

Accounting Careers

(Explanation)



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Accounting
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Introduction to Accounting Jobs and Opportunities

There exists today a wide range of job opportunities in the field of accounting.

Entry-level jobs are dependent on the extent of your education. Positions of **bookkeeper** and **accounting clerk**, for example, require a high school diploma and perhaps a two-year associate degree in accounting. The position of **accountant** demands that you have a more thorough understanding of financial concepts and typically requires a minimum of a four-year bachelor's degree in accounting. Some accountants go on to become **certified public accountants** (CPAs) as this provides more job opportunities. To become a CPA today, you will likely need to have 150 college credits including a degree in accounting, have professional accounting work experience, and pass the rigorous CPA Exam.

For purposes of our discussion, we've classified accounting jobs into four categories:

- Bookkeeper
- Accounting Clerk
- Accountant
- Certified Public Accountant

For each category, we'll present some general information on salary, educational requirements, and types of employment opportunities.

What is a Bookkeeper?

Annual Salary Range

Full-time: \$27,000 to \$45,000+

The salary range reflects differences in job responsibilities, the size and type of employer, and the supply and demand for bookkeepers in a given geographic area. General salary information is available at the U.S. Bureau of Labor Statistics:

<http://www.bls.gov/oes/current/oes433031.htm>

Educational Requirement

Some bookkeepers enter the work force with a two-year associate degree in accounting, while others enter with a high school diploma and an expectation that the employer will provide on-the-job training. If you are hired as a bookkeeper, you should assume that you will need some experience (either formal or on-the-job) in the use of accounting software. Generally, bookkeepers are not expected to have a four-year degree in accounting.

Note:

If you are new to bookkeeping or need a refresher, AccountingCoach offers explanations, video training, practice quizzes, quick tests, Q&A and 10 certificates of achievement for topics such as:

- Debits and credits
- Adjusting entries
- Financial statements
- Payroll accounting
- Bank reconciliation
- Financial ratios, and more

All are included in AccountingCoach PRO Plus.

We also recommend you use other online resources to become familiar with QuickBooks and electronic worksheets.

Who Hires Bookkeepers?

Bookkeepers are typically employed by companies that do not need or have the means to employ an on-staff accountant. These companies hire a bookkeeper to handle a range of routine financial activities, such as payroll, billing, and purchases. (Small manufacturers, retail stores, distributors, large law offices, small accounting firms, and not-for-profit entities are examples of such companies.) When some tasks require an accountant, the company typically will use an outside accounting firm for the services it needs.

Types of Tasks and Responsibilities

Effective bookkeepers are detailed-oriented, accurate, and efficient with a range of basic financial tasks. A bookkeeper is expected to handle large volumes of routine financial transactions in areas such as sales, purchases, and payroll and to generate/handle the documents associated with these transactions. For example, a purchase made by a company may include a purchase order, a

receiving ticket, the supplier's invoice, and payment to the supplier. A bookkeeper's duties may also include the generation of internal financial reports.

A bookkeeper's work may be reviewed by someone inside the company, or by the company's outside accountant.

Future Needs

The affordability of computers and software means that employers will seek bookkeepers who are proficient in accounting/business software. With new technologies and software, small businesses will give preference to hiring bookkeepers who can adapt to changes in computing systems.

What is an Accounting Clerk?

Annual Salary Range

Full-time: \$27,000 to \$45,000+

The pay range reflects differences in job responsibilities, the size and type of employer, and the supply and demand for accounting clerks in a given geographic area. General salary information is available at the U.S. Bureau of Labor Statistics:

<http://www.bls.gov/oes/current/oes433031.htm>

Educational Requirement

Some accounting clerks enter the work force with a two-year associate degree in accounting, while others enter with a high school diploma and an expectation that the employer will provide on-the-job training. Generally, accounting clerks are not expected to have a four-year degree in accounting.

Types of Tasks and Responsibilities

Companies large enough to have one or more accountants on staff often hire accounting clerks to assist the accountants with routine tasks. Unlike a bookkeeper who performs a range of basic financial tasks, the accounting clerk, payroll clerk, accounts payable clerk, accounts receivable clerk, inventory clerk, and cost accounting clerk have more focused responsibilities.

For example, the duties of an accounts payable clerk at XYZ Company may be to compare the information on each supplier's invoice to the information on XYZ's corresponding purchase order and receiving ticket. If the information on these documents is consistent, the supplier's invoice is sent forward for payment. If the information is not consistent, the accounts payable clerk must resolve the differences before sending the invoice forward for payment.

What is an Accountant?

Annual Salary Range

Full-time: \$40,000 to \$80,000+

The salary range reflects differences in job responsibilities, the size and type of employer, and the supply and demand for accountants in a given geographic area.

Educational Requirement

Accountants are expected to have a bachelor's degree in accounting from a four-year college or university. Of the 120 semester credits needed for the degree, approximately 30-36 of these credits will be in accounting courses such as introductory, intermediate, and advanced financial accounting, cost accounting, income tax, auditing, and accounting systems. Also required within the 120 credits are business courses such as organizational behavior, human resources, marketing, business statistics, computer systems, business law, economics, and administrative policy.

While a bachelor's degree in accounting will qualify you to be an accountant, it will not meet today's requirements for becoming a certified public accountant (CPA). That is why some colleges and universities now offer both an accounting major as well as a 150-credit degree program or masters degree that qualifies graduates to take the CPA Exam.

Membership Associations

Accountants can join national organizations with local chapters such as the Institute of Management Accountants, Institute of Internal Auditors, Accounting & Financial Women's Alliance, National Association of Black Accountants, and others.

Who Hires Accountants?

Many companies are sufficiently large and complex to require the ongoing expertise of an in-house accountant. As an accountant, you may find yourself working for a manufacturer, hospital, bank,

insurance company, brokerage firm, or any one of the many other types of businesses. Accountants are also employed by U.S. government agencies such as the Internal Revenue Service (IRS), Federal Bureau of Investigation (FBI), Securities and Exchange Commission (SEC), and the Government Accountability Office (GAO). State government agencies and large not-for-profit organizations also hire accountants.

Tasks and Responsibilities

Being proficient in finance and accounting is just one dimension of being a successful accountant. Therefore, an employer strives to hire an accountant who, in addition to demonstrating excellent accounting skills, has the following traits:

- Pays close attention to details, but does not lose sight of how details affect the bigger picture
- Is a problem solver and a strategic thinker
- Has a productive curiosity about business systems (why a company is profitable, how it attracts new customers, etc.)
- Has good listening skills
- Can communicate complex financial information in a clear, straightforward manner
- Works well as a member of a team
- Can supervise and develop subordinates

Some accountants are generalists, while others prefer to specialize in a given area. For example, if you are hired as a *cost accountant* (or *cost accounting manager*) at a manufacturing company, you might supervise several cost accounting clerks who calculate the costs of products manufactured, prepare cost estimates for potential sales of new products, and monitor the cost of raw materials, labor, and overhead.

Or, you might be responsible for maintaining the general ledger and preparing financial statements that comply with generally accepted accounting principles. In this role you might supervise an accounts payable clerk and payroll clerk, and your title might be *general ledger accountant*, *chief accountant*, *corporate accountant*, *accounting manager*, or *corporate controller*.

At larger and more complex companies, some accountants may have titles such as *internal auditor*, *coordinator of profit plans and budgets*, *researcher of accounting and tax issues*, *financial analyst*, or *tax accountant*.

Future Needs

As the world becomes more interconnected via global systems and international commerce, the need increases for accountants to be knowledgeable in international accounting standards as well as new technologies that assist management in making decisions. In short, accountants will need to

be life-long learners who work closely with people in marketing, production, information technology, and e-commerce.

What is a Certified Public Accountant (CPA)?

Annual Salary Range

Full-time entry level: \$50,000 to \$65,000

Full-time with several years of progressive experience: \$100,000+

The entry-level salary range will vary by industry, geographic location, and other factors. You can obtain more detailed information concerning starting salaries from the career services or placement office of the college or university that you plan to attend.

Increases in annual salary will depend on your professional growth. If you are an effective supervisor, work well with fellow employees and clients, and know how to improve profits, your salary increases can be significant. Annual salaries of experienced CPAs can be in excess of \$100,000. Some CPAs with more than 10 years of continuously increasing responsibility can earn more than \$200,000 per year.

Education Requirements

Most state boards of accountancy require new CPAs to have a minimum of 150 college credits of which some must be in specified accounting and business courses. However, most states allow candidates to take the Uniform CPA Examination with less than 150 credits. (Check with your state's board of accountancy for its requirements. If you do not meet your state's requirements, you will not be allowed to sit for the CPA Exam.) Reputable colleges and universities likely have accounting programs designed to meet their state's requirements.

Because the CPA Exam is very rigorous, you should select a college or university with a rigorous accounting program that will prepare you for the challenge.

Requirements for Becoming a Licensed CPA

After you've passed the CPA Exam, most state boards of accountancy require you to have a minimum of the specified 150 college credit hours, one year of professional accounting experience, and pass an ethics test before you can be licensed as a CPA. Once licensed, you will be required to earn professional continuing education credits to maintain your license. Again, check with your state's board of accountancy for specifics.

[Find your State Board of Accountancy](#)

Membership Associations

In addition to the organizations available to non-CPA accountants, a CPA is eligible to join its state society of CPAs and the American Institute of Certified Public Accountants (AICPA).

Who Hires CPAs and Soon-to-be CPAs?

Before you can become a licensed CPA, you must pass the CPA Exam, and acquire the necessary work experience. Fortunately, many companies and accounting firms hire recent college graduates with accounting degrees *who have the ability to become* CPAs. These employers recruit students with high grade point averages from well-respected accounting programs, since they are most likely to pass the challenging CPA Exam.

Major employers of CPAs (and soon-to-be CPAs) include:

- CPA firms. These range from a small one-office firm, to regional multi-office firms, to large international firms with offices in major cities throughout the world.
- Companies such as manufacturers, banks, insurance companies, as well as government agencies, large not-for-profit organizations, e-commerce, and more.

Tasks and Responsibilities during the First Year at CPA Firms

In order for a CPA firm to be profitable, its CPAs must be highly focused individuals who can successfully complete tasks within a reasonable amount of time. CPAs are often billed out to clients using a per-hour billing rate, and clients will not pay high fees for CPAs who spend an unreasonable amount of hours completing the necessary tasks.

Some larger CPA firms assign newly hired college graduates to work in their tax departments or advisory services area. More common, however, is for firms to start new hires in the auditing area where they audit a client's records with a team comprised of a supervising or senior accountant, a manager, and one of the firm's partners.

Smaller CPA firms generally perform relatively few audits, and could result in a more varied workload for the new hire. Responsibilities in a smaller CPA firm might include: reviewing a business client's financial statements, assisting with the client's accounting system, preparing a business tax return, preparing the business owners' personal tax returns, and tax planning.

Most CPA firms have a “busy season” which occurs during the months of January through April. The reason for this is that many clients are businesses with an accounting year ending on December 31. In addition, clients who are individuals need their personal tax documents completed by the IRS deadline of April 15. Some CPA firms try to “smooth out” their annual workload by adding clients with fiscal years that end in months between May and October. For example, school districts and some businesses and nonprofits have accounting years that end on June 30.

If you are a recent hire who is planning to take the CPA Exam, the less busy months of May through December will be more conducive for studying for the exam.

After the First Year at CPA Firms

After one year at a CPA firm, you may be assigned to work with new clients as well as the clients you know from your first year. The firm’s goal is to deepen and broaden your range of experiences while offering clients efficient and professional service. Each subsequent year you are with the firm, you can expect more and diverse responsibilities in areas such as audit planning, supervising the work of other auditors and accountants, increased client contact, and additional training.

Tasks and Responsibilities at non-CPA Firms

Not every CPA wants to work as a public accountant. Some prefer to work as employees of companies involved in e-commerce, manufacturing, banking, and insurance. Others choose to be employees of government agencies or not-for-profit organizations. These accountants may have obtained their CPA license to have more work options and/or to distinguish themselves from other accountants.

Some CPAs choose to be employees of large corporations with common stock that is publicly traded. Some of these accountants specialize in complying with the unique and complex reporting requirements of various local, federal (SEC, IRS), and international authorities as well as stockholders and others.

Many accounting graduates begin their careers in public accounting, gain valuable experience, obtain their CPA license, and then leave public accounting. Some will work for businesses or not-for-profit organizations, some become entrepreneurs, and others gain additional education and become accounting professors.

Future Needs

As the world becomes more interconnected via global systems and international commerce, the need increases for CPAs to keep current with both domestic and international accounting standards. CPAs must also keep current with new technologies that assist management in making decisions.

Accounting Jobs at CPA Firms

The following table provides examples of the accounting job opportunities at large and small CPA firms:

Category	Examples of Firms	Services Provided by Each of the Firms Shown	Common Titles of Accounting Degreed Employees
Big 4	Deloitte PwC Ernst & Young KPMG	Attestation & Assurance Tax IT/Systems International Advisory Services (succession planning, mergers and acquisitions, etc.) Data analytics Forensic	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Next tier of largest firms	RSM BDO Grant Thornton	Attestation & Assurance Tax IT/Systems International Advisory Services (succession planning, mergers and acquisitions, etc.) Data analytics Forensic	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Regional U.S. firms		Attestation & Assurance Tax IT/Systems Advisory Services (succession planning, mergers and acquisitions, etc.) Data analytics Forensic	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Local U.S. Firms		Attestation & Assurance Tax IT/Systems/QuickBooks Advisory Services (succession planning, mergers and acquisitions, etc.) Data analytics Forensic Personal Financial Planning	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Sole or Solo Practitioners		Attestation & Assurance Tax Personal Financial Planning Accounting & Payroll Services QuickBooks advising	

Corporate Accounting Jobs

The following table lists some examples of the many accounting opportunities outside of public accounting that are available to people with various levels of accounting education:

Classification	Common Titles of Accounting Degreed Employees	Common Titles of Non-Degreed Accounting Positions
Manufacturing Utilities Retailers Banking and Financial Services Insurance Hospitals Other Health Care E-Commerce Government agencies	Chief Financial Officer (CFO) VP-Finance Corporate Controller Plant Controller Assistant Controller Accounting Manager Accounting Supervisor Chief Accountant Cost Accounting Manager Cost Accountant Tax Researcher Director of Internal Audit Internal Auditor Director of SEC Reporting Financial Analyst Budget Director	Accounts Payable Clerk Accounts Receivable Clerk Payroll Clerk Cost Accounting Clerk Budget Assistant

Getting Hired

Regardless of the accounting position you seek, here are some suggestions to better prepare yourself:

Before You Need a Job

- Continually improve yourself. Small consistent improvements add up. For example, if you are not familiar with accounting software, learn QuickBooks and electronic worksheets.
- Network. Join a professional organization and begin networking in advance of the need to find a job.

- Get the experience that employers look for.
- Learn basic etiquette. Improve your manners and other social skills before you have lunch with a potential employer.

When Seeking a Job

- Let the people in your network know that you are searching for a new position.
- Use your school's placement office. Even if you have already graduated, your college is likely to assist its alumni as well as its current students.
- Use the Internet to learn more about the types of positions that are available.
- Search within to determine who you are and what your calling in life might be. Where do you find personal satisfaction and joy?

When Interviewing

- Be prepared. Use the Internet to learn all you can about the organization.
- Review and refresh your understanding of accounting by using the materials available on AccountingCoach.com
- Look your best. Make sure your appearance is consistent with the image the company wants to project to its clients or customers.
- Project an air of confidence. Give a firm handshake, look the interviewer in the eye, and use proper grammar. Let the interviewer know why you want to work for this company.
- Be grateful. Thank the interviewer for the meeting and express your continued interest in the organization.

After the Interview

- Follow up immediately with a letter thanking the interviewer for the opportunity to discuss the position available. Be sure you reiterate your interest in the company.

- You can expect to receive a letter or other communication from the interviewer stating that you 1) received the job, 2) have been granted a second interview, or 3) have been rejected for the position. If you have not been contacted, be certain to contact the interviewer. Showing interest in the position and the organization will be well received.

Introduction to Accounting Degrees

If you have an aptitude for accounting and business, the field of accounting will offer a variety of job opportunities.

With a high school diploma or a two-year associate degree earned at a community or technical college, you could find employment as an **accounting clerk**. An associate degree could also land you a job as a **bookkeeper** for a local business. Being proficient with QuickBooks and electronic spreadsheets can also lead to employment.

To be an **accountant**, however, you will need a minimum of a four-year bachelor's (or *baccalaureate*) degree in accounting. With this degree, you will have more job opportunities open to you and may earn twice the salary of a person with an associate degree. The bachelor's degree in accounting is likely to include 36 credits of difficult accounting courses, 20 credits in other business courses, and 60+ credits in nonbusiness courses.

If you want to become a licensed **certified public accountant**, you must pass the Uniform CPA Examination (CPA Exam). To qualify to take the exam, you must have earned between 120 and 150 college credit hours as specified by your state board of accountancy. You should be aware that less than half of those taking the CPA Exam will be successful.

If you decide to pursue an accounting degree, make certain that you enroll in a college or university with a well-respected program. One indicator of a quality accounting program is the ability of its graduates to find employment through the campus placement office. In short, if an accounting program is excellent, employers will actively recruit the graduates of that program. Find out the job placement rate for the college or university that you are considering.

Two-Year Associate Degree in Accounting

Many two-year colleges, community colleges, and technical schools offer an associate degree in accounting. With an associate degree, you may find job opportunities as an accounting clerk in a large company, or as a bookkeeper at a smaller company. You will be somewhat limited as far as

advancement and pay, earning perhaps only 50% of what an accountant with a four-year bachelor's degree will earn.

If your goal is to obtain an associate degree in accounting, be certain that there is a demand for this skill in the geographic area where you intend to live. Before enrolling in an associate degree program, do the following:

- Visit the career services or placement offices of the schools you are considering. Ask for the percentage of graduates getting placed in positions sought by the graduates.
- Visit the human resources departments of the companies and organizations where you'd like to work. Inquire about the opportunities available for people with an associate degree in accounting.
- Visit several temporary staffing firms to see if they have clients in need of temporary employees with associate degrees in accounting.
- Be certain that your school's curriculum includes hands-on experience with popular accounting and business software. Technology keeps getting more efficient and employers want to hire bookkeepers who know how to use the latest in business and accounting software.
- Find out if your course credits will transfer to a four-year college or university in the event you decide to pursue a bachelor's degree in accounting or more advanced courses.

Four-Year Bachelor's Degree with a Major in Accounting

If you choose to major in accounting, there are many colleges and universities that offer a bachelor's degree program in accounting. These degree programs typically require a minimum of 120 semester-credits that include the following:

- Approximately 30-36 credits of *accounting* courses in areas such as financial accounting, cost accounting, income tax, consolidations, auditing, and accounting systems.
- Approximately 20-30 credits of other business courses such as organizational behavior, human resources, marketing, business statistics, information technology, business law, economics, and administrative policy.

- Approximately 60 credits of courses *outside of business*, such as social science, physical science, languages, and other liberal arts courses.

Keep in mind that to become a licensed certified public accountant a 120-credit bachelor's degree in accounting is no longer sufficient. See our discussion below on the 150-credit degree.

150-Credit Degree for New CPAs

Each state in the U.S. has a *state board of accountancy* that is responsible for licensing certified public accountants (CPAs) to practice in that state. Each of these boards issues its requirements for becoming a licensed CPA. Typically this means new CPAs must have a 150-credit college accounting degree program (or a master's degree containing the required accounting credits). Exact rules vary from state to state.

Colleges and universities with respected accounting degree programs will offer both a bachelor's degree in accounting as well as the 150-credit degree or an appropriate masters degree. If you want to become a CPA, choose the 150-credit or masters degree program that meets the state's requirements for taking the CPA Exam.

You should know from the outset that college accounting courses are difficult—they demand an ability to understand and manipulate complex financial concepts. You will be expected to attain above average grades in an environment with high grading standards.

Less than half of the students who initially enroll in a college accounting degree program will graduate with an accounting degree. Of the students qualified to take the CPA Exam, only half will earn a passing score.

You can learn more about the difficulty of the CPA Exam on page 23.

If your goal is to become a CPA, you should prepare early. While in high school, enroll in courses that are part of the "college track." Completing advanced placement (AP) or post-secondary enrollment option (PSEO) courses in high school will give you an advantage when in college.

Meeting the Education Requirements in Different Ways

Generally, colleges and universities will design an accounting program that guides students through the college credits required by the state boards of accountancy. However, there is some flexibility as shown by the following examples of how people met the education requirements for taking the CPA

Exam:

- Judy earned a bachelor's degree in accounting from a college or university noted for its outstanding undergraduate program. Judy then earned an MBA degree from another graduate business school.
- Mike earned a bachelor's degree in accounting from a college or university noted for its outstanding accounting program. Mike then attended another exceptional university and earned a graduate degree in taxation.
- James graduated from college in only four years with the 150-credit accounting degree. This was possible because James came to college with many Advanced Placement (AP) credits earned in high school.

Note

As of 2024, the CPA Exam consists of three core exams plus one of three discipline exams. Be certain that your accounting courses prepare you for changes to the CPA Exam.

Choosing a College or University

Since the cost of tuition, books, housing, and your time will be significant, be certain that your education is worthy of your investment. Select a college or university with an accounting program that is well respected by employers and that will prepare you for a successful career in accounting.

Here is some advice as to what you should look for:

1. The college's undergraduate, 150-credit accounting program, or master's degree with an accounting emphasis should be *accredited* by [The Association to Advance Collegiate Schools of Business](#) (AACSB International). If the college does not have AACSB accreditation, verify that your state's board of accountancy recognizes the accounting program.
2. CPA firms recruit from campuses that consistently graduate a significant number of high quality students. Ask the college placement office for the names of the firms coming to campus year after year to recruit accounting graduates. Look at the college's career services and placement office statistics for its recent accounting graduates. Obtain the placement rate of accounting students in the accounting positions that students were seeking and the salary offers they received. A first-rate campus placement office combined with an excellent accounting program means that you will have an easier time getting your first professional accounting position.

3. In addition to a high grade point average, recruiters are interested in your communication, leadership, and team dynamics skills. You can develop these through involvement in student organizations that operate within a college's accounting program, such as an accounting club or society, a chapter of Beta Alpha Psi, or a student chapter of IMA (Institute of Management Accountants). Inquire whether such organizations are active at the college or university you are considering.

Being a member (and later, being an officer) of a student accounting organization will allow you to learn more about the accounting profession, help you develop leadership skills, and give you valuable experience interacting and networking with accounting professionals. Students who served as officers in accounting organizations are often sought after by firms. Informing a recruiter that you are "just now getting involved" is not impressive. Get involved early so you can proudly discuss your non-academic achievements during the interview.

Getting involved in student organizations often allows you to get to know your professors better—and vice versa. This becomes important when you need a reference.

4. Inquire about accounting internships that are coordinated by the college's accounting department. Not only will a paid, full-time internship be an impressive addition to your resume, it will also give you valuable, on-the-job experience. Many people say that their accounting internship was the best thing they did in college. Students state it helped them to narrow their career focus, opened up new avenues of networking, and infused them with renewed motivation to finish their coursework and prepare for the CPA Exam. A successful accounting internship often leads to an offer for a permanent position after graduation.

Another way to gain experience (and perhaps earn college credit) is through a campus-sponsored Volunteer Income Tax Assistance (VITA) program. VITA provides free help with income tax preparation for people with low or moderate incomes.

In summary, make certain that you are enrolled in an accounting program that has demonstrated success with its students passing the CPA Exam and keeps its curriculum up to date for changes to the CPA Exam. A weak accounting program staffed by undemanding professors who give easy exams and high grades may give you a false sense of your accounting abilities.

Introduction to CPA Requirements

Our overview of the CPA requirements is organized as follows:

- Education Requirements
- Passing the CPA Exam
- Ethics Exam
- Experience Requirements
- CPA License Requirements
- Organizations for CPAs

Education Requirements

Each state's *board of accountancy* establishes the education requirements for taking the CPA Exam and becoming a licensed CPA.

Colleges and universities with respected accounting degree programs often offer a bachelor's degree in accounting as well as the 150-credit degree or master's degree. If you want to become a CPA, you will choose the 150-credit program or the master's degree (provided they meet your state's requirements for taking the CPA Exam).

You should know that college accounting courses are difficult—they demand an ability to understand and deal with complex financial concepts. You will be expected to attain excellent grades in a competitive environment with high grading standards.

Less than half of the students who enroll in a college accounting degree program will end up graduating with an accounting degree. Of the students taking the CPA Exam, on average only half will earn a passing score.

If your goal is to become a CPA, you should prepare early. While still in high school, enroll in courses that are part of the "college track." Completing advanced placement (AP) or post-secondary enrollment option (PSEO) courses in high school will give you more options in college.

Meeting the Education Requirements in Different Ways

Generally, colleges and universities will design an accounting program that guides students through the college credits required to sit for the CPA Exam and to be licensed as a CPA. You should be aware that the state boards of accountancy allow some flexibility. Here are examples of how people met the education requirements for becoming licensed as a CPA:

- Judy earned a bachelor's degree in accounting from a college or university noted for its outstanding undergraduate program. Judy then earned an MBA degree from another graduate business school.
- Mike earned a bachelor's degree in accounting from a college or university noted for its outstanding accounting program. Mike then attended another exceptional university and earned a graduate degree in taxation.
- James graduated from college in only four years with the 150-credit accounting degree. This was possible because James came to college with many AP (or PSEO) credits that he earned in high school.

Passing the CPA Exam

Once a state board of accountancy determines that a candidate has met its requirements for taking the CPA Exam, the candidate will face the most difficult part of becoming a certified public accountant—passing the exam itself.

The CPA Exam is known for its [low pass rates](#). This is why we recommend that you attend a college or university with a rigorous accounting program.

As a general rule, you should sit for the CPA Exam as soon as you meet your state's academic requirements. It is advantageous to take the exam while your accounting courses are reasonably fresh in your mind.

We also recommend that you sign up for a CPA Exam review course before attempting the CPA Exam.

Ethics Exam

After passing the CPA Exam, but before a CPA license is issued, an ethics exam may be required. Learn your state's requirements regarding ethics at your State Board of Accountancy: <https://nasba.org/stateboards/>

Experience Requirements

The experience requirements for obtaining a CPA license are also determined by each state's board of accountancy.

Generally, if someone passes the CPA Exam the odds are great that the person will find a job that provides the required professional accounting experience. Of course, there will be times when economic conditions make it difficult to find a specific accounting position.

CPA License Requirements

You must apply for your CPA license through your state's board of accountancy (or its designated licensing agency).

To renew one's CPA license, most state boards of accountancy require CPAs to earn a specified number of continuing professional education (CPE) hours within a stated period of time. Boards will specify the types of CPEs that will meet this requirement.

For more details, check with your State Board of Accountancy: <https://nasba.org/stateboards/>.

Organizations for CPAs

While membership in a state society of CPAs and membership in the American Institute of CPAs may not be a legal requirement, we believe it is a practical requirement for the reasons shown below.

State Societies of CPAs

Most certified public accountants join their state society of CPAs. A state society provides the following benefits:

- Information on current issues within the state
- Continuing professional education seminars on topics such as state taxes, state laws, federal taxes, and technology changes
- Monthly bulletins, newsletters, magazines, and email notices covering issues important to its members
- Communications to the public about the accounting profession

American Institute of Certified Public Accountants (AICPA)

The American Institute of Certified Public Accountants is a national professional organization of CPAs. Surprisingly, not all CPAs join this organization, even though it offers significant benefits to its members ranging from technical accounting updates to discounts on products and services. The AICPA publishes the monthly magazine *Journal of Accountancy*, maintains a website with information on current issues, and provides continuing education resources.

Introduction to the CPA Exam

The official name of the CPA Exam is the *Uniform CPA Examination*. The exam is computer-based and comprised of questions developed by the American Institute of Certified Public Accountants (AICPA), a national organization. Passing the CPA Exam meets one of several requirements for becoming a licensed certified public accountant.

The state boards of accountancy require candidates to complete between 120 and 150 semester college credits before they can take the exam. Check with your state board of accountancy for the specific courses and credit hours it requires.

Difficulty of the CPA Exam

The CPA Exam is considered to be one of the most difficult of the professional licensing exams. Even though candidates are allowed to take one section at a time, the CPA Exam is so rigorous that only half of the candidates sitting for any given section of the exam will receive a passing score.

View recent CPA Exam pass rates: <https://www.aicpa.org/resources/article/learn-more-about-cpa-exam-scoring-and-pass-rates>.

To fully appreciate the difficulty of the CPA Exam, remember that it is a select group of bright accountants who are experiencing these low pass rates. The people taking the CPA Exam have:

- A minimum of 120-150 college credits that include very challenging accounting courses with high grading standards.
- A keen aptitude for and a strong interest in accounting.
- May have taken a formal CPA Exam review course and/or studied CPA review materials.

It is a sobering statistic that nationally only 40-62% of the candidates sitting for the CPA Exam will achieve a passing score. If your goal is to become a certified public accountant, the low pass rates indicate the importance of a rigorous, high-quality, college accounting program.

CPA Exam Facts

Highlights of some facts about the CPA Exam:

1. The official title of the CPA Exam is the Uniform CPA Examination. The “Uniform” part of the name reflects the fact that the AICPA develops the exam as opposed to each state developing its own exam.
2. The CPA Exam is a computer-based exam and is offered only in testing centers.

Note

Beginning in 2024, the CPA Exam will have three core exams plus one of three discipline exams. You can learn more at [EvolutionofCPA.org](https://www.aicpa.org/resources/article/learn-more-about-cpa-exam-scoring-and-pass-rates).

3. As a general rule, it is best to attempt several sections of the CPA Exam as soon as your state's academic requirements have been met. Your recall of the accounting material learned in your college courses may be more helpful to you than the information you will learn in your first accounting job. (The exception may be the Auditing and Attestation section.)
4. For important specifics and valuable resources to help you prepare for the CPA Exam visit: <https://future.aicpa.org/resources/toolkit/cpa-exam>.
5. For additional information regarding the CPA Exam visit: <http://nasba.org/exams/cpaexam/>.
6. To get current information on the international administration of the CPA Exam visit: <http://nasba.org/exams/internationalexam/>.

CPA Exam Review Courses and Materials

A strategy for attaining a passing score on each section of the CPA Exam must include a disciplined and aggressive study plan.

CPA Exam review courses and materials will help you develop:

- A timetable for reviewing accounting material learned over the past several years
- A structure for organizing various topics in a logical manner
- Helpful exam-taking techniques
- A focus on important topics

We compiled the following alphabetical list of links for eight of the many CPA exam review courses and materials that are available. We have *not* reviewed any of these review courses and we do not receive any compensation from them.

CPA Review Courses

Becker CPA Review

<http://www.becker.com/cpa-review>

Fast Forward Academy CPA Review

<https://fastforwardacademy.com/course/cpa-exam>

Gleim CPA Review

<https://www.gleim.com/cpa-review/>

Lambers CPA Review

<https://www.lambers.com/lambers-products/lambers-cpa-review/>

Surgent CPA Review

<https://www.surgentcpareview.com/>

UWorld Roger CPA Review

<https://accounting.uworld.com/cpa-review/>

Wiley CPAexcel

<http://www.efficientlearning.com/cpa/>

Yaeger CPA Review

<http://www.yaegercpareview.com>

Certified Management Accountant (CMA)

After you've become an accountant, you may choose to earn a specialized certification, license, or other credential in accounting. Doing so puts you a notch above uncredentialed accountants and may open up additional job opportunities for you.

We discussed the certified public accountant (CPA) designation in some detail at CPA Requirements and CPA Exam. Whether or not you choose to pursue a CPA designation, you might be interested in pursuing the *certified management accountant* designation, or CMA.

To become a CMA, you must meet the education and experience requirements and pass the CMA Exam. Information on the CMA Exam is available at <https://www.imanet.org>.

Passing the CMA Exam demonstrates that you have a strong proficiency in management accounting and financial management. The time you spend reviewing and learning the material covered on the CMA Exam will make you a better accountant.

Preparing for the CMA Exam will make you a better management accountant if you are already working in industry. If you are working for a CPA firm as a public accountant, you will also become a more knowledgeable CPA. Since most accountants will eventually work in areas outside of public accounting, the CMA credential is a wise investment.

CMA Exam Review Courses and Materials

There are several sources for CMA review courses and materials. Here is an alphabetical listing with links to their websites:

Becker CMA Review

<https://www.becker.com/cma-review>

Gleim CMA Review:

<https://www.gleim.com/cma-review/>

HOCK CMA Review:

<https://www.hockinternational.com/cma-exam/>

Surgent CMA Review:

<https://www.surgent.com/exam-review/cma-exam-review/>

Wiley CMA Review:

<https://www.efficientlearning.com/cma/>

Accounting-Related Certifications and Credentials

Below is our listing of various certifications, credentials, and other designations that will help you distinguish yourself in the accounting field.

Certification	Certification Granted By	Additional Information
CPA Certified Public Accountant	Uniform CPA Exam, but licensing by state	www.aicpa.org www.nasba.org
CMA Certified Management Accountant	IMA (Institute of Management Accountants)	www.imanet.org
CIA Certified Internal Auditor	The Institute of Internal Auditors	www.theiia.org
CGMA Chartered Global Mgmt Accountant	American Institute of CPAs (AICPA) Chartered Institute of Management Accountants (CIMA)	www.cgma.org
CFP Certified Financial Planner	Certified Financial Planner Board of Standards Inc.	www.cfp.net
CFE Certified Fraud Examiner	Association of Certified Fraud Examiners	www.acfe.com
NAFA National Association of Forensic Accountants	National Association of Forensic Accountants	www.nafanet.com
EA Enrolled Agent	Internal Revenue Service	www.irs.gov
CGFM Certified Government Financial Manager	Association of Government Accountants (AGA)	www.agacgfm.org
CB Certified Bookkeeper	American Institute of Professional Bookkeepers	www.aipb.org
CPB Certified Public Bookkeeper	National Association of Certified Public Bookkeepers	www.nacpb.org
CPP Certified Payroll Professional	American Payroll Association	www.americanpayroll.org
FPC Fundamental Payroll Certification	American Payroll Association	www.americanpayroll.org
QuickBooks ProAdvisor	Intuit Inc.	quickbooks.intuit.com/accountants/proadvisor/