

2017 CPA Exam Changes

The American Institute of Certified Public Accountants (AICPA) is launching a new version of the Uniform CPA Exam on April 1, 2017. According to the AICPA, professional content knowledge will remain fundamental to protecting the public interest. In addition, it is critical that newly licensed CPAs also be competent in:

- Recognizing issues
- Identifying errors
- Challenging assumptions
- Applying both professional judgement and skepticism

In order to test these competencies, the CPA Exam will have an increased emphasis on testing higher order skills. More task-based simulations will be used and the length of the CPA Exam will increase from 14 to 16 hours - four sections of four hours each. The exam will also be slightly more expensive.

Why the changes?

In early 2014, the AICPA launched a research project to identify the knowledge and skills required of newly licensed CPAs for the next version of the Exam. The AICPA found that in order to protect the public interest, those seeking licensure as a CPA must demonstrate the following:

- Have the knowledge and skills necessary to perform more advanced tasks
- The ability to contribute to complex accounting projects early in their careers
- Possess higher order cognitive skills and professional skepticism

2017 CPA Exam Changes FAQ

When will the next version of the exam launch?

The new exam will launch April 1, 2017.

Will candidates still need to score a 75 to pass?

Yes, a score of 75 will be required to pass the new exam.

Is the new exam expected to be harder?

Yes, the new exam may be more difficult than the existing one. The current CPA Exam tests two skill levels – Knowledge & Understanding and Application. The new CPA Exam will test four skill levels – Remembering & Understanding, Application, Analysis, and Evaluation. Analysis and Evaluation are considered to be higher-order thinking skills. The testing of these additional skill levels will increase the overall difficulty of the exam. Also, the AICPA is increasing the proportion of Task-Based Simulations (TBS) on the FAR, AUD and REG Exams from 40% to 50% and is adding TBS to the BEC Exam (in addition to the written communication questions).

How many pretest questions will be on each part?

The number of pretest questions is expected to stay the same – 10-15 Multiple-Choice Questions (MCQs) and 1 TBS/Written Communication per part.



If I start the exam before the changes, do I have to retake the sections I already passed?

Candidates who do not pass all four parts before the 2017 changes will be able to keep scores on sections they passed (unless the 18 month window expired).

Are there any strategies that may help me get through the exam before it changes?

If you are graduating in June 2016 and meet the educational requirements to sit for the exam, you will have almost 12 months to prepare and pass before the exam changes.

I can only get through one or two parts before the exam changes. Which parts should I sit for before the exam changes?

The first priority for all students should be to pass the BEC Exam before the exam changes because the new BEC Exam will have MCQs (50%), TBS (35%) and Written Communications (15%), and will therefore be more difficult than the current exam [MCQs (85%) and Written Communication (15%)]. Once students have passed BEC Exam, they should then focus on the part that would be most difficult for them.

Will the simulations on the BEC Exam contain material from all the other sections?

The AICPA has stated that at least one of the TBS on each part of the Exam will include elements from other parts of the Exam, but these elements will be at a basic level (as covered in a college course). For example, a TBS on inventory observation on the AUD Exam could require students to understand basic financial accounting concepts related to inventory. The BEC Exam will not have a “capstone” TBS that covers materials from all parts.

Is there a recommended sequence to take the new exams given the use of integrative simulations?

The AICPA has stated that they will not recommend an order for the exams. However, it is generally best to take the FAR Exam before the AUD Exam because questions on the AUD Exam often refer to financial accounting concepts. It can also be beneficial to take the BEC Exam last because some BEC content relates to the other three parts of the exam (e.g. corporate governance, ethics, internal controls, debt and equity, working capital, hedging).

What impact, if any, will the exam changes have on the score release timeline?

The AICPA expects a 10-week delay in the release of scores following the close of the initial testing window for the new exam (second quarter of 2017). For the third and fourth quarters of 2017, scores will be released approximately 10 days after the close of the testing window. In 2018, the AICPA expects to move back to the current score release timeline.

How will IFRS be tested on the new exam?

On the new FAR Exam, the testing of IFRS will be limited to testing only the differences between IFRS and U.S. GAAP rather than testing IFRS in its entirety as a standalone financial accounting and reporting framework. Also, International Standards on Auditing (ISA) are currently testable on the AUD Exam, but will NOT be testable on the new AUD Exam.

Is the exam changing because the examiners thought it was too easy?

No. The exam is changing because the AICPA is committed to keeping the CPA Exam relevant to the accounting profession. The AICPA performed a practice analysis in 2014 in order to assess the relevance of the current exam and came to the following conclusion:

“Overall, the research demonstrated that the profession supports the initiative to make meaningful changes to the exam, to operationalize the testing of higher order skills and to align more closely with the types of tasks regularly performed by newly licensed CPAs.”

When will the exam blueprint be finalized?

The AICPA’s Practice Analysis Final Report, which outlines the new CPA Exam, was released on April 4, 2016.

Will there be any changes to exam administration – dark months, 18 month rolling window, etc. still the same?

Starting in the second quarter of 2016, testing windows will be extended by 10 days into the third month of each quarter to provide additional testing time. This 10-day extension will continue through the end of 2017, with the exception of the second quarter of 2017 when the new Exam launches.

The AICPA is considering making the following changes to exam administration:

- Extending the 18-month rolling window to 24 months.
- Allowing students to retest for a failed section of the exam in the same testing window.
- The AICPA would like to make these changes, but have not set a timeline for the changes because of the complexity of implementation and the required approval process.