

Research Article

ACCOUNTANCY STUDENTS' PERFORMANCE IN THE CPALE

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ABSTRACT

Passing the Certified Public Accountant (CPA) Licensure Examination is the defining moment in a life of a BS Accountancy graduate. The license itself is the key to many doors of opportunity. However, the CPA board exam is one of the most difficult licensure examinations in the Philippines. The study aimed to find out the factors affecting the performance of the students in President Ramon Magsaysay State University in the CPA Licensure Examination. Since the success of an individual on the CPA exam can be influenced by many factors, the study trims down all the possible factors that will have a great effect on the performance such as the attitudes of students; study habits, percentage rate in the monitoring exam of the 5th year students; a general weighted average of the students; and the teaching methods of board subject professors. This is descriptive research using a quantitative method with the questionnaire as the main instrument in data gathering from fifteen CPALE passers as the respondents. It is recommended that regular assessment will be conducted, students' grades especially on board subjects should be monitored, professors teaching board subjects should explain concepts clearly and easily understood, and mock exam should be conducted.

Keywords: Passing percentage, CPA licensure exam, accountancy, descriptive research.

INTRODUCTION

Surviving the five-year course of Accountancy does not underline the success every accountancy student's desire. Passing the Certified Public Accountant (CPA) licensure examination is the defining moment in a life of a BS Accountancy graduate. The license itself serves as the key to many doors of opportunity. However, passing the licensure exam is not that easy, student's need the drive, determination, and motivation to be able to stay compose and focus with their goal; passion and commitment and hard work to conquer the seven tough subjects ahead of them. According to Bala (2008), the CPA board exam is one of the most difficult government licensure examinations in the Philippines in terms of the low national passing rate as compared to other government licensure examinations.

Results produced by graduates dictate the quality of education given by universities. They serve as the measurement on how the universities provide the learning equipment for the students. Kimmel, *et al.*, (2008) states that passing rate for first-time candidates on certification examination is potentially an important assessment measure of the effectiveness of accounting programs. But Ponemon (2008) argued that the CPA examination is not an adequate indicator of learning achievement in accounting programs, he states that the CPA examination is not a "complete measure of accounting knowledge. Aptitude or mastery," but rather is a "test of certain core competencies in professional accounting and auditing". He points out that many accounting majors do not work in the public accounting profession. Because of this emphasis on passing the CPA examination, Ponemon (2008) is concerned that these accounting students may not receive the type of education necessary for succeeding their chosen field. PRMSU has been producing accountancy graduates that were able to pass the CPA licensure examination; however, the passing rate was not consistent in the last five years. Therefore, this study aimed to find out the factors affecting

the performance of the students in President Ramon Magsaysay State University (PRMSU) in the CPA Licensure Examination which will also serve as useful material for the future aspiring takers. Since the success of an individual on the CPA exam can be influenced by many factors, the researchers decided to trim down all the possible factors that will have a great effect on the performance.

Statement of the Problem

This study is intended to determine the factors affecting the performance of PRMSU Accountancy students in CPA Licensure Examination.

Specifically, the researcher sought to find the answers to the following questions:

1. How are the respondents described in terms of:
 - 1.1 Sex;
 - 1.2 Age during the CPA Licensure Examination;
 - 1.3 Civil Status;
 - 1.4 Religion?
2. How will the factors affect the performance of the students in the CPALE:
 - 2.1 General Weighted Average of the students per semester;
 - 2.2 Percentage rate in the monitoring examination of the fifth year students;
 - 2.3 Study habits of students;
 - 2.4 Attitudes of students;
 - 2.5 General Weighted Average in the CPALE;
 - 2.6 Teaching methods of the hired professors?

Conceptual Framework

The preparation on taking the CPA licensure exam begins in the first step of a student on their first day in college. The five years of battling with all accounting subjects are one of the factors that greatly affect the performance of the student in college years. Among those five years, the student will acquire different learning methods and study

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habits. Though, the success of an individual on the CPA exam depends solely on the determination of the examiner; however, there are different external and internal factors that greatly affect the performance of a student.

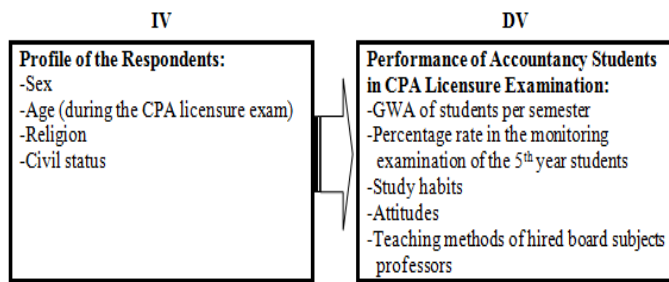


Figure 1. Paradigm of the Study

The Independent-Dependent variable approach was used to determine if there is a relationship exists in the factors that would affect the passing rate of the students in the CPA licensure examination.

REVIEW OF LITERATURE

According to the Vice Chairman of the Board of Accountancy, the CPA Board exam is one of the most difficult government licensure examination in Philippines in terms of the low national passing rates as compared to other government licensure examinations (Bala, 2008). Encouraging a feeling of camaraderie has done wonders for achieving successful completion of the exam. And the peer pressure that goes with it is a wonderful thing. When many of us were young, during the first weeks of May and November at a public accounting firm, we were expected to be with our peers, sitting for the CPA Exam. It was simple. These days, peer influence is subtler. Staff members now talk about where they stand with the exam, and those who have passed provide words of wisdom to those who have not. It is important to tie advancement within the firm to passing the exam. In our firm, the level of supervisor is the cut-off, and that includes candidates in the audit department, small business, and tax. Other firms I have spoken with require senior-level employees to have passed the exam (Weidman, 2009).

McDonough (2010) argues that the CPA licensure exam is a matter of proper planning, focus and determination. He concludes that the exam is definitely possible. McDonough (2010) suggests exams pitfalls to avoid and tips to pass the exam on your first attempt: Apply early- at the appropriate time, make a plan- A study plan, quality and quantity- Take the time to understand the process needed to solve each particular problem, give it your best –Get plenty of rest before the exam and get to the testing center early, don't change an answer, take your time with the simulation and, after the exam, continue studying for your next part. Using data from Candidate Performance on the CPA Examination, published by NASBA between 1998 and 2009, Lindquist and Smith (2013) find that there were some universities that never ranked in the top 10 for the exam between 1998 and 2003 but have done so two or more times for the CBT exam between 2004 and 2009. They also find that some candidates took the exam in a different state from the one they received their accounting education. The average pass rate on the CPA exam is improving among all candidates. Lindquist and Smith (2013) examined the student quality and program quality to measure what schools are doing differently. The student quality was represented by student quality-stringent admission standards, retention rate. The Program Quality was represented by AACSB, percentage of classes that contain less than 20 students, percentage of classes that contain

more than 50 students and percentage of full time faculty. For the authors, the true secret to success on CPA licensure exam is hard work by good students. The purpose of this study was to determine whether, in a period of time beginning before and ending after accreditation has been gained, newly accredited business schools demonstrate greater improvements to average success rates than those for a comparably sized group of randomly selected but unaccredited business schools over the same time span, and without reference to the initial levels of success rates.

METHODOLOGY

This study is a descriptive research employing a quantitative method, which utilizes the questionnaire as its primary instrument in gathering data to answer problems under investigation. Frequency and percentage distribution was done to determine the profile variables of the respondents, mean analysis was used, guided by a 5-point Likert scale, to determine the study habits, attitudes of students, and teaching methods of hired CPAs and lawyers. The Likert scale used to interpret the individual responses in terms of study habits, attitudes of students, and teaching methods of hired CPAs and lawyers. The weight point's value and their options are as follows: in terms of study habits, 5 as the highest as always "A", 4 as often "O", 3 as sometimes "So", 2 as seldom "Se", and 1 as never "N". On the other hand, in terms of attitude and teaching methods, 5 is the highest as strongly agree "SA", 4 as agree "A", 3 as not certain "NC", 2 as disagree "D", and 1 as strongly disagree "SD".

The respondents are the fifteen CPAs produced by PRMSU under the College of Accountancy and Business Administration using a self-constructed questionnaire as the main instrument in data gathering. The first part is the profile variables of the respondents. The second part is the factors affecting the performance of accountancy students in CPALE.

RESULTS AND DISCUSSIONS

Profile of the Respondents

Out of fifteen (15) respondents, majority or 14 (93%) was under the age group 18-23 years old and 1 or 7% was under the age group 24-29 years old. The weighted mean was 21.70. The findings revealed that the respondents were in their twenties. Furthermore, it disapproves the study of Titard and Russell (1989) where it connoted that older candidates perform better, specifically those participating in live CPA reviews. Out of fifteen (15) respondents, there were seven (7) or 47% for the female respondents and there were eight (8) or 53% for the male respondents. The table further shows the dominance of the male respondents. By that, the male is more than the female who took the CPA Licensure Examination. Under the CPALE passers, male respondents are more dominant than the female passers, which can be related to the study of Titard and Russell (1989), males seem to be more successful than women in passing the exam. Out of fifteen (15) respondents, there were twelve (12) or 80% for the Roman Catholic; there were two (2) or 13.33% for the Born Again and there were one (1) or 6.67% for the Iglesia ni Kristo. The table further reveals that most of the respondents' religion was Roman Catholic for ever since the colonial period; Catholicism has been the cornerstone of Filipino identity for millions in the Philippines wherein it has a population of 86% in the country.

Out of fifteen (15) respondents, there were twelve (12) or 80% for Single and there were three (3) or 20% for Married. The table further reveals that the respondents were mostly single. For preparation for the licensure examination, one must maintain focus in enhancing the

knowledge needed to pass the examination. Most of the examiners who are single are more likely to focus in the preparation and studying for the boards.

Factors Affecting the Performance of Students in CPA Licensure Examination

The respondents GWA during their academic years were ranging from 1.50-1.99. One of the factors that significantly influence the probability of passing the exam is undergraduate GPA or GWA (Titard and Russell, 1989).

Table 1: Perception of the Respondents towards the GWA

GWA	Frequency	Percentage (%)
1.50-1.99	9	60.0
2.00-2.49	6	40.0
Total	15	100.0

Mean = 1.945

Out of fifteen (15) respondents, there were three (3) or 20% who has a monitoring rate between 60 – 50; there six (6) or 40% who has a monitoring rate between 71 – 80 and there were six (6) or 40% who has a monitoring rate between 81 – 90. The weighted mean was 77.40. According to the study of Ballado-Tan (2001), he put emphasis of students' persistence to work toward their goals, study habits and passion in accounting in admitting prospective students. Regular assessment through qualifying examination was recommended to improve performance

Table 2: Performance in the Monitoring Examination of the 5th year Students

Monitoring Rate	Frequency	Percentage
60-70	3	20.0
71-80	6	40.0
81-90	6	40.0
Total	15	100.0

Mean = 77.40

The result revealed that respondents rated the following statements as "often" "I hesitate to ask my teacher for further explanation of an assignment that is not clear to me", "I put of solving accounting problems and doing drill exercise", "With me, studying is hit-or-miss proposition depending on the mood I'm in", "I prefer to study my lessons alone rather than with other", "I have enough time for school and fun", "I take notes as I read my textbooks", "I quiz myself over material that could appear in future exams and quizzes" and "I give special attention to accuracy and neatness of solution to problem sets and other work to be turned in".

Table 3: Respondent's Study Habits

Study Habits	WM	QI
1 I study where it is quiet and has few distractions	4.26	A
2 I try to study during my personal peak time of energy to increase my concentration level	4.33	A
3 When I doubt the correct solution for a problem I refer the book to provide a guide to follow	4.20	A
4 I utilize the vacant hours between classes for studying so as to reduce the evening's work	3.07	So
5 I hesitate to ask my teacher for further explanation of an assignment that is not clear to me	3.53	O

6 I put of solving accounting problems and doing drill exercise	4.07	O
7 With me, studying is hit-or-miss proposition depending on the mood I'm in	3.47	So
8 I make questions from a chapter before, during, and after reading it	3.20	So
9 I am careless of the solutions when answering examination questions	2.80	O
10 I quiz myself over material that could appear in future exams and quizzes	3.87	O
11 I prefer to study my lessons alone rather than with others	3.53	O
12 I have enough time for school and fun	3.73	O
13 I take notes as I read my textbooks	3.41	O
14 I give special attention to accuracy and neatness of solution to problem sets and other work to be turned in	3.60	O
15 I memorize rules, definitions of technical terms, formulas, etc. without really understanding them.	2.53	Se
Overall Weighted Mean	3.57	O

It shows good habits which reflect to be effective by the CPALE passers, wherein a good study habits help the student in critical reflection in skills outcomes such as selecting, analyzing, critiquing, and synthesizing and consequently, would lead to higher achievement (Balbosa, 2002); a good study habit towards any subject is a combination of discipline, passion, and strong will to achieve a better academic performance (Yap, 2019). Moreover, findings of Yap (2019) also stated that accounting students find it hard to manage time efficiently and effectively for studying, finding it hard to stick to a study schedule in which students just study when they want to and not when they have to. Thus, study habits should be practiced with good concentration and perseverance to attain successful results.

Table 4: Respondent's Attitudes towards Accounting

Attitudes	WM	QI
1 Accounting develops my ability to think logically and reason out correctly	4.40	SA
2 Accounting is important as any other subject	4.33	SA
3 I can see much importance in accounting	4.40	SA
4 Accounting is a stimulating subject	4.33	SA
5 I enjoy the challenge presented by an accounting problem	4.40	SA
6 I like accounting, it is fun	3.93	A
7 I am enthusiastic about accounting	4.00	A
8 I think accounting is fun and always want to do it	3.80	A
9 I never get tired working with things related to accounting	3.20	A
10 I only take my accounting subjects as a compliance required to get my bachelor's degree	2.27	NC
11 I feel sure of myself in accounting	3.40	A
12 I think accounting is the most enjoyable subject I have taken	2.93	NC
13 Accounting is the easiest of all subjects	2.20	D
14 A would like to spend ,ore time in school working on accounting	2.80	NC
15 Accounting thrills me and I like it better than any other subjects	3.13	NC
Overall Weighted Mean	3.57	A

The CPALE passer respondents generally had rated "agree" attitude towards accounting with a grand mean of 3.57. The result revealed that the respondents' attitude was within this following statements "I like accounting because it is practical", "I am enthusiastic about

accounting”, “I think accounting is fun and always want to do it”, “I never get tired working with things related to accounting” and they feel sure in Accounting. CPALE is set to be one of the most difficult licensure examinations, it all goes down on how a student reacts and points his/her attitude in order to survive the licensure exam. As according to Brizuela (nd), student’s passion is important in passing the board examination.

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Table 5: Respondent’s Perception of Teaching Methods

Teaching Methods	WM	QI
1 The instructor employs different teaching and strategies	3.60	A
2 The instructor sees to it that the topic is understood before proceeding to the next topic	3.33	NC
3 The instructor explains the learning contents clearly and easily understood	3.33	NC
4 The instructor conducts remedial classes	3.60	A
5 The instructor shows compassion and kindness when students fail in examination	3.86	A
Overall Weighted Mean	3.54	A

The table above shows that the CPALE passer respondents had generally rated “Agree” in their study habits with a grand mean of 3.54. It revealed that the respondents agree on the statement “the instructor employs different teaching and strategies”, “the instructor conducts remedial classes” and “the instructor shows compassion and kindness when students fail on examination”. The statement “the instructor sees to it that the topic is understood before proceeding to the next topic” and “The instructor explains the learning contents clearly and easily understood” are both rated as “not certain”. According to Jade Ballado-Tan (2001), the quality of education offered by an institution is often determined by the graduates it produces. As a recommendation on the study of Jade Ballado-Tan (2001), it recommends that the instruction be given much emphasis so as to prepare the students for the licensure examination. Support by the instructors or administration is one of the factors that will dictate the probability of a student to pass the said licensure board examination. Ballado-Tan (2001), states the quality of education offered by an institution is often determined by the graduates it produces. Therefore, the instruction should be given much emphasis so as to prepare the students for the licensure examination.

CONCLUSION

This study is to determine the performance of the accountancy students in the CPALE. It shows that majority of the CPAs produced by the university are male and are single. Most single takers are more likely can focus in the preparation and studying for the exam. GWA is also an indicator in the probability of passing the exam as well as the rate in the monitoring. The quality of education offered by an institution is often determined by the graduates it produces. Factors like students’ study habits and attitudes, together with the teaching methods of the board subjects’ professors, can influence the possibility of passing the exam. Therefore, regular assessment is to be conducted through qualifying examination; students’ grades especially board subjects should be monitored along with the strict implementation of the retention policy; professors teaching board subjects should explain concepts clearly and easily be understood before proceeding to the next topic; mock board exams should be conducted so that students will be exposed to problems that would possibly be that same concept of in the actual board exams. On the other hand, for future research, a study is to be conducted involving the experiences of the non-CPALE passers to determine the factors that need further improvement.

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