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# CPA EXAM GUIDE

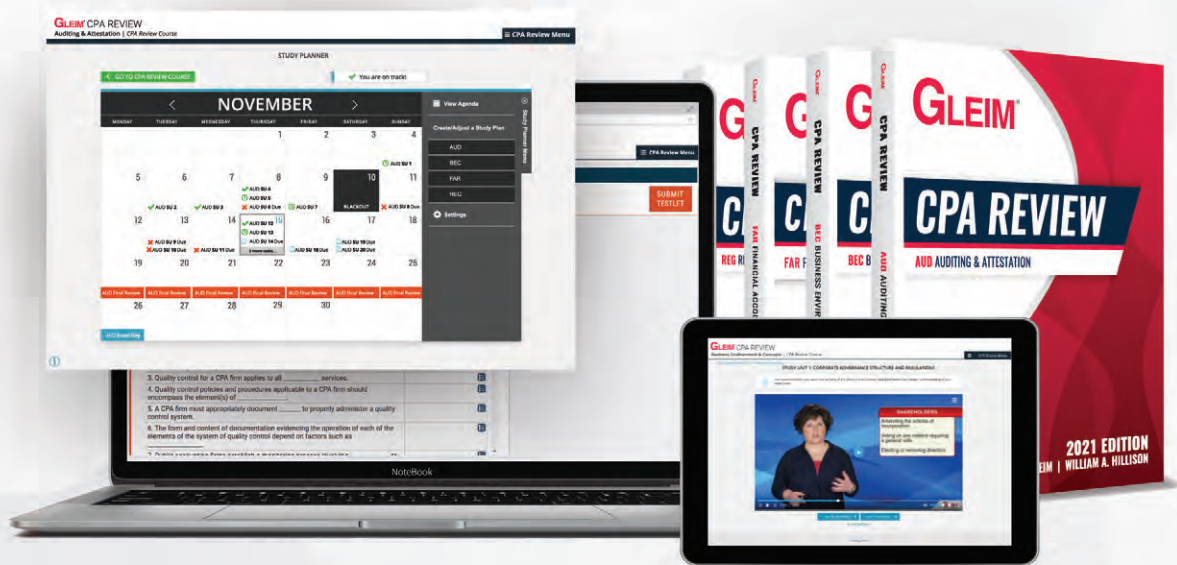
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2021 EDITION

— OVER —

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**GLEIM**® CPA REVIEW



## A MESSAGE FROM DR. GLEIM

Welcome to the 2021 edition of the Gleim CPA Exam Guide: A System for Success.

This exam guide provides the latest information on CPA Exam requirements, updates, question types, study tips, testing strategies, and more so that you can be completely prepared for the exam.

The CPA Exam continuously changes to maintain its relevance and prestige in the world of accounting. Now more than ever, as technology develops, accountants and auditors face new and increasingly complex challenges, which are reflected in the AICPA's CPA Exam Blueprints. Our team of accounting experts ensure our materials are always up-to-date, so no matter when you're preparing for the CPA Exam, you have everything you need to succeed.

It's not just the CPA Exam that changes. Our course continuously evolves to keep pace. We now have our SmartAdapt™ learning platform as the latest in a long line of innovations designed to ensure your CPA Exam success. Since the release of our first CPA Review book in 1974, Gleim has helped candidates pass more than 1 million CPA Exams. This success is because of the Gleim system: teaching you not only the topics tested, but also what you can expect on exam day, so you feel confident and are in control. Our review course has an industry-high 91% pass rate.

This study guide shares the essential strategies that I have determined are key to your success. Use this resource, and share it with your friends and colleagues, as you navigate your path to becoming a CPA.

– Dr. Irvin N. Gleim

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## DISCOVERING THE CPA EXAM

Everything you need to know about becoming a CPA is right here! From CPA Exam requirements to the application process, this CPA Exam Guide has you covered. Give yourself the best chance to pass with Gleim CPA Review.

A handy PDF version of this guide is also available at [gleim.com/passCPA](https://www.gleim.com/passCPA). Download it today!

### STEPS TO BECOMING A CPA

- 1 Become knowledgeable about the exam.
- 2 Select a state board and apply.
- 3 Schedule your exam with Prometric.
- 4 Study for the exam.
- 5 Take the exam.
- 6 Receive your scores and finalize licensure requirements.

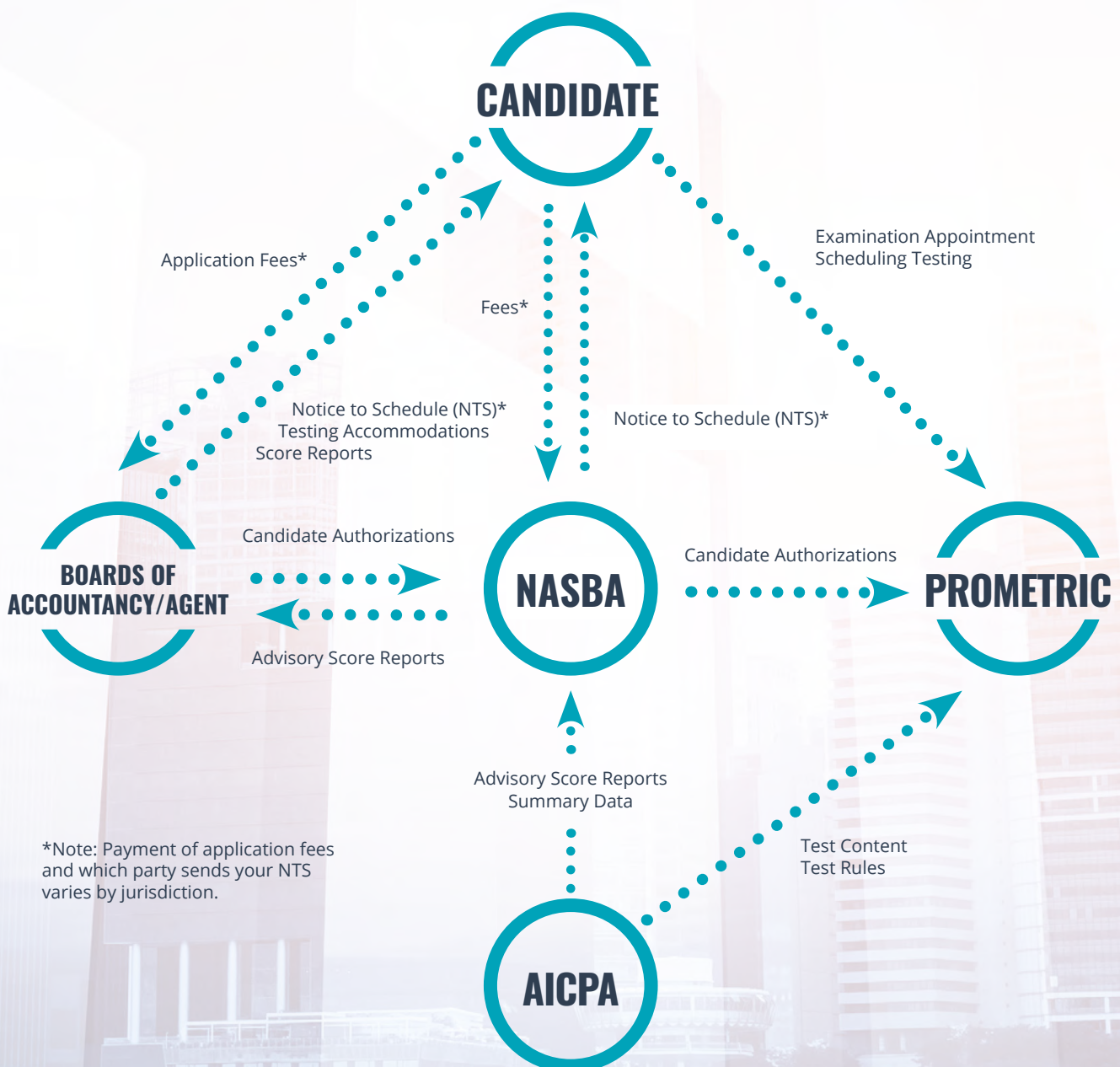


## CPA EXAM STAKEHOLDERS

There are multiple CPA stakeholders throughout the licensing process, which may cause confusion for candidates.

- **AICPA:** Creates the CPA Exam and updates the exam content as needed.
- **State Jurisdictions:** The branch of state government that handles the CPA licensing. CPA licenses are issued at the state level, and you will need to make sure you meet your preferred state's exam requirements.
- **NASBA (National Association of State Boards of Accountancy):** Issues your Notice to Schedule (NTS) and assists the state boards in the application process.
- **Prometric:** The testing center that administers the CPA Exam on behalf of the AICPA.

A high-level overview of the relationships among the CPA partners is below:





## STATE BOARD REQUIREMENTS TO BECOME LICENSED

### THE FOUR Es OF CPA LICENSURE

Most state boards require four steps to become a licensed CPA. These steps are known as the four Es:



#### EDUCATION

Almost every state board requires candidates to earn at least 120 semester hours (the equivalent of a bachelor's degree) before sitting for the CPA Exam and 150 semester hours to become licensed.



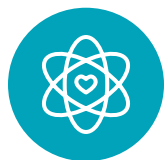
#### EXAMINATION

Passing the CPA Exam is required for CPA licensure. With the right approach and study materials, you can pass the CPA Exam. Gleim CPA Review contains the expert study materials and comprehensive learning techniques you need to pass.



#### EXPERIENCE

Although experience prerequisites differ by state, the majority of state boards require at least 2 years of public accounting experience for CPA candidates to become licensed. Some state boards may accept accounting experience in areas such as industry or government, but generally, a longer period is required.



#### ETHICS

To prove that you are an honest and respectable citizen who will uphold ethical principles as a CPA, the majority of state boards of accountancy require you to pass an ethics exam. While some state boards administer their own ethics exams, many utilize the Professional Ethics Exam administered by the AICPA.

The CPA Exam is the only step that is uniform and accepted by all state boards for CPA licensure. The remaining requirements vary by state. Find the requirements of the state board to which you plan to apply on our state board requirement page: [gleim.com/cparequirements](https://www.gleim.com/cparequirements).

## 150-HOUR RULE

Every state board (except the U.S. Virgin Islands) has implemented the 150-hour rule.\* This rule holds that a candidate must have a total of 150 semester hours of education from an accredited institution – that is, 120 semester hours (the equivalent of a bachelor’s degree) plus 30 additional semester hours – to become a licensed CPA. Generally, at least 24 of the 150 semester hours must be in accounting. Some states require coverage of specialty topics, such as systems or governmental, so you may need to do some additional research with your state board.

\*While Guam has passed a 150-hour rule as law, it will still accept applicants with 120 credit hours until December 14, 2021.

**120 SEMESTER HOURS**

*the equivalent of a bachelor's degree*



**30 ADD. SEMESTER HOURS**

---

**150 SEMESTER HOURS**

**The 150 hours can be met in a variety of ways. The following educational paths are examples of ways to satisfy the 150-hour rule:**

- Acquire all necessary hours at the undergraduate level.
- Obtain a bachelor’s degree and take additional courses at the graduate level.
- Combine an undergraduate degree in accounting with a master’s degree in a different discipline.
- Combine an undergraduate degree in a different discipline with a master’s degree in accounting.
- Earn an MBA with an accounting concentration.
- Obtain a master’s degree in accounting from a 5-year accounting program.

**Check with your state board for all licensure requirements.**

Your state board may allow you to sit for the exam after completing 120 hours while you finish the 150-hour requirement. As soon as you complete your state’s requirements to take the exam, sign up for the CPA Exam and begin studying!

## CPA EXAM FEES

Passing the CPA Exam requires time, effort, and money, but the benefits of becoming a CPA more than compensate. **Exam fees generally total around \$1,200 for all four sections but can vary by state and how many sections you apply for at once.**

To create a budget and determine the best approach for you, visit our CPA Exam Fees resource page at [gleim.com/cpacosts](https://www.gleim.com/cpacosts). Here, you can learn more about CPA Exam fees, cost-cutting tips, and more.



## CPA EXAM PASS RATES

The CPA Exam is scored on a scale from 0-99. Candidates must receive at least a 75 to pass. Our section on grading (page 39) has more details.



As shown below, pass rates are generally around 50%. Passing the CPA Exam is difficult and requires focus and a well-developed study plan. Keep in mind that this is one of the reasons the CPA is considered such a prestigious certification.



**You can do it! With Gleim CPA Review and the proper exam strategy, you can earn a passing score.**

CPA PASS RATES				
Section	2017	2018	2019	2020*
<b>AUD</b>	49%	51%	51%	55%
<b>BEC</b>	53%	59%	60%	68%
<b>FAR</b>	44%	46%	46%	53%
<b>REG</b>	47%	53%	56%	64%

\*Pass rate data is as of 2020 Q3.

For more information on CPA pass rates, including what quarters have the highest pass rates, visit our CPA Pass Rates resource page at [gleim.com/cpapassrates](https://www.gleim.com/cpapassrates).

## CPA EXAM FOR INTERNATIONAL CANDIDATES

The CPA Exam is only offered in English but can be taken outside of the U.S. at international testing centers in Bahrain, Brazil, Egypt, Germany, India, Ireland, Japan, Jordan, Kuwait, Lebanon, Nepal, Republic of Korea (through 3/31/21), UAE, or the United Kingdom (England/Scotland). A candidate's residency status determines his or her testing center eligibility. To see where you can sit for the exam, consult the NASBA website ([nasba.org](https://www.nasba.org)).

International candidates still go through the application process. They must select the state board of accountancy to which they will apply (based on the state's requirements), contact the board of accountancy to obtain application materials, and submit the completed application(s) and required fees as instructed. After receiving a Notice to Schedule (NTS), candidates may register to take the exam at an international testing location through the NASBA website.

International candidates can find state board recommendations and more information about international CPA Exam administration, format, and requirements at our international candidate resource page at [gleim.com/cpainternational](https://www.gleim.com/cpainternational).



## PURPOSE OF THE CPA EXAM

The CPA Exam is designed to measure professional competence in auditing, business concepts, business law, taxation, and accounting. It also tests related business skills to assess a candidate's knowledge as well as the ability to apply such knowledge skillfully and with good judgment. Finally, it verifies a candidate's thorough understanding of professional responsibilities and ethics.

All these factors contribute immensely to the CPA Exam's difficulty. To learn more about what makes the CPA Exam so challenging, visit our resource page at [gleim.com/cpadifficulty](http://gleim.com/cpadifficulty).

## STRUCTURE OF THE CPA EXAM

## THE CPA EXAM CONSISTS OF FOUR SECTIONS

<b>Auditing &amp; Attestation</b>	<b>Allocation*</b>
Ethics, Professional Responsibilities and General Principles .....	15-25%
Assessing Risk and Developing a Planned Response .....	25-35%
Performing Further Procedures and Obtaining Evidence .....	30-40%
Forming Conclusions and Reporting .....	10-20%
<b>Business Environment &amp; Concepts</b>	
Enterprise Risk Management, Internal Controls and Business Processes .....	20-30%
Economic Concepts and Analysis .....	15-25%
Financial Management .....	10-20%
Information Technology .....	15-25%
Operations Management .....	15-25%
<b>Financial Accounting &amp; Reporting</b>	
Conceptual Framework, Standard-Setting and Financial Reporting .....	25-35%
Select Financial Statement Accounts .....	30-40%
Select Transactions .....	20-30%
State and Local Governments .....	5-15%
<b>Regulation</b>	
Ethics, Professional Responsibilities and Federal Tax Procedures .....	10-20%
Business Law .....	10-20%
Federal Taxation of Property Transactions .....	12-22%
Federal Taxation of Individuals .....	15-25%
Federal Taxation of Entities .....	28-38%

\*Content weighting reflects Blueprints effective July 1, 2021.

Exam topic percentages do not necessarily mean you will see those same percentage of exam questions on your exam. Additional details about the specific topics tested in each section are available in the AICPA's Blueprints, which we explain starting on page 10.

## QUESTION BREAKDOWN

Each CPA Exam section is divided into five testlets. Each testlet consists of only one specific type of CPA Exam question.

### TYPES OF QUESTIONS:

**Multiple-Choice Questions (MCQs)** account for 50% of the score in all four sections.

**Task-Based Simulations (TBSs)** account for the other 50% in AUD, FAR, and REG and 35% in BEC.

**Written Communication (WC) Tasks** account for the final 15% in BEC and only appear in that section.



*Each CPA Exam section is broken down as follows:*

AUD	BEC	FAR	REG
<b>72 TOTAL MCQs</b>	<b>62 TOTAL MCQs</b>	<b>66 TOTAL MCQs</b>	<b>76 TOTAL MCQs</b>
Testlet 1: 36 MCQs	Testlet 1: 31 MCQs	Testlet 1: 33 MCQs	Testlet 1: 38 MCQs
Testlet 2: 36 MCQs	Testlet 2: 31 MCQs	Testlet 2: 33 MCQs	Testlet 2: 38 MCQs
SCORING: 50%	SCORING: 50%	SCORING: 50%	SCORING: 50%
<b>8 TOTAL TBSs</b>	<b>4 TOTAL TBSs</b>	<b>8 TOTAL TBSs</b>	<b>8 TOTAL TBSs</b>
Testlet 3: 2 TBSs	Testlet 3: 2 TBSs	Testlet 3: 2 TBSs	Testlet 3: 2 TBSs
Testlet 4: 3 TBSs	Testlet 4: 2 TBSs	Testlet 4: 3 TBSs	Testlet 4: 3 TBSs
Testlet 5: 3 TBSs	SCORING: 35%	Testlet 5: 3 TBSs	Testlet 5: 3 TBSs
SCORING: 50%	<b>3 TOTAL WCs</b>	SCORING: 50%	SCORING: 50%
<b>TESTING TIME</b>	Testlet 5: 3 WCs	<b>TESTING TIME</b>	<b>TESTING TIME</b>
4 hours + 15 min break	SCORING: 15%	4 hours + 15 min break	4 hours + 15 min break
	<b>TESTING TIME</b>		
	4 hours + 15 min break		

## LEVELS OF SKILL TESTED

To ensure that new CPAs adequately possess the knowledge and ability to effectively perform their jobs, the AICPA has designed the CPA Exam to test four levels of comprehension. The AICPA's skill levels are listed below in order of difficulty.

### LEVEL 1

This level is primarily tested with MCQs.

#### REMEMBERING:

This tests pure memorization.

#### UNDERSTANDING:

This tests the ability to understand memorized principles.

### LEVEL 2

This level is primarily tested with MCQs and possibly with TBSs and WCs.

#### APPLICATION:

This tests the ability to apply memorized principles to a given situation.

### LEVEL 3

This level is primarily tested with TBSs and possibly with MCQs.

#### ANALYSIS:

This tests the ability to use multiple concepts together and apply them to a given situation.

### LEVEL 4

This level is tested with TBSs and only appears in Auditing.

#### EVALUATION:

This tests the ability to evaluate information using multiple concepts to reach a conclusion.

*Each section tests the levels of skill to varying degrees.\**

Section	Remembering & Understanding	Application	Analysis	Evaluation
<b>AUD</b>	25-35%	30-40%	20-30%	5-15%
<b>BEC</b>	15-25%	50-60%**	20-30%	0%
<b>FAR</b>	10-20%	50-60%	25-35%	0%
<b>REG</b>	25-35%	35-45%	25-35%	0%

\*Content weighting reflects Blueprints effective July 1, 2021.

\*\*Includes Written Communication.



## PREPARING FOR THE CPA EXAM

### SUMMARY OF AICPA BLUEPRINTS

Since the release of the first Blueprints in April 2017, the AICPA periodically releases revisions in order to maintain the relevance of the CPA Exam. The Blueprints outline the topics newly licensed CPAs are expected to know and also set forth the level of skill required to answer questions on each of those topics.

For your convenience, each Gleim CPA Review course contains an appendix with cross-references between the Gleim chapters and the corresponding Blueprints. However, you do not need to be overly concerned with these cross-references, as the Gleim team has already analyzed the Blueprints for you and ensures our content topics align with them. SmartAdapt™ technology in the Gleim course tracks your scores and progress and ensures all topics are tested thoroughly through your personalized study plan.

*Each section of the AICPA Blueprints is preceded by an introduction that presents the*

- Scope of the section
- Applicable reference literature
- Content organization and tasks
- Content and skill allocation
- Content area overview

## THE BREAKDOWN OF THE BLUEPRINTS

The Blueprints are displayed as a matrix indicating the skill level each topic will test and at least one representative task for each topic. As you can see from the matrix, the subheadings list the following information:

### Areas

Area of knowledge covered, e.g., Area I – Conceptual Framework, Standard-Setting and Financial Reporting

### Content Group

Specific group of topics covered under that broad area, e.g., B. General-purpose financial statements: for-profit business entities

### Topic

Individual topics within the specific group, e.g., 1. Balance sheet/statement of financial position

### Skill(s)

Skill level tested, i.e., Remembering and Understanding, Application, Analysis, and Evaluation (discussed on page 9)

### Representative Task(s)

Combination of the applicable content knowledge and skills required within those topics, e.g., Prepare a classified . . .

The above excerpt is for reference only. [Blueprints alone are not an adequate replacement for a CPA review course.](#) CPA review providers use the CPA Exam Blueprints as a guide to develop their review courses to help you truly master the topics tested. Rather than follow the exact order of the exam Blueprints, Gleim CPA Review organizes the Blueprint topics in a more cohesive manner. This approach helps you study more efficiently because each concept builds upon itself, making it easier and faster to learn.

## Area I – Conceptual Framework, Standard-Setting and Financial Reporting (25–35%)

Content group/topic	Skill				Representative task
	Remembering and Understanding	Application	Analysis	Evaluation	
<b>A. Conceptual framework and standard-setting for business and nonbusiness entities</b>					
1. Conceptual framework	✓				Recall the purpose and characteristics in the conceptual framework for business and nonbusiness entities.
2. Standard-setting process	✓				Recall the due process steps followed by the FASB to establish financial accounting and reporting standards.
<b>B. General-purpose financial statements: for-profit business entities</b>					
1. Balance sheet/ statement of financial position		✓			Prepare a classified balance sheet from a trial balance and supporting documentation.
		✓			Adjust the balance sheet to correct identified errors.
			✓		Detect, investigate and correct discrepancies while agreeing the balance sheet amounts to supporting documentation.
			✓		Calculate fluctuations and ratios and interpret the results while reviewing comparative balance sheets.
2. Income statement/ statement of profit or loss		✓			Prepare a multiple-step income statement from a trial balance and supporting documentation.
		✓			Prepare a single-step income statement from a trial balance and supporting documentation.
		✓			Adjust the income statement to correct identified errors.
			✓		Detect, investigate and correct discrepancies while agreeing the income statement amounts to supporting documentation.
			✓		Calculate fluctuations and ratios and interpret the results while reviewing comparative income statements.

## PRONOUNCEMENT TESTING GUIDELINES

We have provided the AICPA's policy below for your reference.

### ACCOUNTING AND AUDITING PRONOUNCEMENTS

“Changes in accounting and auditing pronouncements are eligible to be tested on the Uniform CPA Examination in the later of: (1) the first calendar quarter beginning after the pronouncement’s earliest mandatory effective date, regardless of entity type\* or (2) the first calendar quarter beginning six (6) months after the pronouncement’s issuance date.”

\* An example from the AICPA: “A pronouncement issued on February 1, 2019, is effective for public business entities for fiscal years beginning after December 15, 2019, and is effective for all other entities for fiscal years beginning after December 15, 2020. For purposes of the Uniform CPA Examination: (1) the pronouncement is eligible for testing on January 1, 2020, for all entity types and (2) the prior pronouncement is deemed superseded and no longer eligible for testing as of January 1, 2020.”

**Once a new pronouncement is testable, questions testing the old pronouncement will be removed.**

### TAX TOPICS

“Changes in the Internal Revenue Code, and federal taxation regulations are eligible to be tested in the calendar quarter beginning six (6) months after the change’s effective date or enactment date, whichever is later.”

### LAW TOPICS

“Changes in federal laws outside the area of federal taxation are eligible to be tested in the calendar quarter beginning six (6) months after their effective date. Changes in uniform acts are eligible to be tested in the calendar quarter beginning one (1) year after their adoption by a simple majority of the jurisdictions.”

### ALL OTHER TOPICS

“For all other subjects covered in the Uniform CPA Examination, changes are eligible to be tested in the later of: (1) the first calendar quarter beginning after the earliest mandatory effective date, regardless of entity type\* or (2) six (6) months after the issuance date.”

The AICPA does not appear to hold hard and fast to these guidelines in its questions. For example, you may see tax forms from prior years on your TBSs. Do not be distracted by dates. Instead, simply complete the form to the best of your ability. If an exam question provides an out-of-date tax rate, use that rate to answer the question. Also, be aware that the auditing, financial, and tax research databases presented as Authoritative Literature in the TBSs are updated on the AICPA’s schedule and, therefore, may appear out of date. Again, you should use the research database as presented, even if a recent change to the literature does not yet appear.



## ***CPA EXAM QUESTION CREATION AND PRE-TEST QUESTIONS***

The AICPA contracts with third parties to produce Multiple-Choice Questions, Task-Based Simulations, and Written Communications. Exam questions are created and vetted by experts in the fields of accounting, psychometrics, and test development. Through the development process, these experts ensure that testlets and exam versions are graded and scored equitably on a comparative basis.

As part of the question-vetting process, non-graded pre-test questions are included among the scored questions within each testlet.\* You will not know which questions are pre-test and which are real. Do not try to guess which questions are pre-test questions, as it will not help you pass. Your focus should be on answering each question to the best of your ability. All of the questions test concepts and skills pertinent to current CPAs and follow the exam Blueprints. This exam guide and the Gleim CPA Review System give you the tools and study strategies to be successful on the exam.

*\*According to the AICPA, each section includes 12 pre-test MCQs and 1 pre-test TBS. BEC also includes 1 pre-test written communication task.*



## APPLY TO TAKE THE CPA EXAM

### WHEN SHOULD YOU TAKE THE CPA EXAM?

Based on decades of experience helping candidates pass, Gleim strongly suggests that you take the exam immediately after graduation (or while you are in your last semester of school, if permitted by your chosen state board) because your knowledge will still be fresh. For those candidates taking the exam later in life, don't panic. Our comprehensive but easy-to-digest materials, combined with your real-world experience, will prepare you to pass.

### ORDER OF EXAM SECTIONS

When deciding which section to take first, determine which subject appeals to you most. Which section are you most knowledgeable about based on recent classes or work experience? You will have an easier time developing your study habits and mastering the review process quickly if you begin with a section that is already familiar and interesting to you. You will also be more likely to pass your first section on the first try. Having success early is important because you will not feel as frustrated or tempted to procrastinate your studies for later sections if your first study experience is positive. Passing your first section will build your confidence going forward. You should also look at your testing strategy in a holistic manner. Create a plan to test in all four parts in the time period you choose, remembering you must pass all four parts in an 18-month timeframe.

### SCHEDULING EXAM SECTIONS

With continuous testing, you can sit for the CPA Exam during any month provided the Prometric Testing Center is open and the AICPA has not implemented a black-out week for software and large content updates. This means you can test in any given month on any given day. Please note that Michigan, Connecticut, and South Carolina have not yet adopted continuous testing. If you are testing in these states, you will still need to abide by the testing windows.

**All sections must be passed within an 18-month time frame.** Essentially, this means that if you pass your first section but do not pass the next three sections within 18 months, you will lose credit for the first section. For example, you took AUD on November 15, 2019, and passed. Subsequently, you took REG on February 15, 2020, and FAR on April 15, 2020, and passed those two sections. You then have until May 14, 2021, to pass the remaining section (BEC); otherwise, you will lose credit for AUD. On August 14, 2021, if you have not yet passed BEC and re-passed your first section (AUD), you will lose credit for REG. Therefore, you need to be strategic in your planning and scheduling of exams.



## SAMPLE SCHEDULES

Your goal is to pass each section of the CPA Exam the first time you sit. To do so, you should develop an approach that best suits your needs and individual preferences. **Gleim CPA understands that no two candidates are alike, so our system adapts to your specific needs, level of knowledge, and availability to prepare.** Below we outline two sample exam schedules: one aggressive and one moderate.

### EXAMPLE 1: AGGRESSIVE

The more aggressive exam schedule is typically for candidates who are recent graduates and proficient with the accounting knowledge covered on the CPA Exam. In this approach, candidates aim to pass all four sections in just 6 months. The NASBA-issued Notice to Schedule is good for 6 months in most states. Therefore, these candidates take one section at the beginning and another section near the end of two consecutive calendar quarters, budgeting approximately 6-7 weeks of study per section (e.g., exam dates would be 1/2, 2/14, 4/1, and 6/15). **If you are a candidate seeking to follow this exam schedule, you will not only finish well before the 18-month deadline, but you can also save money.** (Learn more about this and other cost-saving techniques at [gleim.com/CPACosts](https://www.gleim.com/CPACosts).)

### EXAMPLE 2: MODERATE

The more moderate exam schedule is for candidates who have been out of school for some time and need a refresher on a number of topics. These candidates need to budget approximately 10-12 weeks per section. **If you take this approach, you should aim to take one section per quarter and pass all four sections comfortably within a year.**

Gleim CPA understands that one size does not fit all and that many factors affect your scheduling approach and personal study plan. The Gleim Study Planner and your Gleim Personal Counselors will work with you to help coordinate our flexible study system to meet your exam goals based on your individual needs and availability for study. Our SmartAdapt technology will adjust to your level of knowledge to determine where you need to focus to make sure you are spending the time required for each topic. With Gleim CPA Review, you will become an expert; regardless of your level of knowledge or experience, you will have the tools and support you need to pass the exam comfortably within your time frame.

For even more information on CPA Exam scheduling strategies and a step-by-step guide on how to schedule your exam, visit our How to Schedule the CPA Exam resource page at [gleim.com/cpascheduling](https://www.gleim.com/cpascheduling).

### GLEIM CPA IS HERE TO HELP YOU REACH YOUR GOALS!

These two exam schedules are samples based on averages from our years of experience helping candidates. The time it takes you to pass will depend on your personal circumstances (e.g., how familiar you are with the material, elapsed time since your degree was earned, how much time you have available to study, how long you can concentrate in one sitting). The goal is to pass all four sections. Create a realistic plan that works for you so you pass each section the first time.



## WHERE TO TAKE THE EXAM

The state board issues your license. You must be licensed in the state in which you wish to practice. When you are determining where to register to take the CPA Exam, first consider where you want to practice. If you decide to register for the exam in a state other than the one you want to practice in, check to see if you will be eligible to transfer scores between the two states and whether you have met the state's requirements for licensure. Before deciding where you will apply, you may also want to gather application information from several state boards because the application process varies by state.

If you do not intend to remain in public accounting long term or you do not need a license to practice, you should consider continuing professional education (CPE) requirements as you choose a state. You may wish to register for the exam in a state that has a CPA certificate separate from its license to practice and where you may not need to fulfill CPE requirements to maintain your license.

Seven state boards (Alabama, Connecticut, Hawaii, Illinois, Kansas, Nebraska, and Oklahoma) issue CPA certificates that are separate from the license to practice. Some of these states do not require public accounting experience to receive the CPA certificate, CPE to maintain a CPA certificate, or residency to sit for the CPA Exam. These states are referred to as two-tier states.

## INTERNATIONAL CANDIDATES

Most states participate in the international administration of the CPA Exam. This means you can use one of the Prometric testing centers in the following nations to take the CPA Exam: England, Scotland, Ireland, Germany, Japan, Brazil, Bahrain, Kuwait, Lebanon, The United Arab Emirates, Egypt, Jordan, India, Republic of Korea (through 3/31/21), and Nepal.

Always confirm with your state board prior to scheduling your exam at an international testing center. To learn more about choosing a state board for international candidates, visit our international resource page at [gleim.com/cpainternational](https://www.gleim.com/cpainternational).



**Check the websites of the state boards for those states in which you may want to practice to help make a final determination on where you wish to become licensed.**



## WHEN TO APPLY FOR THE EXAM

You must submit an application for the CPA Exam each time you want to take one or more sections. With each application, you will need to submit the required documents and fees. These can vary among state boards, so be sure to follow the instructions provided by your state board or its designated agent. Before you apply for each section, check your upcoming schedule to ensure you will have plenty of time to study. In most states, your NTS will be valid for only 6 months, and you will forfeit your fees for any sections you do not take within that time period.

As you complete your application, be precise and input all necessary information. If information is incorrect or missing, the application will be returned, and you might not have time to resubmit it and receive your NTS before your desired test date.

The application process for a first-time candidate can take 4-6 weeks. Therefore, you should begin the application process for the section(s) you are planning to take at least 4-6 weeks prior to when you want to take the exam. You want to ensure that you receive your NTS in time to schedule a date that is convenient for you.

If you'd like a step-by-step guide on how to apply for the CPA Exam, visit our resource center at [gleim.com/cparesources](https://gleim.com/cparesources).



## PASSING THE CPA EXAM

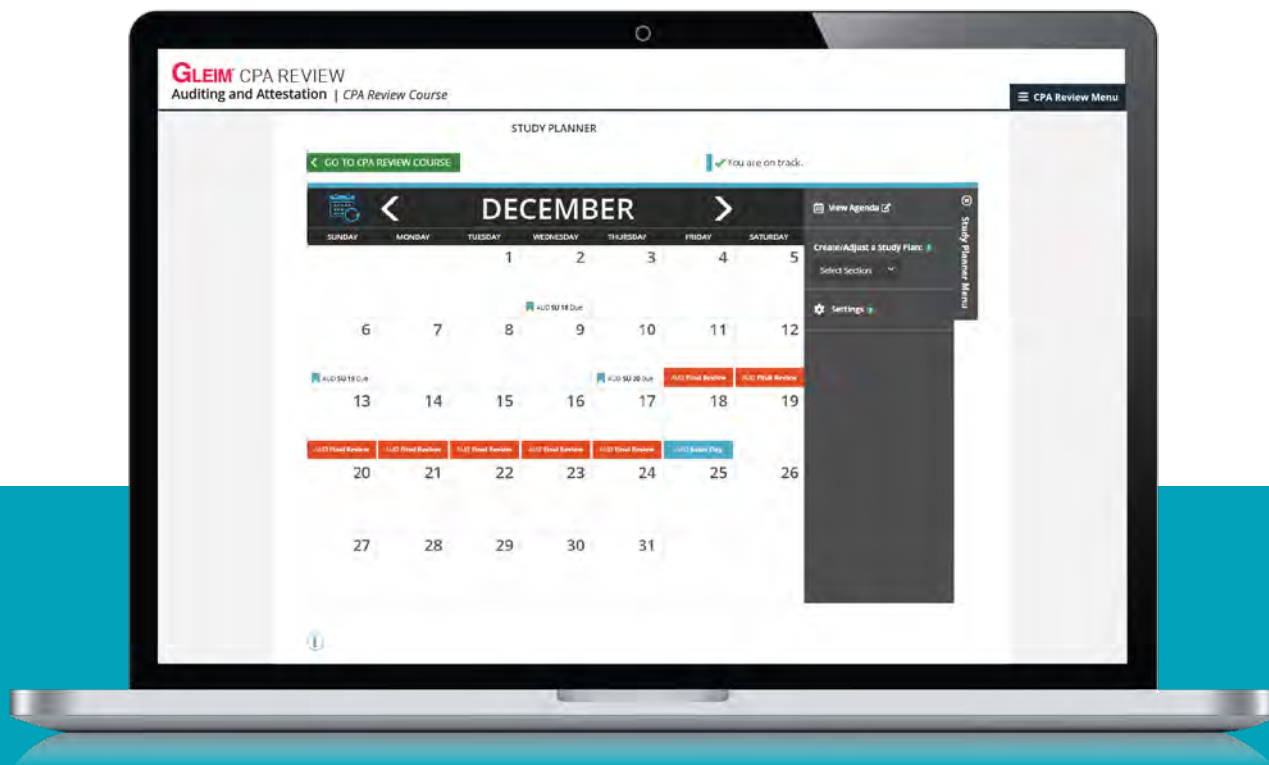
### GLEIM CPA REVIEW SYSTEM

To properly prepare for the CPA Exam, you should complete a CPA review course that gives you the knowledge, skills, and confidence to pass the first time. Gleim CPA features the most comprehensive coverage of exam content and employs proven learning techniques to help you study smarter and faster. The Gleim CPA Review System is powered by SmartAdapt™ technology, an innovative platform that guides you through the following steps for the most personalized and optimized CPA review.

- 1 CREATE A BASELINE**  
Complete a Diagnostic Quiz so SmartAdapt can form a baseline from which to create a custom learning path guided by your strengths and weaknesses. Diagnostic Quizzes are located at the beginning of each study unit and should take no more than 20-30 minutes to complete.
- 2 STUDY IDENTIFIED AREAS**  
Follow the SmartAdapt recommended study path to master AICPA Blueprint tasks by reading the study outlines or viewing the Gleim Instruct video lectures.
- 3 MASTER REQUIRED TASKS**  
Practice and perfect your CPA question-answering techniques by taking a series of adaptive multiple-choice quizzes and task-based simulations or written communications. The SmartAdapt technology tests your understanding of the study materials through customized quizzes and simulations. Answering exam questions followed by analyzing the answer explanations develops a deeper understanding of tested topics for better results.
- 4 COMPLETE A MOCK EXAM**  
After completion of the recommended study path, it's time to take a Mock Exam. This exam should be taken as if you were sitting in the testing center—it is a real CPA Exam designed to mirror what you will see on exam day.
- 5 COMPLETE YOUR FINAL REVIEW**  
After evaluating your results on the Mock Exam, the Gleim course will walk you through a Final Review so you can sharpen your knowledge of the topic areas that caused you difficulty. If you have time before test day, you can complete a second Mock Exam.

## STUDY PLAN

As you begin to study for each section, use the Gleim Study Planner to set up a personalized study plan. Most CPA candidates invest an average of 7 hours to complete each study unit. Our Study Planner, which is integrated into the Review Course and can be adjusted at any time, will help keep you on track for your target exam date. The customization options allow you to choose the level of support and guidance you wish to receive from the Gleim Personal Counselors.



*YOUR FIRST STEP IN THE GLEIM COURSE IS TO SET UP YOUR PERSONALIZED STUDY PLAN.*

## WHERE AND WHEN TO STUDY

You should study where and when you study best. Find study areas that are quiet, well-lit, and distraction-free. Schedule your study time for when you are most productive and able to focus. Though other activities will compete for your time, CPA review should be your top priority for a set period. To create your CPA Exam study schedule, determine which time-consuming activities you can temporarily give up. Then, set goals for how much you would like to accomplish in one study session. Completing these small goals will give you the feeling of accomplishment you need to stay motivated throughout your studies, and approaching the exam in manageable blocks of time will prevent you from feeling overwhelmed. Gleim has created bite-sized learning sections to accommodate any schedule while maximizing retention of required knowledge. Gleim CPA Review also makes it easy to conveniently study on your phone, tablet, or laptop. Home, work, public transportation, hotels, libraries, coffee shops, and restaurants are all possible study locations when you utilize the many Gleim study options.

## EMULATING CPA EXAM QUESTIONS

The images on this page and the next show screenshots from the AICPA Sample Tests and the Gleim course, respectively. Our test bank, quizzes, and Mock Exams (full-length practice exams) have all been programmed specifically to mirror the CPA Exam down to the smallest detail. We want you to be able to pass each section of the exam the first time, so we have gone to extreme measures to program our materials to include unmatched exam emulation in Gleim CPA Review.

### MCQ SCREEN LAYOUT

This screenshot shows the AICPA Sample Tests interface. At the top, a dark blue header contains the text "AUDITING AND ATTESTATION" and "TESTLET 1". Below this, a white bar displays a timer showing "3:59" and icons for "CALC", "EXCEL", "OVERVIEW", and "HELP". A red "SUBMIT TESTLET" button is in the top right. The main content area features a question: "Which of the following, discovered during an audit, most likely would raise a question concerning possible illegal acts?" with four radio button options. A navigation bar at the bottom of the question area shows "1 2 3 4 5", with "5" highlighted in red. A "SUBMIT TESTLET" button is also present at the bottom right of the question area.

This screenshot shows the Gleim CPA Review interface. At the top, a white header contains the "GLEIM CPA Review" logo and "Auditing & Attestation | CPA Review Course". A dark blue header below it contains "AUDITING AND ATTESTATION" and "TESTLET 1". A white bar displays a timer showing "1:00" and icons for "CALC", "EXCEL", "OVERVIEW", and "HELP". A red "SUBMIT TESTLET" button is in the top right. The main content area features the same question as the AICPA screenshot: "Which of the following, discovered during an audit, most likely would raise a question concerning possible illegal acts?" with four radio button options. A navigation bar at the bottom of the question area shows "1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20", with "1" highlighted in red. A "SUBMIT TESTLET" button is also present at the bottom right of the question area.

Gleim mimics the presentation of CPA Exam questions so you feel at home on exam day. Becoming familiar with the look and function of the CPA Exam before you sit is one of the best ways to be more prepared. You will feel relaxed when you take the exam, giving you a significant boost in confidence.

## TBS SCREEN LAYOUT

AUDITING AND ATTESTATION TESTLET 1 TESTLET 2 TESTLET 3 TESTLET 4 TESTLET 5

3:59 EXAM TIME REMAINING

EXHIBITS

- Email from Controller
- Inventory Count Sheet
- Supplier Report
- Perpetual Inventory Listing
- Warehouse Map (Read Only)
- Memo from Staff Accountant

Complete the inventory tasks below by using the information provided in the exhibits above:

- In column B, quantify the required adjustment, if any, to the product line in the perpetual inventory system.
  - Enter increases to the perpetual inventory listing as positive whole dollars.
  - Enter decreases to the perpetual inventory listing as negative whole dollars.
  - If no adjustment to the perpetual inventory listing is required, enter a zero (0).
- In column C, select the justification for the required audit adjustment, or the reason why no audit adjustment is required, by selecting from the option list provided. A justification can be used once, more than once, or not at all.
- Assume that there is only one reason for each product line discrepancy.

	A	B	C
1	Product line	Adjustment required to inventory balance, if any (\$)	Justification for adjustment required
2	Widgets - 10mm	100	
3	Widgets - 5mm	100	
4	Hex bolts	100	
5	Total	0	

Based on the work performed above, select from the option list provided a conclusion on the ending inventory balance. Assume that the auditor performed any follow-up procedures to confirm the initial reasons for the differences identified and therefore any adjustments required are accurate and there are no other adjustments to consider other than those above.

1 A

Supplier Report

Supplier Report: Widget-Wiz Co.

**SKU 267-3**  
On September 25, year 4, JBU acquired 100 units of SKU 267-3 with a unit price of \$7.99. Subsequent to this acquisition, JBU sold a total of 25 units of 267-3 to third parties for \$11.99, and utilized 70 units of the product in the manufacture of equipment being held for sale in warehouse B.

**SKU 267-5**  
The company has not made a purchase of SKU 267-5 subsequent to February, year 3. In prior years, JBU had a regular customer for this product line but during year 3, this customer became insolvent.

**SKU 267-1**  
In March, year 4, JBU purchased 5,000 units of SKU 267-1. Half of the units had been used in the manufacture of equipment that has subsequently been sold. A further 30% of the units were sold to third parties during year 4, and 5% of the units are in ending inventory. The remaining 15% of the units were provided to a customer on a consignment basis. As of December 31, year 4, all of the consigned goods were sold by the customer.

**SKU 267-4**  
In December, year 3, the company acquired 10,000 units of SKU 267-4 at a price of \$1.56 per unit. During year 4, the company sold 5,898 units of the product to third parties. The last sale was made in November, year 4, with shipment that same month.

## GLEIM CPA Review

Auditing & Attestation | CPA Review Course

CPA Review Menu

AUDITING AND ATTESTATION TESTLET 1 TESTLET 2 TESTLET 3 TESTLET 4 TESTLET 5

1:00 EXAM TIME REMAINING

EXHIBITS

- Email from Controller
- Inventory Count Sheet
- Supplier Report
- Perpetual Inventory Listing
- Warehouse Map (Read Only)
- Memo from Staff Accountant

Complete the inventory tasks below by using the information provided in the exhibits above:

- In column B, quantify the required adjustment, if any, to the product line in the perpetual inventory system.
  - Enter increases to the perpetual inventory listing as positive whole dollars.
  - Enter decreases to the perpetual inventory listing as negative whole dollars.
  - If no adjustment to the perpetual inventory listing is required, enter a zero (0).
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- Assume that there is only one reason for each product line discrepancy.

	A	B	C
1	Product line	Adjustment required to inventory balance, if any (\$)	Justification for adjustment required
2	Widgets - 10mm	100	
3	Widgets - 5mm	100	
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Supplier Report

Supplier Report: Widget-Wiz Co.

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## MULTIPLE-CHOICE QUESTIONS

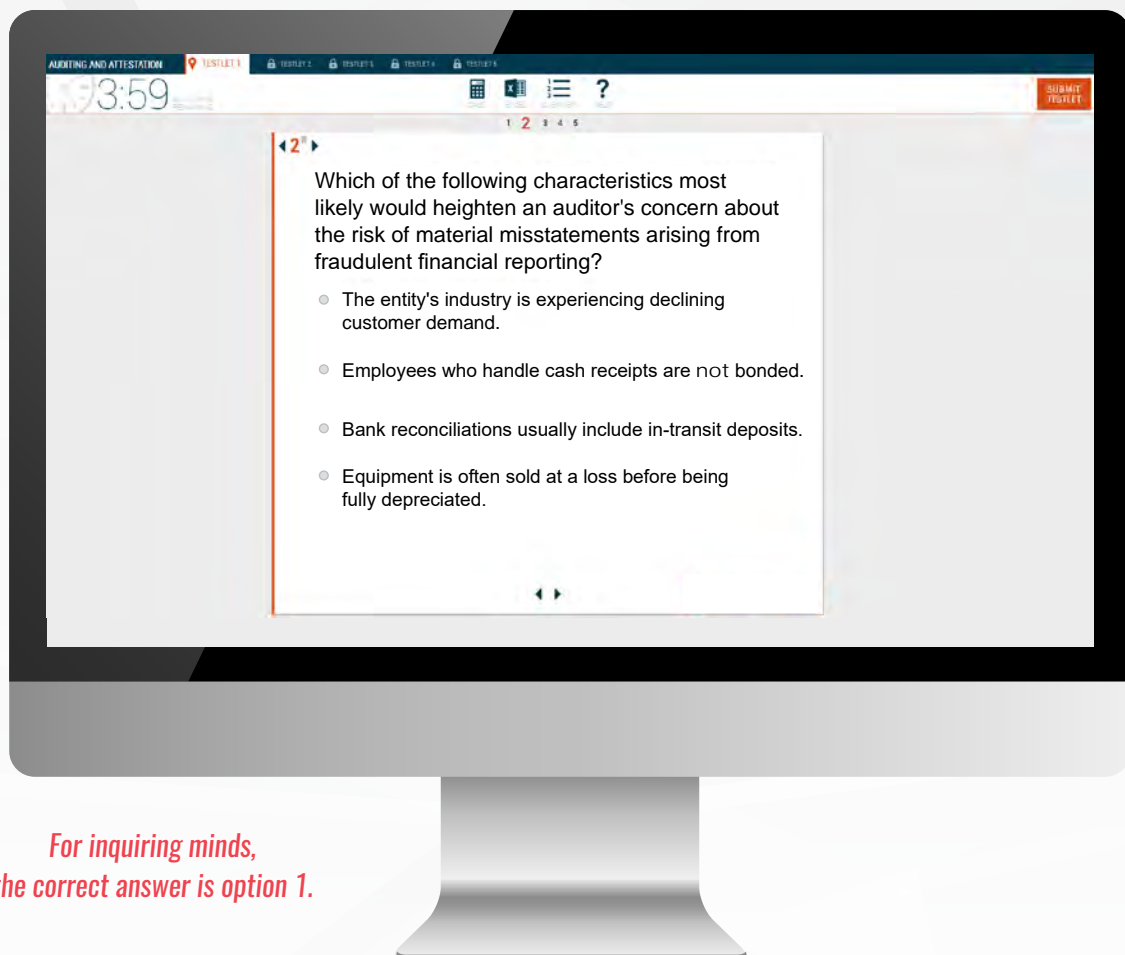
Each section of the CPA Exam has two testlets of multiple-choice questions (MCQs), and the total number of MCQs is divided equally between the two testlets. Each section has a different number of questions.

AUD	BEC	FAR	REG
<b>72 TOTAL MCQs</b>	<b>62 TOTAL MCQs</b>	<b>66 TOTAL MCQs</b>	<b>76 TOTAL MCQs</b>
Testlet 1: 36 MCQs Testlet 2: 36 MCQs	Testlet 1: 31 MCQs Testlet 2: 31 MCQs	Testlet 1: 33 MCQs Testlet 2: 33 MCQs	Testlet 1: 38 MCQs Testlet 2: 38 MCQs

You can expect most of the MCQs for AUD and the Law portion of REG to be conceptual, for example, seeking general information on best practices, ethics, and proper procedure. The MCQs for BEC, FAR, and the Tax portion of REG will be a mix of conceptual and computational.

### TRADITIONAL MULTIPLE-CHOICE QUESTION FORMATS

Multiple-choice questions contain a stem (the question requirement) and four answer choices. One answer choice is correct and three answer choices (distractors) are incorrect or incomplete. Only one answer choice is the best response to the question. The following is an example of a traditional conceptual CPA MCQ.



*For inquiring minds,  
the correct answer is option 1.*



The CPA Exam is notorious for using words like **except, not, unless, least**, etc., in the stems of its MCQs, which can make the question more difficult to answer. The AICPA may or may not print these negative words in bold type, so you must be diligent when reading the questions. Notice the difference in these two example CPA question stems.

According to the FASB's conceptual framework, which of the following attributes should not be used to measure inventory?

An auditor may **not** express a qualified opinion when...

These negative stems seek the false answer choice, which is accompanied by three true answer choices. You should expect to see MCQ stems containing these negative words on the exam.



Gleim provides plenty of practice for this type of question so you will become accustomed to answering them without difficulty.

## LESS TRADITIONAL MULTIPLE-CHOICE QUESTION FORMATS

On occasion, the AICPA will convert two- or three-answer MCQs into four-answer MCQs, as shown below:

**1. Jewel, CPA, audited Infinite Co.'s prior-year financial statements (Infinite Co. is a nonissuer). These statements are presented with those of the current year for comparative purposes without Jewel's auditor's report, which expressed a qualified opinion. In drafting the current year's auditor's report, the current auditor should**

- I. Not name Jewel as the predecessor auditor
- II. Indicate the type of opinion expressed by Jewel
- III. Indicate the reasons for Jewel's qualification

- I only.
- I and II only.
- II and III only.
- I, II, and III.

**When answering questions like these, the key is to think of I, II, and III as true or false.**

Other MCQs have several variables (or answers) within each answer option and are presented in columns, like this example:

**2. When assessing the risks of material misstatement at a low level, an auditor is required to document the auditor's**

	Understanding of the Entity's Control Environment	Overall Responses to Assessed Risks
<input type="radio"/>	Yes	No
<input type="radio"/>	No	Yes
<input checked="" type="radio"/>	Yes	Yes
<input type="radio"/>	No	No

**The best approach to this kind of question is to think of the choices in each column as true or false.**




## MULTIPLE-CHOICE QUESTION-ANSWERING TECHNIQUES

Understanding and learning the concepts tested is essential to success, but developing effective test-taking strategies is almost as important. Knowing the exam basics minimizes your stress and reduces the number of surprises you will encounter on exam day. To maximize your scoring potential on the MCQ testlets, adopt the following procedures.

### ➔ Budget your time so you can finish before time expires.

- Spend about 1.25 minutes on each MCQ.
- Before beginning your first MCQ testlet, prepare a schedule using the Gleim Time Management System (explained on pages 34-36). Then, as you work through the MCQ testlets, monitor your time based on this guidance.

### ➔ Answer questions in consecutive order.

- Do not agonize over any one question. **Stay within your time budget.**
- Never leave an MCQ unanswered. Your score is based on the number of correct responses. You will not be penalized for answering incorrectly. If you are unsure about a question,
  1. Make an educated guess.
  2. Flag it for review by clicking the flag icon  next to the question number in the question navigation toolbar at the top of the screen (as shown in the MCQ exhibit on page 22).
  3. Return to it before you submit the testlet as time allows. Remember, once you have selected the Submit Testlet option, you will no longer be able to review or change any answers in the completed testlet.

➔ **Read the question carefully to discover exactly what is being asked.**

- Ignore the answer choices so they do not affect your precise reading of the question.
- Focusing on what is required allows you to
  1. Reject extraneous information
  2. Concentrate on relevant facts
  3. Proceed directly to determining the best answer
- **Careful!** The requirement may be an exception that features a negative word.
- Figure out the correct answer before looking at the answer choices.

➔ **Read the answer choices, paying attention to small details.**

- Even if an answer choice appears to be correct, do not skip the remaining answer choices. Each choice requires consideration because you are looking for the best answer provided.
- **Only one answer option is the best.** In the MCQs, four answer choices are presented, and you know one of them is correct. The remaining choices are distractors and are meant to appear correct at first glance. Eliminate them as quickly as you can.
- Treat each answer choice like a true/false question as you analyze it.
- In computational MCQs, the distractor answers are carefully calculated to be the result of common mistakes. Be careful and double-check your computations if time permits.

➔ **Click on the best answer.**

- You have a 25% chance of answering correctly by guessing blindly, but you can improve your odds with an educated guess.
- For many MCQs, you can **eliminate two answer choices with minimal effort** and increase your educated guess to a 50/50 proposition.
  1. Rule out answers that you think are incorrect.
  2. Speculate what the AICPA is looking for and/or why the question is being asked.
  3. Select the best answer or guess between equally appealing answers. Your first guess is usually the most intuitive.

➔ **Do not click the Submit Testlet button until you have consulted the status in the question navigation near the top of the screen.**

- Return to flagged questions to finalize your answer choices if you have time.
- Verify that you have answered every question.
- Stay on schedule because time management is critical to exam success.

AUDITING AND ATTESTATION    ✓ TESTLET 1    ✓ TESTLET 2    📍 TESTLET 3    🔒 TESTLET 4    🔒 TESTLET 5

3:59 EXAM TIME REMAINING    CALC.    EXCEL    AUTH. LIT.

1 2 6    1 2 3

EXHIBITS 7

[Email from Controller](#)    [Supplier Report](#)    [Warehouse Map \(Read Only\)](#)  
[Inventory Count Sheet](#)    [Perpetual Inventory Listing](#)

close all exhibits

**Scroll down to complete all parts of this task.**

Green, CPA, is completing audit procedures for the December 31, year 4, audit of JBU Co., a nonissuer. An auditor from Green attended the physical inventory observation at year end. JBU Co. maintains a perpetual inventory system that is integrated with its general ledger. The auditor noted some issues that require further investigation while reviewing JBU's inventory count sheets and warehouse location maps.

The auditor established the following information relating to the inventory count and product lines of JBU.

- There was no product movement on the day of the count.
- The loading dock is part of Warehouse A for the purposes of the count.
- All product lines within each storage area have been identified on the warehouse maps.
- The warehouse map is reflective of the warehouse on the day of the count.

## TASK-BASED SIMULATIONS SCREEN GUIDE

The AICPA requires all candidates to review the Sample Test and Tutorials before sitting for the CPA Exam. It is essential to become well-versed with the available tools so they are second nature to you. No exam time should be spent learning how to navigate the screens. All of those skills need to be practiced during your studies.

### 1 CALCULATOR

The calculator icon launches a basic tool for simple calculations. It is similar to calculators used in common software programs.

### 2 EXCEL

Excel functions like the desktop version of the software and should be used to perform complex calculations. You can copy and paste from Excel to the answer fields or calculator and vice versa.

### 3 AUTH. LIT.

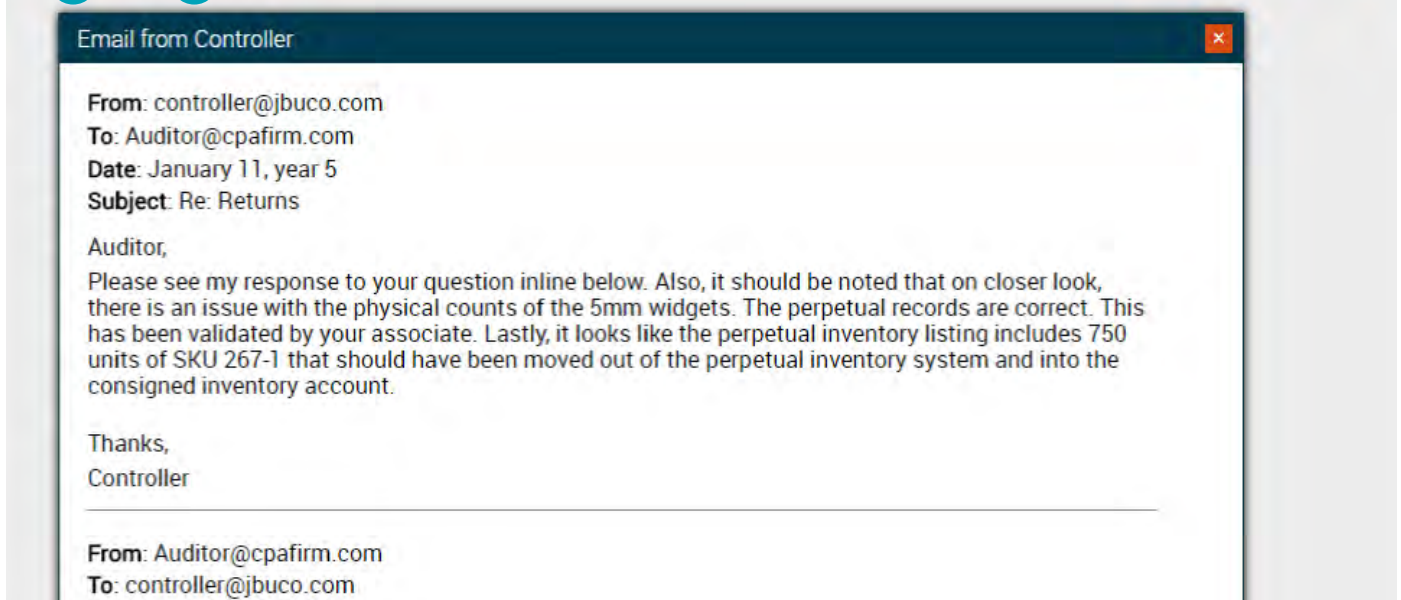
The Authoritative Literature tool is available in every TBS testlet for every section. You can use either the Table of Contents or the Search function to locate the correct guidance when researching in AUD, BEC, FAR, and REG simulations. However, note that although Authoritative Literature will be available in BEC, you do not need it. Practically speaking, it is just a distraction on the BEC section, and you should not spend any of your valuable time looking at it.

### 4 OVERVIEW

The Overview icon launches a pop-up box that contains the first sentence of each question in the testlet in numerical order. Here you may flag questions or review questions previously flagged.

4

5

**5 HELP**

The Help tool provides guidance on the most important functions and tools on the exam. It contains directions and general information but will not include information related specifically to the test content.

**6 QUESTION NAVIGATION**

To navigate between questions, click any number icon in the navigation bar under the clock, one of the arrows surrounding the orange number icon at the top left of the simulation, or one of the arrows at the bottom of the screen. Clicking the flag icon next to the orange number above the simulation serves as a reminder to go back and review the TBS again if you have time.

**7 EXHIBITS**

Exhibits may contain information that is necessary to complete the simulation. In most cases, numbers from exhibits can be copied and pasted into the answer fields. The tools at the top right of the screen allow you to change the layout of open exhibits or close all open exhibits at once.

**8 SUBMIT TESTLET**

There are two options when you choose the Submit Testlet icon from the toolbar.

- In any of the first four testlets, you will be prompted to select either Return to Testlet or Submit Testlet. Return to Testlet allows you to review and change your answers in the current testlet. Submit Testlet takes you to the next testlet. Once you select Submit Testlet, you will not be able to go back to that testlet.
- In the final testlet, you will be prompted to select either Return to Testlet or Quit Exam. Choose Quit Exam if you wish to complete the exam. To prevent accidentally ending your exam, you will be asked to verify your selection, or you can choose Go Back. Upon verifying your wish to end the exam, you will be required to leave the test center with no re-admittance.



## TASK-BASED SIMULATIONS

Each section of the CPA Exam contains testlets of Task-Based Simulations (TBSs). The number of TBS testlets as well as the number of TBSs within each testlet are the same for each exam section except BEC.

<b>AUD</b>	<b>BEC</b>	<b>FAR</b>	<b>REG</b>
<b>8 TOTAL TBSs</b>	<b>4 TOTAL TBSs</b>	<b>8 TOTAL TBSs</b>	<b>8 TOTAL TBSs</b>
Testlet 3: 2 TBSs	Testlet 3: 2 TBSs	Testlet 3: 2 TBSs	Testlet 3: 2 TBSs
Testlet 4: 3 TBSs	Testlet 4: 2 TBSs	Testlet 4: 3 TBSs	Testlet 4: 3 TBSs
Testlet 5: 3 TBSs		Testlet 5: 3 TBSs	Testlet 5: 3 TBSs

In order to test the real-life problem-solving skills of a CPA, the exam contains simulations that require you to synthesize information and/or evaluate data. TBSs are questions with the necessary information presented either within the question or through realistic exhibits. Question responses may be in the form of entering amounts or formulas into a spreadsheet, choosing the correct answer from a list of answers in a pop-up box or drop-down list, completing accounting or tax forms, or reviewing and completing or correcting a draft of a document. In the AUD, FAR, and REG sections, you will also have to complete a Research task, which requires you to research the relevant authoritative literature and cite the appropriate guidance as indicated. You will not have to complete a Research task in BEC.

## TASK-BASED SIMULATION ANSWERING TECHNIQUES

Do not be intimidated by TBS questions. Practice answering the different question types and maximize your TBS testlet scores by adopting these procedures:

### ➔ Budget your time so you can finish before time expires.

- Allocate small segments of the total testing time to each specific task to stay on track. **We recommend you budget 18 minutes for each TBS.**
- Monitor your progress to ensure that you will have enough time to complete all the tasks.
- Use our time allocation table on page 36 to determine the start and finish time for each TBS testlet.

### ➔ Spend the first few minutes scanning each TBS.

- Spend no more than 3 minutes previewing the TBSs you received by clicking through the navigation arrows at the bottom of the screen.
- **You will be familiar with the layout of the TBSs and prepared to jump right in if you have been taking Gleim TBSs under exam conditions.**

### ➔ Answer all the tasks within the recommended time limit for each testlet.

- Read all exhibits (e.g., financial statements, memos, etc.) associated with the task you are working on before you attempt to answer the simulation. The AICPA has been placing more emphasis on including pertinent information in the exhibits to assess candidates' ability to analyze documents.
- **Do not skip any of the questions within a task.** Always make an educated guess even if you are unsure of the answer. Set a reminder for yourself to go back if you have time and confirm your answers by clicking the flag icon by the task number at the top left of the screen. There is no penalty for incorrect answers, so do not move on without at least entering your best guess.
- Use Excel for complex calculations and to efficiently solve problems using formulas. Work completed within Excel will not be graded.

### ➔ Spend any remaining time wisely to maximize your points.

- **Ask yourself where you will earn the most points.**
- Move from task to task systematically, reviewing and completing each one. Focus specifically on any TBS you flagged.
- Only spend 18 minutes on each TBS to ensure you stay within your budgeted time.

Task-based simulations make up 50% of your AUD, FAR, and REG score and 35% of your BEC score. Master this part of the CPA Exam by visiting our simulations resource page at [gleim.com/simulations](https://www.gleim.com/simulations).



EXHIBITS

- 📄 Comparative Trial Balance
  - 📄 Email from CFO
  - 📄 Accounts Receivable Memorandum
- 📄 Minutes of Special Meeting

close all exhibits

Hiver Co.  
 Year ended December 31, year 6  
 Audit Request List (DRAFT)

Please have the materials listed below read when we arrive on site. Unless a different date is specifically stated, these documents should be as of and for the year ended December 31, year 6.

- Final trial balance
- Bank reconciliations for March, September, and December, year 6
- Bank statements for December, year 6, and January, year 7
- Property, plant and equipment rollforward
- Edgewater Industrial Estate sale contract

*Choose an option below*

- [Original text] Edgewater Industrial Estate sale contract
- [Delete Text]
- Edgewater Industrial Estate property tax expense analysis
- Edgewater Industrial Estate purchase contract
- Proof of Edgewater Industrial Estate property insurance

RESET CANCEL ACCEPT

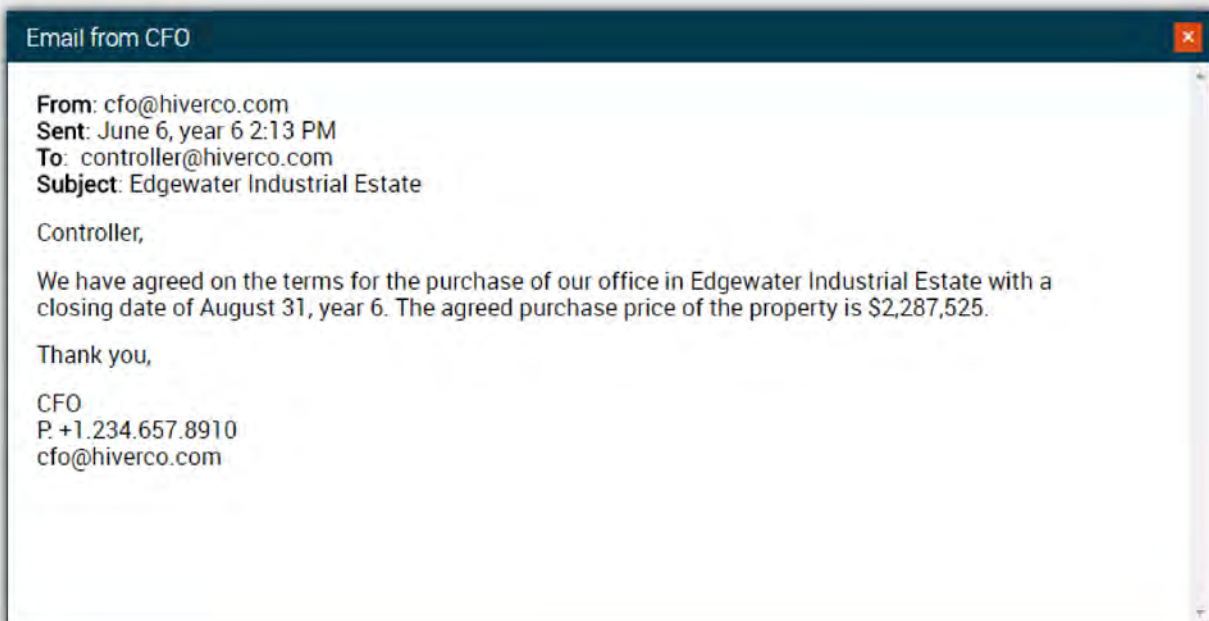
### DOCUMENT REVIEW SIMULATIONS

A Document Review Simulation (DRS) is a type of Task-Based Simulation you may encounter in any TBS testlet. Since the DRS is just another type of TBS, the tools will be the same as those discussed on pages 26 and 27. However, the DRS will always include a document you must review and several exhibits. In the document, some text (e.g., single words, phrases, sentences, or paragraphs) will be marked with a dotted underline, and you must review the exhibits to determine how best to complete or revise the document. Types of exhibits may include financial statements, emails, letters, invoices, memoranda, or minutes from meetings.



### ANSWERING DOCUMENT REVIEW SIMULATIONS

- ➔ Familiarize yourself with every part of the DRS.
  - Review the document and each exhibit so you know what is being asked and what information is available.
  - Remember that the underlined information in the document may be incorrect; you must click to see your options.





➔ Read each underlined section and answer choice carefully and completely.

- Each underlined portion of text will have five to seven answer choices that may include the option to revise the text, retain the original text, or delete the text. Verify that each word or amount in your choice is correct before making your final selection; each answer has specific language and nuances for you to evaluate.
- You must make an answer selection for every modifiable section of a DRS because each is scored as a separate question. You will know an answer has been selected when you see that the white outline in the blue icon  has changed to a white checkmark .

➔ Completely understand the information in the exhibits.

- Quickly survey the various items, then specifically analyze the most relevant facts to reduce possible answer choices. Keep in mind that the relevant information may be presented or worded differently than in the document you are revising.

➔ Double-check that you have responded to each underlined portion of text.

- If you have time, go through the entire DRS once more to confirm that every underlined section has a white checkmark next to it.



## WRITTEN COMMUNICATION TASKS

BEC is the only section that includes Written Communication (WC) Tasks. The fifth and final testlet of BEC includes three WCs, two of which will be graded and one of which will be a pre-test question. In a WC, you must write your response in the form of an appropriate document related to the scenario (e.g., a business memo or letter) rather than choose your answer from a list of possible options.

The response must address the needs and concerns raised in the scenario as if you were a licensed CPA in the field. The WCs ask you to respond to someone such as an executive or an auditor with a recommendation or an explanation of given data. Written communication questions make up 15% of your BEC score. Start your preparations for this section with a thorough breakdown on this unique task by visiting our simulation resource page at [gleim.com/simulations](https://www.gleim.com/simulations).

**The subject matter of a WC may include topics from the AUD, FAR, and REG sections. Do not panic! The main goal of the WCs is to evaluate your writing ability, not your knowledge of the topic presented. Graders may overlook technical mistakes and focus on egregious factual errors, off-topic information, or unlawful or unethical advice. Therefore, you should focus your effort on the presentation of your response, not necessarily the information you include.**

## WRITTEN COMMUNICATION ANSWERING TECHNIQUES

Follow these steps to maximize your WC score, which will account for 15% of your overall BEC score.

### ➔ Budget your time so you can finish before time expires.

- Allocate 60 minutes to respond to the scenarios in the WC testlet in the BEC exam. This will leave you with 15 minutes to review your answers.
- Complete each response in no more than 20 minutes.
- Monitor your time and track your progress so you have enough time for each of the three scenarios.

### ➔ Read the question requirements.

- **Do not spend more than 2 minutes reading the question.**
- Use the remaining 18 minutes to write your response.
- Because you have been using Gleim CPA Review, you will be comfortable with the WC's directions, format, and functionality. You will be completely at ease on exam day.

### ➔ Review and edit your responses.

- Now that you have spent 60 of the 75 minutes allocated on writing your responses, spend your remaining 15 minutes perfecting your answers.
- Edit your responses to ensure they meet the writing criteria of the AICPA and that you have effectively communicated your thoughts.
- Move from scenario to scenario systematically, reviewing and completing each one (do not get distracted by just one).



**Do NOT try to guess which is the ungraded pre-test scenario. Respond to each scenario as though it counts!**

## EDUCATED GUESSING

The CPA Exam sometimes includes questions in the MCQs or TBSs that are poorly worded or confusing. Do not let an ambiguous question affect your concentration or take up too much of your time. When you do not know the answer, simply make an educated guess by following these steps:

- 1** Rule out answers you think are incorrect and distractors.
- 2** Speculate on what the AICPA is looking for and/or the rationale behind the question. Ask yourself, "What does the AICPA want me to know?"
- 3** Select the best answer or guess between equally appealing options. And move on!

**Unless you make an obvious mistake or computational error, try to avoid changing answers. Your first answer is usually, and most likely, correct.**

## MANAGING TIME ON THE CPA EXAM

Managing your time on the CPA Exam is critical to success, so you must develop and practice time management skills before your test date. The only information you have during your actual exam is a countdown clock of the hours and minutes remaining. When there are less than 2 minutes left in an exam section, the exam clock will begin to include the seconds and turn red, but you should be in your final review before that point.

The AICPA does not require that you complete each testlet in a specific amount of time. Therefore, you must budget your time effectively to complete all five testlets in the 4 hours provided.

The key to success is to become proficient in answering each question without hesitation in an average amount of time. To make the most of your testing time during the CPA Exam, you will need to develop a time management system and commit to spending no more than a designated amount of time on each question. We suggest you use the **Gleim Time Management System** (detailed below and on the following pages). When you follow our system, you will have 2-17 minutes of total extra time (depending on the section) to allocate as needed for reviewing flagged questions.

The schedule below shows how many minutes you should plan to spend on each testlet for each section. Remember, you cannot begin a new testlet until you have submitted a current testlet, and once you have submitted a testlet, you can no longer go back to it.

<b>TIME ALLOCATION PER TESTLET (IN MINUTES)</b>					
Testlet	Format	AUD	BEC**	FAR	REG
1	MCQ	45	38*	41*	47*
2	MCQ	45	38*	41*	47*
3	TBS	36	36	36	36
<b>15-MINUTE BREAK (NOT COUNTED TOWARD YOUR TOTAL TIME)</b>					
4	TBS	54	36	54	54
5	TBS/WC	54	75	54	54
<b>Total</b>		234	223	226	238
<b>Extra Time</b>		6	17	14	2
<b>Total Time Allowed</b>		240	240	240	240

\*Rounded down

\*\*BEC candidates may prefer to allocate more time to the TBSs and reduce the 17 minutes of extra review time after the WCs. In this case, we suggest 20 minutes per TBS for a total time of 40 minutes in Testlet 3 and 40 minutes in Testlet 4, leaving 9 minutes of final review after the WCs.



## INTRODUCTION SCREENS

To begin the exam, you will enter your Launch Code on the Welcome screen. **If you do not enter the correct code within 5 minutes of the screen appearing, the exam session will end.**

Next, you will have 5 minutes to view a brief exam introduction containing two screens: the nondisclosure policy and an informational screen. First, accept the policy statement; next, review the informational screen. **Be sure to click the “Begin Exam” button on the bottom right of the screen within the allotted 5 minutes. Failing to do so will terminate the exam, and there will be no option to restart.**

These initial 10 minutes are not included in the total exam time (240 minutes). Once you have completed the three introductory screens, take any leftover time to catch your breath, get in the zone, and begin with confidence. You’ve got this!

## MULTIPLE-CHOICE QUESTIONS (MCQs)

Two MCQ testlets with the identical amount of questions are standard across all sections. Each testlet contains half the total number of MCQs for that section (36/testlet for AUD, 31/testlet for BEC, 33/testlet for FAR, and 38/testlet for REG). Based on the total time of the exam and the amount of time needed for the other testlets, you should average 1.25 minutes per MCQ.

## TASK-BASED SIMULATIONS (TBSs) AND WRITTEN COMMUNICATIONS (WCs)

The final three testlets in AUD, FAR, and REG will have eight TBSs total: two in Testlet 3 and three each in Testlets 4 and 5. BEC will have a total of four TBSs in two testlets, then a final testlet of three WCs. We suggest you allocate approximately 18 minutes to answering each TBS. On BEC, budget 25 minutes for each of the WCs (20 minutes to answer and 5 minutes to review and perfect your response).

The exam screen will show hours:minutes remaining. Focus on how much time you have, **not** the time on the clock. Based on the time allotments on page 34, you should begin each testlet with the following hours:minutes displayed on-screen:

### COMPLETION TIMES AND TIME REMAINING

	AUD	BEC	FAR	REG
<b>Start</b>	4 hours 0 minutes	4 hours 0 minutes	4 hours 0 minutes	4 hours 0 minutes
<b>After Testlet 1</b>	3 hours 15 minutes	3 hours 22 minutes	3 hours 19 minutes	3 hours 13 minutes
<b>After Testlet 2</b>	2 hours 30 minutes	2 hours 44 minutes	2 hours 38 minutes	2 hours 26 minutes
<b>After Testlet 3</b>	1 hour 54 minutes	2 hours 8 minutes	2 hours 2 minutes	1 hour 50 minutes
<b>After Testlet 4</b>	1 hour 0 minutes	1 hour 32 minutes	1 hour 8 minutes	0 hours 56 minutes
<b>After Testlet 5</b>	0 hours 6 minutes	0 hours 17 minutes	0 hours 14 minutes	0 hours 2 minutes

Next, develop a shorthand for hours:minutes. This makes it quicker to write down the times on the notepad you will receive at the exam center.

	AUD	BEC	FAR	REG
<b>Start</b>	4:00	4:00	4:00	4:00
<b>After Testlet 1</b>	3:15	3:22	3:19	3:13
<b>After Testlet 2</b>	2:30	2:44	2:38	2:26
<b>After Testlet 3</b>	1:54	2:08	2:02	1:50
<b>After Testlet 4</b>	1:00	1:32	1:08	0:56
<b>After Testlet 5</b>	0:06	0:17	0:14	0:02



## PROMETRIC TESTING CENTER

You will be more confident on exam day if you know what to expect at the testing center. Prometric has stringent guidelines in place to ensure that there is no cheating of any kind on the CPA Exam. A complete list of rules and regulations is included in the AICPA's Candidate Bulletin. Here are the basic security measures you can expect on exam day.

### Bring your Notice To Schedule (NTS).

- ➔ This contains your exam section ID number, which is also your Prometric login. **Make sure you bring the correct NTS with you to the testing center.**

### Have your personal identification ready.

- ➔ You must present two forms of identification. At least one ID must fall in the Primary Identification category, which includes valid driver's licenses, passports, and state identification cards.
- ➔ Your second ID may be an accountancy board-issued ID or a valid credit, debit, or ATM card.

### Comply with photo and digital fingerprint scans.

- ➔ The digital fingerprint images are stored electronically with your identification information. On any subsequent visit to Prometric, your fingerprint records will be available for exam security.
- ➔ Fingerprinting is required every time you visit a test center and will be repeated during test breaks.

## COMPUTER PROBLEMS

There is about a 1% chance of experiencing a computer problem. If you do, it typically requires a reboot from a Prometric staff member and will cost a minute, at most, of test time. If you encounter a computer problem, do **not** erase any messages on the screen or attempt to fix the system. Simply notify the proctor; it is a Prometric problem, and they are best equipped to handle it quickly. You should note the time it occurred and when it is rectified.

NASBA requests that you report all computer problems that are not adequately handled by Prometric by emailing [candidatecare@nasba.org](mailto:candidatecare@nasba.org). Please also copy Gleim at [cpa@gleim.com](mailto:cpa@gleim.com). You must report any computer problems within 5 days of taking the exam.

## TEST DRIVE

To become familiar with Prometric, sign up for a Prometric Test Drive by registering at [prometric.com/TestDrive](https://prometric.com/TestDrive) before your first section. A Test Drive costs \$30 and is a 30-minute, real-world practice run at your chosen testing site. You will not receive real CPA questions, but you will experience the processes of locating your test site, checking in, and running through a generic sample test. This is to get accustomed to logistics only; knowing the process eliminates unnecessary stress on exam day. Do not use the Test Drive to replace the AICPA's Sample Test or the Gleim Mock Exams.

## NON-DISCLOSURE POLICY

All candidates are required to accept the non-disclosure and confidentiality statement, which is one of two introductory screens that appear before each section of the exam. The statement (reproduced below) outlines the policy parameters and the consequences of disclosing exam content. Read it now so that you are already familiar with the requirements.

### POLICY STATEMENT AND CONFIDENTIALITY AGREEMENT

I hereby agree that I will maintain the confidentiality of the Uniform CPA Exam.

In addition, I agree that I will not:

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

I understand and agree that liability for test administration activities, including but not limited to the adequacy or accuracy of test materials and equipment, and the accuracy of scoring and score reporting, will be limited to score correction or test retake at no additional fee. I waive any and all rights to other claims. I further agree to report to the AICPA any exam question disclosures, or solicitations for disclosure, of which I become aware.

I affirm that I have had the opportunity to read the Candidate Bulletin and I agree to all of its terms and conditions.

I understand that breaks are only allowed between testlets. I understand that I will be asked to complete any open testlet before leaving the testing room for a break. In addition, I understand that failure to comply with this Policy Statement and Confidentiality Agreement could result in the invalidation of my scores, disqualification from future exams, expulsion from the testing facility, and possibly civil or criminal penalties.

### WANT EVEN MORE INFO ABOUT THE CPA EXAM?

Visit the Gleim Resource Center at [gleim.com/cparesources](https://www.gleim.com/cparesources).

To see real stories from professional CPAs, accountants, professors, and fellow CPA candidates, be sure to visit the Gleim CPA Blog at [gleim.com/cpablog](https://www.gleim.com/cpablog).



## GRADING

The CPA Exam is an adaptive exam. The multiple-choice testlets have two difficulty levels: moderate and difficult. Once the CPA Exam is scored, it calculates the testlet difficulty. This procedure allows the AICPA to score candidates fairly regardless of the level of difficulty of the testlets they take. Do not be concerned as to which questions you are asked. This process is good news for candidates, and you should not worry about how the exams are scored. Instead, focus on answering each question to the best of your ability.

The AICPA only considers correct responses. Candidates are not penalized for incorrect responses. This means there are no consequences for guessing, so maximize your potential total score by answering every question. Never leave an answer blank. Always make an educated guess.

CPA Exam scores range from 0 to 99. The total exam score combines the multiple-choice, TBS, and written communication portions. You need at least a 75 to pass each exam section. There is no minimum score required for different question types or content areas within a given section.

The total score indicates your overall exam performance, not your percentage correct. Because the AICPA scoring method evaluates difficulty levels, scoring a 75 does not mean you answered 75% of the questions correctly.

The Written Communication Tasks in the BEC section are graded differently from the other question types. A computer grading program scores most written communication responses based on three criteria: organization, development, and expression.

## SCORE RELEASE

Although scoring the CPA Exam is almost fully automated, you will not receive your exam score immediately. Instead, the AICPA will release exam scores on select dates throughout the quarter. Release dates are provided on the AICPA website, and the majority of scores will be released on these target dates. Gleim publishes up-to-date news about score release dates as soon as the AICPA shares it, so follow Gleim CPA on Facebook, LinkedIn, or Twitter and refer to our CPA news page ([gleim.com/cpanews](https://www.gleim.com/cpanews)) for everything you need to know about the upcoming AICPA score releases.

## RE-SCORE AND APPEALS

Exam scores are virtually never changed as the result of re-scoring and appealing. Therefore, the best strategy for handling an insufficient score is to appropriately prepare beforehand. If you need to retake a section, stay positive—learn from your mistakes and move forward.

**You can pass if you prepare and practice with Gleim CPA Review!**



# GLEIM IS **COMMITTED** TO EXAM CONFIDENTIALITY.

However, because exam questions are not released to the public, we depend on feedback from you to know which topics to strengthen or add.



To provide your essential feedback about where Gleim can improve, go to [gleim.com/feedbackCPA](https://gleim.com/feedbackCPA) or email your Personal Counselor with any input you may have. This process has been approved by the AICPA.

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