



## Calibrating the Scores on the Uniform US CPA Exam

The IICPA recognizes the Uniform US Certified Public Accountant examination of the AICPA American Institute of Certified Public Accountants as a basis for awarding its International Certified Public Accountant designation — ICPA<sup>SM</sup> and ICPA PROFESSIONAL<sup>®</sup>.

The passing mark for purposes of the IICPA is a combined score of 300 for all 4 sections (or “parts”) of the Uniform US CPA Examination without a minimum score for any particular section.

Explanation:

The IICPA does not set a minimum score per section, allowing high scores to compensate low scores. The lowest score allowed in one section is only determined by the candidate’s ability to compensate with a high score in another section; in contrast to the State Boards of Accountancy, who are using all parts of the AICPA examination and advisory grading services, and have set a minimum score of 75 out of 100 for each of the 4 sections (Column 1 in the Table below).<sup>1</sup>

The following table provides for nine scenarios based on the criteria that AUD and FAR are the core sections of the IICPA exam, that REG and especially BEC are used for compensation up to a reasonable candidate’s ability of scoring not more than 90 in REG and BEC.

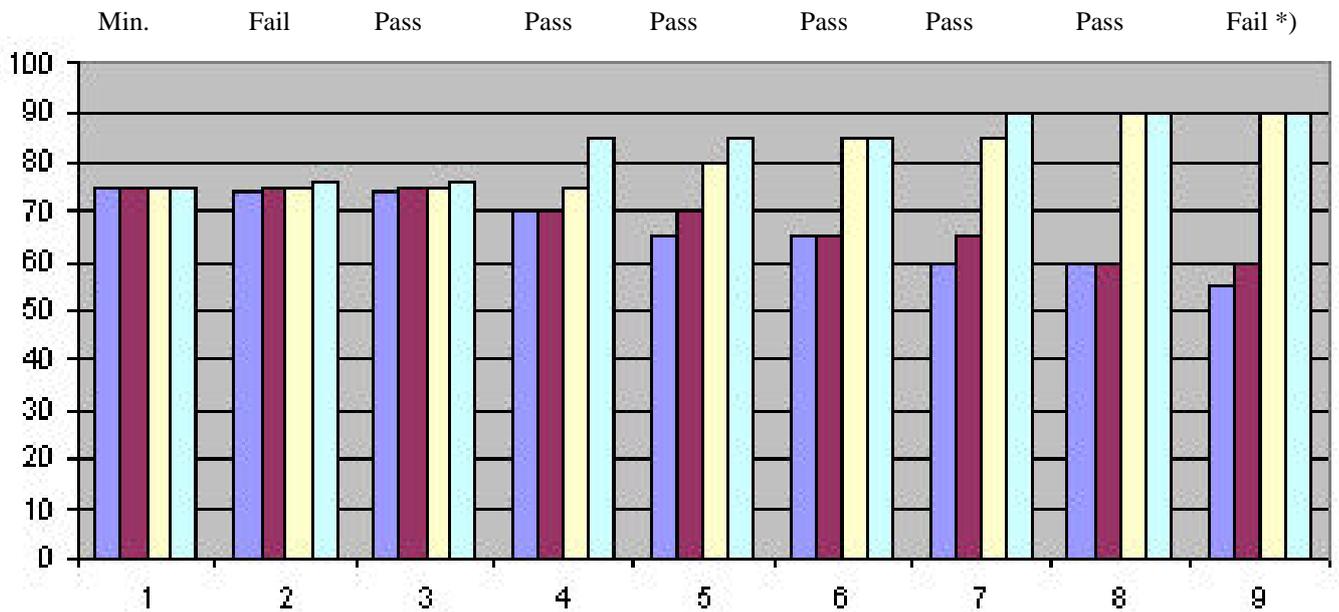
Given the 300 minimum combined score requirement, the lowest reasonably achievable scores in Example 8 are a 60 in AUD and a 60 in FAR, but only if the candidate compensates these low AUD scores with two high scores of 90 in each of REG and BEC, a result that is highly unlikely. Such a high achiever in REG and BEC would reasonably be expected to also show scores in AUD and FAR higher than 60, unless the candidate is a lawyer, a tax specialist, and economists whose areas are tested by REG and BEC. Even so, s/he would be accountant deserving of the ICPA designation. A showing of only 55 in AUD (Example 9) results in a failed CPA exam (unless FAR shows an increase to 65, and each of REG and BEC scores are 90).

Examples of varying scores per section:

	<b>AICPA</b>	<b>AICPA</b>	<b>IICPA</b>						
	Min. Score	Example							
	1	2	3	4	5	6	7	8	9
<b>AUD</b>	75	74	74	70	65	65	60	60	55
<b>FAR</b>	75	75	75	70	70	65	65	60	60
<b>REG</b>	75	75	75	75	80	85	85	90	90
<b>BEC</b>	75	76	76	85	85	85	90	90	90
Comb'd	300	300	300	300	300	300	300	300	295
Result		fail	pass	pass	pass	pass	pass	pass	fail

<sup>1</sup> For example: Washington State Board of Accountancy, Board Rules, WAC 4-30-062 (5)(b): The board uses all parts of the uniform CPA examination and the advisory grading services of the American Institute of Certified Public Accountants. (i) To satisfy the examination requirement for a license you must have achieved a score of seventy-five on all four sections of the examination within a rolling eighteen-month period.

AICPA	AICPA	IICPA						
Min. Score	Example							
1	2	3	4	5	6	7	8	9



\*) Combined score 295.

AUD      FAR      BEC      REG

IICPA's philosophy and justification:

The evaluation of the CPA exam candidate's performance is a matter of measurement. Both, the IICPA's and the AICPA's model of measurement set a minimum combined score of 300; the only differences being the combined score's composition.

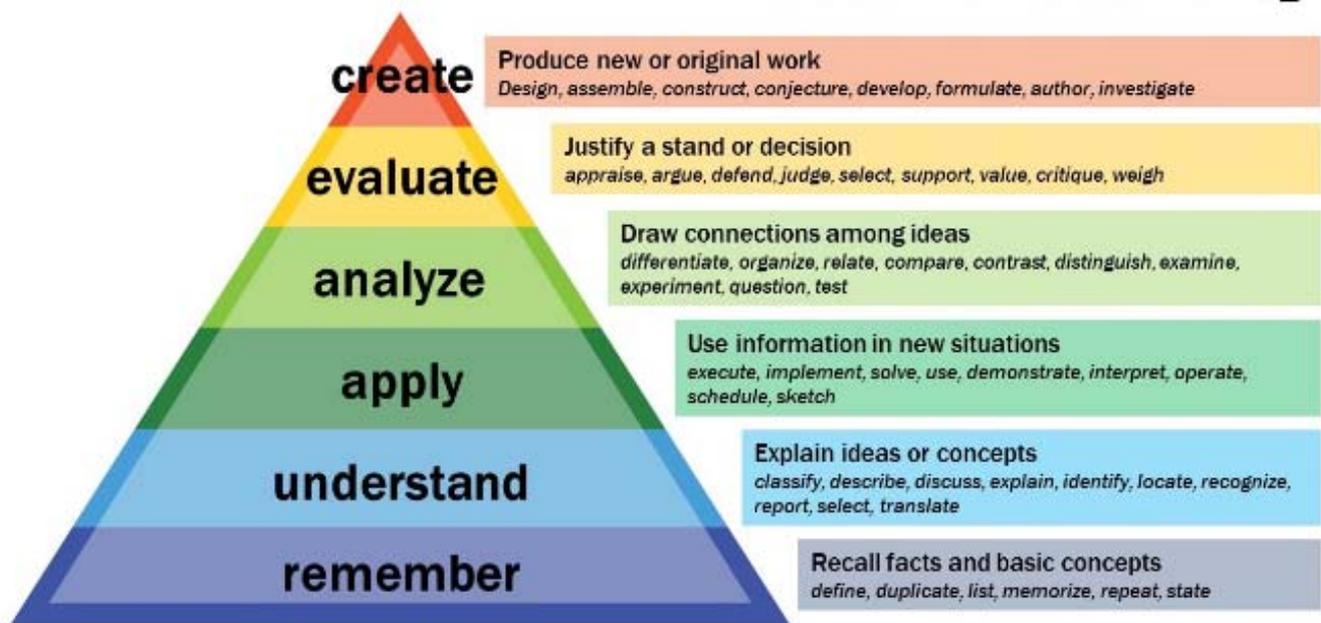
While the AICPA applies a model in the nature of, one might say, a "crew cut," the IICPA applies a model in the nature of a holistic approach by evaluating the exam candidate's performance as a whole.

The IICPA's exam evaluation allows a candidate to compensate his or her weaknesses in one section with strengths in another section, based on the belief that the activities within the accounting profession are highly diverse, and no one will, or will be allowed, to practice in his or her area of weakness.

Moreover, the uniform CPA exam is only an entry examination into the profession. In time, most CPAs end up in their areas of specialization — audit, consulting, financial advisory, risk advisory, and tax. The IICPA entry examination respects candidates special strengths.

Bloom's Taxonomy

The AICPA's testing philosophy is based on Benjamin Bloom's (1956) "Taxonomy of educational objectives" and its six cognitive objectives' levels:



Source: Roger CPA Review, "Higher Order Skills on the 2017 CPA Exam."

Before 2017 the CPA Exam only assessed Remembering, Understanding and Application level skills. Since 2017, Analysis and Evaluation have been added.

See AICPA Exposure Draft: "Maintaining the Relevance of Uniform CPA Examination," 01 Sept. 2015 <https://www.aicpa.org/BecomeACPA/CPAExam/nextexam/DownloadableDocuments/Next-CPA-Exam-Exposure-Draft-20150901.pdf> . And watch NASBA's and AICPA's presentation 9 July 2015 on YouTube at <https://www.youtube.com/watch?v=S4WmvWHY76g> .

Level	Types of Questions to Ask
Evaluation	Which is more important? Logical? Ethical? Find the mistakes in; what are the inconsistencies? Do you agree? What is the next step?
Synthesis	How would you test? Propose an alternative to; How else could you? Solve the following; give me an alternative; how could we improve?
Analysis	Why did the authors write these poems? What situations exist during times of war? If this/then that; compare/contrast; what is fact/opinion? What is the motive? The result? The premise? What is the main idea?
Application	How would you/could you; How does; what would happen if; judge the effects of; how much change there would be;
Comprehension	Describe it; Explain in your own words; What does this mean? Give me an example; What is the author saying? Show in a graph/table
Knowledge	Who, What, Where, When, Why? Which one? How much?

Source: Examples of Bloom's Taxonomy. Created by Marilyn Goldhammer, Center for Teaching, Research, and Learning (CTRL), American University / Washington, D.C.

Critics of Bloom's taxonomy's cognitive domain admit the existence of the six categories, but question the existence of a sequential, hierarchical link. Often, educators view the taxonomy as a hierarchy and may mistakenly dismiss the lowest levels as unworthy of teaching.<sup>2</sup>

Section	Remembering and Understanding	Application	Analysis	Evaluation
AUD	30%–40%	30%–40%	15%–25%	5%–15%
BEC	15%–25%	50%–60%*	20%–30%	–
FAR	10%–20%	50%–60%	25%–35%	–
REG	25%–35%	35%–45%	25%–35%	–

\*Includes written communication.

Source: AICPA Exposure Draft: “Maintaining the Relevance of Uniform CPA Examination,” 01 Sept. 2015

It may be argued that an exam candidate who passes any of the four sections has thereby demonstrated his or her analytical ability, especially for FAR and REG for which the analytical test comprises between 25% and 35% of the exam. It may therefore be concluded that, if such a candidate fails AUD or BEC, s/he fails not because of an absence of analytical skills, but of a Remembering and Understanding, or Application.

The AICPA's “crew cut” fails such an AUD or BEC exam candidate. The IICPA's holistic approach allows such an exam candidate's higher scores, if any, from other sections to compensate the lower scores in the AICPA's failed sections.

The IICPA justifies its holistic approach with the candidate's right of self-actualization in his or her area of expertise, because it is unlikely that h/she would be practicing in an area of his or her weakness.

The IICPA further justifies its holistic approach by relying on society's right to the admission of dissimilar candidates with great strengths in their area, to balance the sameness of CPAs admitted under the State Board's, NASBA's and AICPA's regime.

<sup>2</sup> Flannery, Maura C. (November 2007). [“Observations on biology”](#) (PDF). *The American Biology Teacher*. **69** (9): 561–564. [doi:10.1662/0002-7685\(2007\)69\[561:OOB\]2.0.CO;2](#). Biology is often referred to as an observational science almost as a slur, with the implication that biologists simply look at the living world without the strong theoretical and mathematic underpinnings of a science like physics. There is the suggestion that observation is easy. Thus biology is viewed as a lightweight science—anyone can do it: just go out and start looking, at birds, at grass, at cells under the microscope. Benjamin Bloom's taxonomy of learning tasks puts observation at the lowest level, with recall of information. This denigration of observation has long bothered me because I see it as often difficult and complex, a skill that needs to be learned and a talent that is much more developed in some.

Lawler, Susan (26 February 2016). [“Identification of animals and plants is an essential skill set”](#). *The Conversation*. Archived from [the original](#) on 17 November 2016. Retrieved 5 March 2017. Ironically, the dogma that has been so detrimental to field taxonomy is known as Bloom's taxonomy. University lecturers are told to apply an educational theory developed by Benjamin Bloom, which categorises assessment tasks and learning activities into cognitive domains. In Bloom's taxonomy, identifying and naming are at the lowest level of cognitive skills and have been systematically excluded from University degrees because they are considered simplistic. (Wikipedia, “Bloom's taxonomy.”)

## The “Public Interest” Justification

A counter-argument could be made by AICPA proponents pointing to the protection of the public interest by passing only those CPA exam candidates who have been tested to perform at a minimum of 75 out of 100 in ALL four sections, regardless of higher outcomes in specific sections, which, of course, not discouraged, and recognized by reporting them.

The definition of, and justification in, the “Public Interest” are the points in this debate that turn the issue. The UK’s Institute of Chartered Accountants in England and Wales (ICAEW) has researched the issue:<sup>3</sup>

'The public interest' is used by many to justify a wide range of actions and proposals. However, it is often unclear (even to those using the term) what they mean by this, and there can be a natural suspicion that the phrase may be used as a smokescreen to garner support for something that is actually in the advocate's own interests.

Quotes from the ICAEW’s report:

“To justify a proposal on the grounds that it is in the public interest is a significant challenge and the concept of the **public interest should be used sparingly.**” [Emphasis added.]

“The public interest is an abstract notion. Asserting that an action is in the public interest involves setting oneself up in judgement as to whether the action or requirement to change behaviour will benefit the public overall –

“Why do professions accept a public interest responsibility and make such a great play of it? In many minds it will be to disguise the restrictive nature of professions: ‘all professions are a conspiracy against the laity’. (Shaw, “The Doctor’s Dilemma.”)

“It is certainly used to justify the privileges that attach to the profession and unifies the members in the protection of reputational capital – a profession’s strongest selling point. (Neu and Green, “Truth or Profit? The Ethics and Business of Public Accounting.”)

“Indeed many would argue that this duty and the behavioural standards that go with it are what distinguish a profession from a trade. The need for standards that are ‘higher than the law requires’ also reflects the information asymmetry and difficulty in judging the quality of the end product, that is in the nature of much professional work. (Crowton, “Accounting and the Ethics Challenge: Remembering the professional body.”)

“It is useful initially to consider the arguments from some as to whether the concept of the public interest exists at all.”

The AICPA says on the one hand:

“The Uniform CPA Examination protects the public interest by helping to ensure that only qualified individuals become licensed as U.S. Certified Public Accountants (CPAs). Individuals seeking to qualify as CPAs – the only licensed qualification in accounting – are required to pass the Examination.” (The Uniform CPA Examination)

On the other hand the expanded new skills tested since 2017, according the AICPA, are answering to the demands of the users of CPAs to cope with the increased complexities of, well...

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<sup>3</sup> “Acting in the Public Interest: A Framework for Analysis.” Market Foundations Initiative. ICAEW 2012.

“Developed through comprehensive research and the input of countless stakeholders committed to strengthening and preserving the profession, the next Exam remains current, relevant, reliable and legally defensible, and fulfills the needs of the boards of accountancy in carrying out their licensing responsibility.” (AICPA: “The Next Version of the Uniform CPA Examination Coming in April 2017.” “Next Exam Focuses on Higher Order Skills.”)

“What this implies about the CPA Exam and the Industry?” writes Roger CPA Review Blog:

“As the advancement of technology continues to impact the way companies and organizations process data and information, we can expect that the CPA Exam will continuously evolve as the accounting profession does the same. To meet these needs, this not only means higher demand from the accounting industry to do more quickly, but also higher demand for CPAs to adapt to these changes. CPAs are now required to perform more advanced tasks and contribute to increasingly complex projects earlier on in their accounting careers.”

The AICPA does not represent the public interest.

“Founded in 1887, the AICPA represents the CPA profession nationally regarding rule-making and standard-setting, and serves as an advocate before legislative bodies, public interest groups and other professional organizations.” (*AICPA Mission and History.*)

Critics claim that the AICPA is dominated by the Big4 accounting firms. The Big4’s interests are the protection of their enormous client base starting with listed conglomerates whose sole purpose of existence is to maximize shareholder-wealth.

No undue criticism is intended, only the UK’s Institute of Chartered Accountants advice comes to mind: The concept of the public interest should be used sparingly to justify anything.

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