

# Revisions in the CPA licensure examination

by [Dr. Gloria J. Tolentino-Baysa](#) - BUSINESS MIRROR November 2, 2015



## **DEBIT CREDIT**

**Dr. Gloria J. Tolentino-Baysa** The Certified Public Accountants (CPA) licensure examination has always been viewed as the ultimate test of competency and the mark of quality for all aspiring accountants. It has been bannered by accounting schools and reviewer institutions as a gauge of their educational standards, taking pride in their passing percentages and the number of topnotchers that graduate from their hallowed halls.

The current seven subjects in the CPA examination as provided in the Revised Philippine Accountancy Law of 2004, Republic Act 9298, had been in place for almost half a century. The seven subjects are Theory of Accounts, Auditing Theory, Management Services, Auditing Problems, Practical Accounting Problems P1, Practical Accounting Problems P2, and Business Law and Taxation. These subjects have equal weight, equal number of hours in the examination but different total number of questions depending on the nature of the subject.

Since Section 15 of the Accountancy Law allows amendments to the CPA examination, the Board of Accountancy (BOA), after considering

the developments surrounding the profession and the clamor of the different sectors of the profession, particularly those in academe during the debriefing conducted after the May 2015 examinations, decided to have the long-overdue revisions. The highlights of the revisions are as follows: 1) Reduction in the number of subjects from seven to six; 2) Merging auditing theory and practice into one subject; 3) Merging accounting theory and practice and distributing the pertinent topics in Theory of Accounts, Practical Accounting I, Practical Accounting II to Financial Accounting and Reporting, and Advanced Financial Accounting and Reporting; 4) Segregating Business Law and Taxation into Taxation and Regulatory Framework for Business Transactions; and 5) Renaming Management Services to Management Accounting Services.

The revised six subjects in the CPA licensure examinations are now Financial Accounting and Reporting, Advanced Financial Accounting and Reporting, Management Accounting Services, Auditing, Taxation, and Regulatory Framework for Business Transactions.

**Next step issues and concerns 100 percent mapping.** The Commission on Higher Education Technical Committee chaired by Dr. Arnel Uy did a mapping of the subjects in the current Bachelor of Science in Accountancy curriculum with the existing seven subjects and the revised six subjects in the CPA licensure examinations. The result was a 100 percent match.

**Issuance of the PRC Resolution revising the subjects.** The resolution had been signed by the BOA and is now for the approval of the Professional Regulation Commission (PRC).

**Finalization of syllabi and Table of Specifications (TOS) by October 2015.** The BOA, with the support of the National Association of Certified Public Accountants in Education headed by its president, Omar Ampongan, conducted a workshop for the revision of the CPA Examination Syllabi and TOS. The workshop was participated in by the BOA; deans, chairmen and faculty of accountancy schools; CPA reviewers; and representatives of the accountancy sectors in public practice and commerce and industry. The output shall be out before the end of October 2015.

**Coordination with the appropriate offices in PRC to implement the change.** Coordination meetings with the commissioner and heads of the different divisions of the PRC have been conducted by the BOA to address issues and concerns that may possibly arise as a result of the revision in the examinations.

**Preparation of test questions for the test bank under the outcome-based framework.** The members of the board are now in the process of preparing examinations questions based on the revised subjects and geared toward the competency requirements of outcome-based education.

**Two-year transition for conditional examinees.** Conditional examinees in the seven subjects will still have the two-year period within which to retake the conditioned subjects based on the seven subjects.

**Conduct of public awareness and consultations.** Information dissemination and consultations are being conducted and are still ongoing. The Metro Manila group was held at the University of the East,

Manila attended by more than 900 deans, faculty and students; the Luzon group was held at the Tarlac State University with more than 500 deans, faculty and student attendees; while the Visayas group held at the University of San Jose Recoletos in Cebu was attended by almost 1,000 deans, faculty and students. These are besides the awareness campaigns conducted at the Philippine School of Business Administration Quezon City and at the University of the Philippines Diliman and those already scheduled to be conducted. Similarly, awareness campaigns have been made at the mid-year conventions of the National Federation of Junior Philippine Institute of Accountants for Region 3, Region 1 and Cordillera Administrative Region, and the National Association of Certified Public Accountants in Education. The implementation of the revised CPA Examination subjects shall commence in the May 2016 CPA Licensure Examination.

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