:

CITY _____ **STATE** _____ **ZIP CODE** _____

SIGNATURE

THIS AUTHORIZES THE AICPA OR ANY BOARD OF ACCOUNTANCY TO VERIFY ANY INFORMATION ON THIS QUESTIONNAIRE.

(PLEASE TURN TO OTHER SIDE)

UNIFORM STATISTICAL INFORMATION QUESTIONNAIRE NOVEMBER 1975
(READ INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM)

1. CANDIDATE NUMBER: (SEE SPECIFIC INSTRUCTIONS)

[00]	[01]	[02]	[03]	[04]	[05]	[06]	[07]	[08]	[09]
[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]
[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]
[30]	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]
[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[49]
[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]
[60]	[61]	[62]	[63]	[64]	[65]	[66]	[67]	[68]	[69]
[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]
[80]	[81]	[82]	[83]	[84]	[85]	[86]	[87]	[88]	[89]
[90]	[91]	[92]	[93]	[94]	[95]	[96]	[97]	[98]	[99]

2. ENTER SCORE YOU REMEMBER IN BOXES AT THE LEFT OR BLACKEN APPROPRIATE BOX ON THE RIGHT.

DO NOT KNOW SCORES	COLLEGE BOARD (SAT) OR AMERICAN COLLEGE TESTS (ACT) VERBAL SCORE	COLLEGE BOARD (SAT) OR AMERICAN COLLEGE TESTS (ACT) MATH. SCORE
DID NOT TAKE TEST		

3. ACADEMIC GRADE POINT AVERAGE (WHERE AN A=4.0, B=3.0, ETC.):

UNDERGRADUATE OVERALL	3.50-4.00	3.00-3.49	2.50-2.99	2.00-2.49	1.99 OR LESS
GRADUATE OVERALL					
UNDERGRAD, ACCT'G COURSES					
GRAD. ACCT'G COURSES					

4. TOTAL NUMBER OF SITTINGS TO DATE, INCLUDING THIS ONE, FOR EACH SUBJECT:

AUDITING	1	2	3	4	5	ACCOUNTING THEORY	1	2	3	4	5
BUSINESS LAW						ACCOUNTING PRACTICE					

5. SUBJECT(S) FOR WHICH YOU NOW HAVE CONDITIONAL CREDIT

AUDITING BUS. LAW ACCT'G THEORY ACCT'G PRACTICE

6. DID YOU ATTEND A JUNIOR (OR COMMUNITY) COLLEGE?

NO YES

7. EDUCATION - IF A COLLEGE SENIOR OR GRADUATE:

UNDERGRADUATE MAJOR OR EMPHASIS: ACCT'G ADM. BUS. ENG'ING MATH OTHER LIBERAL ARTS OTHER

PH.D. D.B.A. M.B.A. OTHER BUS. MASTERS OTHER MASTERS LAW

POSTGRADUATE DEGREE:

IF NOT A COLLEGE SENIOR OR GRADUATE, THE HIGHEST LEVEL OF EDUCATION:

TWO OR MORE YEARS OF COLLEGE ACCOUNTING CORRESPONDENCE COURSE

LESS THAN TWO YEARS OF COLLEGE PROPRIETARY BUS. SCHOOL H.S. GRAD. OR EQUIV.

8. SEMESTER HOURS OF EQUIVALENT OF ACCT'G. WORK:

UNDERGRADUATE

NONE	1-11	12-14	15-17	18-20	21-23	24-26	27-29	30+
[]	[]	[]	[]	[]	[]	[]	[]	[]

GRADUATE

[]	[]	[]	[]	[]	[]	[]	[]	[]
-----	-----	-----	-----	-----	-----	-----	-----	-----

9. SEMESTER HOURS OR EQUIVALENT OF:

COLLEGE ALGEBRA						NONE	1-6	7+
CALCULUS								
STATIS. AND/OR PROBABILITY								
BUSINESS MATH.								
OTHER MATH.								
COMPUTER								
BUS. OR COMM'L LAW								

10. COLLEGE STATUS OR SEPARATION:

ATTENDING COLLEGE ATTENDING GRADUATE COLLEGE

OUT OF COLLEGE LESS THAN 1 YEAR 1-2 YRS. 3-6 YRS. 6+ YRS.

11. WORK EXPERIENCE-NO. OF YEARS:

PUBLIC ACCT'G W/CPAS					LESS THAN 1	1-6	7-8	9+
PUBLIC ACCT'G W/NON-CPAS								
PRIVATE ACCOUNTING								
GOV'T ACCOUNTING								
TEACHING ACCT'G, FULL TIME								

12. FORMAL CPA COACHING-COURSE PREPARATION:

COLLEGE COURSE	PROPRIETARY COURSE	STAFF COURSE	CORRESPONDENCE COURSE	NONE
[]	[]	[]	[]	[]

13. YOUR DECISION TO MAJOR IN ACCOUNTING IN COLLEGE WAS MADE:

IN HIGH SCHOOL OR EARLIER	LOWER DIV COLLEGE	UPPER DIV COLLEGE	AFTER BA DEGREE
[]	[]	[]	[]

14. CAREER CHOICE AS A COLLEGE FRESHMAN:

ACCT'G MATH.	ENGIN'G	BUS. ADM.	LIBERAL ARTS	OTHER UNDE- CIDED	OTHER
[]	[]	[]	[]	[]	[]

15. MOST INFLUENTIAL FACTOR IN CAREER CHOICE:

HIGH SCHOOL COUNSELOR	HIGH SCHOOL INSTRUCTOR	COLLEGE ACCT'G COURSE	FRIEND OR RELATIVE
[]	[]	[]	[]
COLLEGE COUNSELOR	COLLEGE INSTRUCTOR	PARENT	OTHER
[]	[]	[]	[]

16. CHARACTERISTICS IMPORTANT IN A CAREER CHOICE (SELECT AS MANY AS APPLY):

OPPORTUNITY FOR ABOVE AVERAGE COMPENSATION

OPPORTUNITY TO BE ORIGINAL AND CREATIVE

OPPORTUNITY TO BE HELPFUL TO OTHERS OR USEFUL TO SOCIETY

LIVING AND WORKING IN THE WORLD OF IDEAS

FREEDOM FROM SUPERVISION IN YOUR WORK

A CHANCE TO EXERCISE LEADERSHIP

OPPORTUNITY FOR MODERATE BUT STEADY PROGRESS RATHER THAN THE CHANCE OF EXTREME SUCCESS OR FAILURE

OPPORTUNITY TO WORK WITH PEOPLE RATHER THAN THINGS

(DO NOT MAKE ANY ENTRIES BELOW THIS LINE)

SCORES:

	AUD. SITTING	LAW	THEORY	PRACT.
[0]	[]	[]	[]	[]
[1]	[]	[]	[]	[]
[2]	[]	[]	[]	[]
[3]	[]	[]	[]	[]
[4]	[]	[]	[]	[]
[5]	[]	[]	[]	[]
[6]	[]	[]	[]	[]
[7]	[]	[]	[]	[]
[8]	[]	[]	[]	[]
[9]	[]	[]	[]	[]

CANDIDATE'S STATUS AFTER THIS EXAM.

CODE [DARKEN ONE]

[1] CANDIDATE PASSED ENTIRE EXAMINATION AT FIRST SITTING.

[2] CANDIDATE PASSED ALL SUBJECTS (LESS THAN FOUR) FOR WHICH ELIGIBLE - AT FIRST SITTING.

[3] CANDIDATE PASSED REMAINING SUBJECTS WITHOUT HAVING PREVIOUSLY FAILED ANY SUBJECTS.

[4] CANDIDATE PASSED ALL SUBJECTS FOR WHICH ELIGIBLE BUT HAD PREVIOUSLY FAILED ONE OR MORE SUBJECTS.

[5] CANDIDATE HAS BEEN CONDITIONED AS A RESULT OF THIS SITTING (OR HAVING BEEN CONDITIONED AT A PREVIOUS EXAMINATION HAS PASSED AT THIS SITTING ONE OR MORE SUBJECTS) BUT DID NOT PASS ALL SUBJECTS FOR WHICH ELIGIBLE.

[6] CANDIDATE DID NOT RECEIVE CONDITIONAL CREDIT FOR ANY SUBJECT AT THIS EXAMINATION.

UNIFORM STATISTICAL INFORMATION QUESTIONNAIRE — NOVEMBER 1975

INSTRUCTIONS TO THE CANDIDATE

Read these instructions carefully before filling out the questionnaire

Use a soft-lead pencil (preferably No. 2) for filling out the questionnaire. Make your marks heavy and black. Erase completely any marks you want to change. **DO NOT USE A BALL POINT PEN.**

Please complete this questionnaire even if you have completed one for a prior examination.

The information you give in the questionnaire should represent your status at the time of the November 1975 examination unless otherwise indicated in specific item instructions below.

After you complete the questionnaire, return it to the Board of Accountancy.

Most of the information called for by the questionnaire is self-explanatory. A few items that may need clarification are explained below.

Whenever a question calls for a numerical answer, write the number in the space provided and blacken the corresponding numbers below:

EXAMPLE: Candidate Number 9-87-6543
Space Provided

C0	C1	C2	C3	C4	C5	C6	C7	C8	C9
C0	C1	C2	C3	C4	C5	C6	C7	C8	C9
C1	C1	C1	C1	C1	C1	C1	C1	C1	C1
C2	C2	C2	C2	C2	C2	C2	C2	C2	C2
C3	C3	C3	C3	C3	C3	C3	C3	C3	C3
C4	C4	C4	C4	C4	C4	C4	C4	C4	C4
C5	C5	C5	C5	C5	C5	C5	C5	C5	C5
C6	C6	C6	C6	C6	C6	C6	C6	C6	C6
C7	C7	C7	C7	C7	C7	C7	C7	C7	C7
C8	C8	C8	C8	C8	C8	C8	C8	C8	C8
C9	C9	C9	C9	C9	C9	C9	C9	C9	C9

Correct Response

9	87	6543
C0	C0	C0
C1	C1	C1
C2	C2	C2
C3	C3	C3
C4	C4	C4
C5	C5	C5
C6	C6	C6
C7	C7	C7
C8	C8	C8
C9	C9	C9

Whenever a question calls for selecting a printed response on the questionnaire, blacken the box provided. Do not merely circle the box or place an "X" in it.

EXAMPLE:

FRONT SIDE OF QUESTIONNAIRE

(The side with spaces for your name and address at the top)

Item

- A. Candidate number — If you are not assigned a candidate number at the time you receive this questionnaire, see the transmittal letter from the Board of Accountancy for instructions. (The questionnaire will not be mailed to the American Institute of CPAs until after the examination has been graded and the grades have been received by the Board.)
- E. AICPA tests — These are the orientation and achievement tests that are given by many colleges and universities in connection with accounting courses and by many public accounting firms to prospective or new employees. If you took either the Orientation Test or Level II Achievement Test more than once, enter the most recent date of each.

- F. SAT and ACT tests -- If you took these tests more than once, enter the most recent date of each.

Signature -- Be certain to sign questionnaire so that information can be acquired or verified as necessary.

REVERSE SIDE OF QUESTIONNAIRE
(The side with Questions 1 – 16)

Item

1. See instructions above for Item A concerning "candidate number."
2. If you took both the SAT and ACT tests, enter your SAT scores only.
5. Mark spaces only if you have received conditional credit for one or more parts of the examination passed prior to November 1975 and your conditional credit has not expired.
- 6.,7. If you are now attending a school or college, your responses to these items should cover any
8.,9. courses to be completed within sixty days after the November 1975 examination and any degree that will be awarded to you within that period.
7. Postgraduate degree -- If you hold more than one postgraduate degree, mark only the highest degree.
- 8.,9. Use the conventional college semester hour.
 - a. Three hours in a college or university on a quarter basis may be considered equivalent to two semester hours. Five quarter hours may be considered equivalent to three and one third semester hours. (To convert from quarter hours to semester hours, multiply the quarter hours by two and divide the product by three).
 - b. Five assignments of a formal accounting correspondence course may be treated as one semester hour.
8. The semester hours of accounting work should include only recognized accounting subjects such as accounting theory, accounting problems, auditing, cost accounting, accounting systems, and tax accounting. Do not include computer courses or business law in item 8 as they are listed separately in item 9.
9. Include both graduate and undergraduate hours earned in all of these categories. "Computer" courses should be understood to include courses in computers and information systems in business other than those which are purely technical in nature.
11. Mark as many spaces as apply to you. If you have no work experience in accounting, make no response.
12. Do not include college courses taken for credit and included in semester hours of accounting in item 8. "Staff course" should be understood to include any CPA coaching course given by the firm by which you are employed. Mark as many spaces as apply to you.
13. If you are not an accounting major, leave spaces blank.
15. Mark only one factor.