

# The Journey of Becoming a CPA

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In this article, Gajda presents research about some of the activities and texts a person working to become a CPA might encounter. However, it's not an article solely for accounting students. Instead, it might be useful for anyone who wants to pursue a degree that they are passionate about. Gajda explains his reasons for choosing accounting, provides some information on different types of accounting and accounting careers, and discusses one of the primary texts a person has to understand in order to become an accountant—the Uniform CPA exam.

## Background Information

An accountant is a person who collects, analyzes, and communicates financial information. Some people believe accounting is a tedious, boring job. My Father was not too pleased to hear that I wanted to be an accountant. He does not support my decision of becoming an accountant because he believes that I will end up not sticking with that major at Illinois State University (ISU). From my perspective, I understand where he is coming from. He thinks accounting will be a dull job and I will end up switching my major, as his understanding of accounting is limited to the act of logging finances into the “books.” However, this understanding of accounting is built on a misconception which confuses bookkeeping with accounting. The Cleartax website offers the following definition for bookkeeping: “Bookkeeping is the process of maintaining and recording all financial transactions in the original books of entry of a business. The bookkeeping process involves summarizing and organizing all the company’s financial transactions chronologically in a systematic manner” (online). On the other hand, the definition of accounting, according to the Cleartax website, is “the

process of interpreting, analyzing, summarizing, and reporting the financial transactions of a business. The financial statements prepared in accounting are a precise summary of financial transactions over an accounting period.” This can include preparing taxes, but accounting tasks are not limited to that single activity. Accounting has a wide selection of fields, including financial, managerial, and forensics. According to the FreshBooks website, financial accounting is concerned with external users of a company’s financial information. Managerial accounting serves internal users of a company’s financial information. Forensic accounting is the practice of accounting for legal purposes. The position I am currently pursuing in the field is a CPA, who earns their accounting license by passing the Uniform CPA Exam.

## Deciding To Become an Accountant

Ellen Johnson Sirleaf, who served as the twenty-fourth President of Liberia, once said, “If your dreams do not scare you, they are not big enough.” This quote struck a chord with me. Everyone has great potential within themselves whether we see it or not. Sometimes we can surprise ourselves and do things we never expected to do.

In high school, I was better at math than I was at English. I have always been very successful in all my math classes in high school: algebra, geometry, precalculus, and calculus, hence the reason behind my favorite school subject being math. In my experience, it is a subject that is purely logical. It does not need much memorization like other subjects. Now, this doesn’t mean that one needs to become an accountant because they like math, even though it’s important to know basic math (regardless of if you are seeking a position in a non-math related field). Also, ever since I was a child, I have been fascinated with money and big businesses.

When I applied to ISU, I knew I wanted a Spanish minor, but I was undecided about what my major should be. When I was a freshman at ISU,

I took BUS 100: Enterprise. Towards the end of the semester, we were put into a group of five people and each group had to produce a research presentation about a business related major. My group’s major was accounting. We had to interview two professors, two alumni, two professors, and two students, in addition to researching the major itself. After this was completed, we had to prepare a slide show of at

### Literate Activity

*Literate activity*, as Paul Prior explains it, understands *writing* as multimodal, situated, mediated, and dispersed. It sees writing as located not only within the tasks of **doing** reading and writing, but as a part of our lived experience, which is saturated with textuality (adapted from Prior, 1998, p.138).

least fifteen slides and dress in business casual attire to present to the class. I learned a lot of information while working on this project, and it helped me decide my major. I am forever grateful for that moment in my freshman year of college because doing that kind of research is extremely important when deciding what one will be doing for the rest of their life. So, when thinking about the **literate activity** of choosing and pursuing a major, these class activities can be understood as contributing. The interviews and presentations were not, themselves, the kinds of writing that accountants do, but engaging in them helped me to learn about and choose accounting as my major.

ISU offers a housing choice for freshmen to live at the Hewett-Manchester dormitories called Themed Living-Learning Communities. These floor communities consist of residents who are interested in pursuing the same general major and other common interests at ISU. Some themed living-floors are business, fine arts, honors, and so forth. I was on the Business floor my first year at ISU because I knew I liked business and wanted to choose a major in the College of Business. I met a ton of people that I am proud to call my friends today. Some residents on that floor were accounting majors, marketing majors, finance majors, etc. Choosing to live in a themed residence hall was one of the best decisions I made my freshman year at ISU. For example, friends I made during that time will also be taking the CPA exam, so we can help each other prepare (more of the important literacies involved in the CPA exam are in the next section). I strongly recommend incoming freshmen or sophomores to take this opportunity as a way to network with as many people one comes across with as many people as they can.

## Requirements to Become a CPA

The requirements to become a CPA have changed over time. In their article, “150 Hour Requirement” Rimerman and Daroca explain that starting in 2000, students have been required to earn 150 hours of college credit, including a bachelor’s degree, to be eligible for AICPA (American Institute of Certified Public Accountants) membership. To receive a bachelor’s degree in accounting, students will need to complete 120 hours of education. This means that, after an undergraduate student receives their bachelor’s degree in accounting, they will have to go back to school and complete at least thirty more hours of education to be eligible to take the Uniform CPA Exam. The additional year in college could be a good or bad thing. It can be a good thing because someone can learn more about being an accountant and this can benefit the student when he or she takes the CPA test. On the

other hand, it can be a bad thing because they have to go back to school and spend more money on their education. Understanding and figuring out how to comply with these requirements is a crucial step in becoming a CPA. Again, this example isn't specifically about learning a particular kind of writing or genre. But the aspiring CPA needs to be able to do this kind of research, which, in a way, is a type of literacy (we could call it CPA literacy). For example, they need to know about the AICPA, because that organization controls how CPAs get certified. They also need to know about the requirements for certification. This kind of information can come from a variety of networks, such as peers (like my friends from the residence hall), or classes (like my BUS 100 class), or from personal research. So, engaging in activities like making friends with similar interests, attending classes, and doing web-based research can all be counted as "literate activities" related to pursuing a career as a CPA.

My own plan for certification is to get my B.S. in Accounting and then to go back to school and get the extra thirty hours of education, because I feel like this demonstrates a commitment to the profession necessary for those who want a higher level of authority and responsibility.

## **Preparation for the CPA Exam**

The CPA Exam is a rigorous test; in order to be a certified Public Account, every aspiring CPA has to pass it. If the test was easy, then everyone could take it and become a CPA. People put in hundreds of hours to prepare for the test and still barely pass the exam. An article I found, "Best Bets to Prep for The CPA Exam," cites Andrew Temte, the president of Kaplan CPA Review, as suggesting that test takers should plan to spend 450 to 500 hours studying, which would amount to thirty hours a week for fifteen or sixteen weeks (about three and a half months). According to Temte, "You have eighteen months to pass all four sections after you pass your first, but if you don't meet this deadline, you start over from scratch."

As Temte notes, there are four separate sections of the exam, and it can take up to eighteen months to complete all of them. There is a ton of information in each section of the test; you cannot cram all the information in one or two days. It is about learning the material and applying it to different situations. If a person doesn't pass all four sections of the test within eighteen months, then he or she will have to retake the entire test over again.

Sharon Onuma, a Certified Public Accountant, has a YouTube channel where she provides helpful advice and tips on how to pass the exam. Onuma

discussed in one of her YouTube videos that she started studying four months before she took the exam. She would go to her local library at eight in the morning until twelve in the afternoon, watching Becker lectures. After that, she would take a break and have lunch. When she completed her break, she'd go back to studying for another four to five hours. She did this every single day for four months; that's a crazy amount of studying! In addition, she wrote down what she studied/accomplished each day. When the test day was getting closer, she would take multiple Becker Practice Exams to test herself on the material. Doing all of this meant she was ready to take the exam, and she passed all four sections of the test on her first attempt.

Students can be involved in programs that can help them perform well on the CPA Exam. Some of these activities offer real-world chances to get practical experience, which can help with the exam. The article “Growing Tax Experiential Learning Opportunities for Students” offers the following advice: “The Voluntary Income Tax Assistance program provides evidence that NABA student chapter activities have been effective in increasing the diversity of individuals in the profession. . .” (Prather-Kinsey 49). When students were involved in the VITA (Volunteer Income Tax Association) program, they received experience working with low-income clients. This program can help provide students with internships because of the experience and skills they have developed that a company or firm may be looking for in a candidate. The VITA program gave students the experience for the CPA Exam because the students could think of specific examples that they had viewed to help them recall the tax law. In addition, getting this kind of real-world experience is another form of “CPA literacy,” which not only helps students on the CPA exam, but helps them to also have a more practical understanding of the everyday literacies of being an accountant.

## **The Uniform CPA Exam**

In order to understand how to study for the exam, one of the best kinds of writing research might be to get a better idea of what kind of information the exam actually tests on, and how the exam will be administered. The test is divided into four sections: Auditing and Attestation, Business Environment and Concepts, Financial Accounting and Reporting, and Regulation. According to the article, “CPA Exam Structure,” “Each of the four Exam sections is broken down into five smaller sections called testlets. These testlets feature multiple-choice questions (MCQs) and task-based simulations” (TBSs). It is uncommon for test takers to take all four sections at once because it is a difficult exam to take in one sitting. Most people take it one section at

a time, so they can study and master each topic. However, if they do take all the sections at once, then the test taker will be sitting for four hours with two breaks. Everyone has to pass the exam within eighteen months, or they will have to restart from the beginning. A sample question from the CPA Exam, according to the New Jersey Society of Certified Public Accountants, from the Auditing and Attestation section, “What is the most likely opportunity for theft or fraud by employees?” This question is a multiple-choice question: the belief that theft is a common practice, needlessly complex transactions (correct answer), access to assets that are easily traced, and stock options that expire soon after the release of financial statements. Many test takers perform well on the Business Environment and Concepts section which seems to be the easier section out of the four. People usually plan to take the harder sections first, so they do not have to worry about them when the deadline is near.

### CPA Exam Costs

In order to pass the CPA Exam, you have to invest time, money, and effort. In Figure 1, the fee of the CPA Exam and preparation is listed as well, according to “CPA Exam Costs 2019 [Save on Fees].” The total cost to take the entire test is \$1,290. Study and other preparation are \$2,000, but that is optional. If you take the cost of the test and add it to the study preparation cost, the total will be \$3,290. However, if you do not pass a section of the test then you can retake it for \$300. As a reminder, you only have eighteen months to pass all four sections of the test. That is quite an investment!

CPA Exam Costs At a Glance				
<i>Simplified for a rough estimate</i>				
<b>CPA Exam fees</b>		<b>+</b>	<b>Study and other costs</b>	
Initial application fee	\$130		CPA review course	\$2000
Registration fee	\$75/section		Lifestyle expenses	\$\$
Examination fees	\$833.60		University courses	\$\$
Background check	\$25			
	<b>\$1,290</b>	<b>+</b>		<b>\$2,000+</b>
<b>Total CPA Exam Cost: \$3,290</b>				
<i>Also consider</i>				
<b>Retake or Reschedule?</b>		<b>Applying internationally?</b>		
If you have retake	\$300/section	Fee for international site	\$356.55/section	
If you reschedule	\$35	Foreign credential evaluation	\$200	
		Travel	\$\$	

Figure 1: CPA Exam Fees  
Gleim Exam Prep website.

## CPA First Time Pass Rates

Many people study for several hours each week, for multiple months, to pass the test. Even so, a lot of people don't pass it the first time they take it, and they may not pass it at all. Here is a table of examinees' pass rates by exam section through 2016–2017 that was provided by the "CPA Accounting Institute for Success."

Section	Q1	Q2	Q3	Q4
AUD	48%	55%	52%	48%
BEC	58%	59%	63%	59%
FAR	44%	49%	50%	41%
REG	50%	58%	58%	56%

Out of all the examinees in 2016–2017, less than half of the examinees passed three of the sections of the text. However, more than 50% of examinees for the Business Environment and Concepts section pass it on their first try for each quarter. Reading this table, I can assume that the Auditing and Attestation section with the Financial Accounting and Reporting section are the hardest sections on the test, because they have the lowest first-time pass rates. The test is grueling, and it is not easy. Here is a graph of the pass rates that occurred in 2016–2017 provided by the "CPA Accounting Institute for Success."

Figure 2: Passing Rates for Each Section of CPA Exam  
*Accounting Institute for Success.*

Key: The CPA Exam is offered four times a year, hence the reason for Q1, Q2, Q3, and Q4, which stand for Quarter 1, etc. The American Institute of Certified Public Accountants have collected data through 2010 to 2017 and the passing rates are given in the chart above. By looking at this graph, the pass rates for the Business Environment and Concepts section exceeds all the other sections of the test. The pass rates for the other sections are nearly the same.

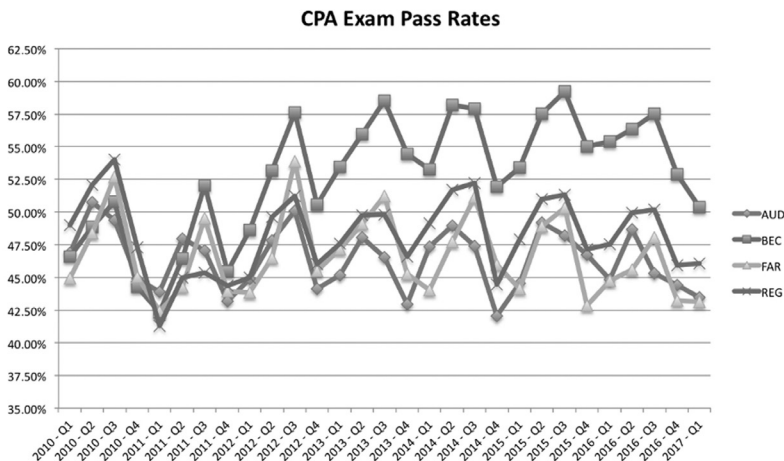


Figure 3: CPA Exam Pass Rates  
*Accounting Institute for Success Website.*

## Benefits of Becoming a CPA

Many people take the CPA test to further their career as an accountant. According to the website, *Top Accounting Degrees*, “While these activities are essential for achieving certification, they are also big benefits on their own. The certification process allows both new and experienced accountants to test their abilities, refine their skills and increase their knowledge of the discipline overall.” (What Benefits Does a CPA Certification Give Accountants?). The exams allow them to summarize and remember all that they’ve learned in their month of studying, and (hopefully) it will stick with them after they’ve passed the test. Certification is important because certified CPA, they have the chance to earn a higher salary than a non-CPA. Salaries of accountants can range from \$40,000–\$75,000. On the other hand, the salaries of CPAs can range from \$70,000–\$124,000 per year. CPAs have a chance to earn 10% more than non-CPAs. In addition, CPAs are in high demand, because the certification is valued by companies and potential clients, hence why they are more likely to get a job than someone who is not a CPA.

## Wrap-Up

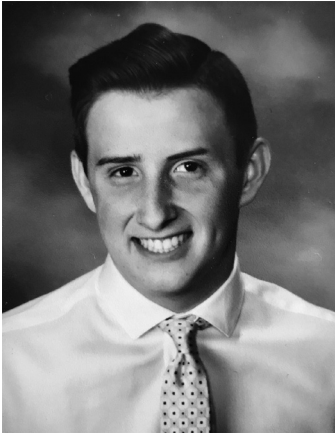
Anyone who is interested in becoming a CPA or not can learn something from this article. To succeed in any career, one has to put in the work and dedication to pursue their goals in life. As an undergraduate accounting student, I feel like I have only scratched the surface of the accounting field. I have taken many accounting classes, but I don’t necessarily feel ready for my future. There is an organization at ISU that could provide an opportunity to discover more about some life experiences with accounting called the Student Accounting Society. This club offers many events such as guest speakers, job fairs, etc. By participating in this club, I could network with Accountants that could help me get an internship. An internship can help me gain experience in a professional work environment. Internships are crucial to obtain because students can learn more about their career. Becoming a CPA is an extensive journey and there is no step-by-step book on how to reach the end of the finish line. Like all careers, there are important steps to take to fulfill one’s passion towards their desired job. With all the hustle and hard work, anything is possible to reach the stars and to succeed in life.

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