

# Accounting Careers



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# Introduction to Accounting Jobs and Opportunities

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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 so requires a minimum of a four-year bachelor's degree in accounting. Some accountants go on to become **certified public accountants**, or CPAs, as this opens up additional job opportunities for them. To become a CPA, you will need to earn college credits over and above your accounting major, gain some work experience, and, most importantly, you will need to pass the 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 information on salary, educational requirements, and types of employment opportunities.

## What is a Bookkeeper?

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### Annual Salary Range

Full-time: \$18,000 to \$40,000+

The salary range reflects differences in job responsibilities, the size and type of employer, and the supply and demand of 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. Bookkeepers are not expected to have a four-year degree in accounting.

### Membership Associations

Three organizations offer membership and/or certification status for bookkeepers:

- American Institute of Professional Bookkeepers
- National Association of Certified Public Bookkeepers
- American Payroll Association

Memberships in these organizations may offer you opportunities for additional training and certification, as well as evidence of bookkeeping credibility.

### **Who Hires Bookkeepers?**

Bookkeepers are typically employed by companies that may not have the need or the means to employ an on-staff accountant. Such 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. If an accountant is needed, the company typically contracts with an outside accounting firm for the services it needs.

### **Types of Tasks and Responsibilities**

Bookkeepers are detailed-oriented; they are expected to be accurate and efficient with a range of basic financial tasks that are critical to a company's ability to keep accurate financial information. As a bookkeeper, you would be expected to handle large volumes of routine financial transactions in areas such as sales, purchases, and payroll. You may also be expected to generate/handle the documents associated with 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 documents as well as routine external financial reports.

A bookkeeper's work may be reviewed by an accountant or business manager from inside the company, or by an accounting firm contracted by the company.

### **Future Needs**

The increasing affordability of computers and software means that employers will continue to look for bookkeepers who are proficient in accounting/business software. With the advent of new technologies such as *software as a service* (SaaS, also known as "cloud computing"), small businesses will give preference to hiring bookkeepers who are adaptable to changes in computing systems.

## **What is an Accounting Clerk?**

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### **Annual Salary Range**

Full-time: \$18,000 to \$40,000+

The range reflects differences in job responsibilities, the size and type of employer, and the supply and demand of 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. 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 are the companies that also hire accounting clerks to assist the accountants with routine tasks. Whereas a bookkeeper is expected to perform a range of basic financial responsibilities, the accounting clerk has a more narrowly focused task, such as a payroll clerk, an accounts payable clerk, an accounts receivable clerk, an inventory clerk, or a cost clerk.

For example, your primary responsibility as an accounts payable clerk at XYZ Company may be to compare the information on each supplier invoice to the information on XYZ's corresponding purchase order and receiving ticket. If the information on these documents is consistent, you process the supplier's invoice for payment. If the information is not consistent, you investigate and resolve the differences before payment can occur.

## What is an Accountant?

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### Annual Salary Range

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

The range reflects differences in job responsibilities, the size and type of employer, and the supply and demand of 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 financial accounting, cost accounting, income tax, consolidations, auditing, and accounting systems. Also required within the 120 credits are business courses such as organizational behavior, 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 that qualifies you 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, American Society of Women Accountants, National Association of Black Accountants, and others.

Visit [Career Resources](#) for links to these and other organizations.

## Who Hires Accountants?

Many companies are large enough and complex enough to require the ongoing expertise of an in-house accountant. As an accountant, you may find yourself working for a manufacturing firm, a hospital, a bank, an insurance company, or a brokerage firm. Accountants are also employed by federal 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 matters of finance and accounting is just one dimension of being a successful accountant. Employers know this, and will prefer to hire an accountant who, in addition to demonstrating excellent accounting skills, also possesses the following traits:

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

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*) for a manufacturing company, you might supervise several cost clerks who work with you to 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 analyzing a large corporation's general ledger account balances and preparing financial statements that comply with generally accepted accounting principles. As such, you would supervise accounts payable clerks and payroll clerks. For this type of accounting, your title might be *general ledger accountant*, *chief accountant*, *corporate accountant*, *accounting manager*, or *corporate controller*.

The larger and more complex a company is, the more numerous and varied will be the accountants that are on the staff, with 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 such fields as marketing, production, information technology, and e-commerce.

# What is a Certified Public Accountant (CPA)

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## Annual Salary Range

Full-time entry level: \$50,000 to \$60,000

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

The entry-level 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.

## Educational Requirement

Most state boards of accountancy now require that CPA candidates have 150 college credits in specified accounting and business courses before they are allowed to sit for the Uniform CPA Examination. (You need to check with your own state's board of accountancy to determine what the requirements are. If you do not meet your state's requirements, you will not be allowed to sit for the CPA Exam.) Reputable colleges and universities have accounting curriculums that meet their state's 150-credit requirement.

Because the CPA Exam is considered to be highly rigorous, it is to your advantage that you select a college or university with an equally rigorous accounting program that will adequately prepare you for the CPA Exam.

## Other Requirements

After you've passed the CPA Exam, most state boards of accountancy require you to have at least one year of professional 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 own state's board of accountancy for specifics.

[Find your State Board of Accountancy](#)

## Membership Associations

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

[View Organizations of CPAs](#)

[View Other Accounting Organizations](#)

## Who Hires CPAs?

Before you can become a licensed CPA, you must first pass the CPA Exam, and then you must work for a period of time to meet the work experience criterion. As a result, a company that is looking to hire a new, young CPA often will hire a newly graduated accounting major *who intends to become* a CPA. Such employers recruit students who graduate with high grade point averages from well-respected accounting programs, as these are the students most likely to go on to pass the challenging CPA Exam.

Major employers of CPAs include:

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

## Tasks and Responsibilities during First Year at CPA Firms

In order for a CPA firm to be profitable, its CPAs must be highly focused individuals who can complete tasks within a reasonable amount of time. CPAs are often billed out to clients using a per-hour billing rate, and clients do not want to pay high fees for CPAs who spend time on non-essential 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 department where they typically work audit engagements on a team comprised of a supervising or senior accountant, a manager, and one of the firm's partners.

Smaller CPA firms, however, perform relatively few audits, so there is likely to be more variety in the workload for the new hire. Responsibilities in a smaller CPA firm might include: reviewing a business client's financial statements, preparing a business tax return, preparing the business owners' personal tax returns, and tax planning.

Most CPA firms find their busiest season to be the months of January through March or April. The reason for this is that many clients are businesses with an accounting year ending on December 31. As a CPA, you would prepare and audit annual financial statements for your business clients during January and February. Additionally, your clients who are individuals will want you to complete their personal tax documents in time to meet the IRS deadline of April 15. Some CPA firms try to "smooth out" their annual workload by taking on clients whose fiscal years end in varying months. For example, school districts and some nonprofits have accounting years that end on June 30.

If you are a recent hire who is planning to take the CPA Exam, May through December is the time period during which you are most likely to study 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 with your familiar clients. 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 in the field of public accounting. Some prefer to be employed as accountants for companies such as e-commerce, manufacturing, banking, insurance, federal government agencies, state agencies, or not-for-profit organizations. Such accountants may have obtained their CPA license simply to keep their options open, or to distinguish themselves from other accountants.

Some CPAs might choose to specialize. For example, in large international corporations whose stock is publicly traded, external reports must be provided to stockholders, the SEC, and the IRS. Each of these reports requires compliance with specific reporting standards. Some CPAs find intellectual challenge and satisfaction in keeping current and complying with new reporting standards.

Some graduates begin their careers in public accounting, gain valuable experience, obtain their CPA license, and then choose to move out of public accounting and into different challenges. Some choose to work for businesses or not-for-profit organizations, some become entrepreneurs, and others seek additional education to 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, as well as with new technologies that assist management in making decisions. CPAs are expected to be at the top of their profession. Those who audit corporations and advise clients on accounting systems need to keep current on developments that inform or impact accounting.

## Accounting Jobs at CPA Firms

Below is a table that provides some 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 Ernst & Young KPMG Pricewaterhouse-Coopers (PwC)	Attestation & Assurance Tax IT/Systems International Advisory Services (succession planning, mergers and acquisitions, etc.) Forensic	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Next tier of largest firms	BDO Grant Thornton RSM	Attestation & Assurance Tax IT/Systems International Advisory Services (succession planning, mergers and acquisitions, etc.) Forensic	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Regional U.S. firms	CliftonLarsonAllen Wipfli LLP	Attestation & Assurance Tax IT/Systems Advisory Services (succession planning, mergers and acquisitions, etc.) Forensic	Staff Accountant Junior Senior Supervisor Manager Senior Manager Partner Managing Partner
Local U.S. Firms		Attestation & Assurance Tax IT/Systems Advisory Services (succession planning, mergers and acquisitions, etc.) 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	

## Corporate Accounting Jobs

Below is a sampling of the various accounting positions found in corporate accounting:

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

## Getting the Job

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, take a night class to learn QuickBooks.
- Network. Join a professional organization and begin networking in advance of the need to find a job.
- Get the experience that employers look for. Consider volunteering bookkeeping services to a local church or not-for-profit organization.
- Learn about business models. Understand how companies earn revenues and turn profits.
- Learn basic etiquette. Know 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. Do an Internet search on the company's name. Start with the company's website. Know the company from top to bottom, inside and out.
- Look your best. Make sure your appearance is consistent with the look the company would want 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 opportunity to meet and to learn more about the company and its opportunity.

## After the Interview

- Follow up immediately with a letter thanking the interviewer for the opportunity to discuss the position available at the company. Be sure to let the interviewer know that you want to be part of the company.
- You can expect to receive a letter or call 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 do not receive a letter or call, be certain to contact the interviewer. Your interest in the position and the company will be well received.

## Introduction to Accounting Degrees

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If you have an aptitude for accounting and business, the field of accounting can offer you 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.

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

If you want to become a certified public accountant, you will need to pass the Uniform CPA Examination, (the "CPA Exam"). Before you are approved to sit for the exam, however, you will need to earn a 150-credit degree as required by your state board of accountancy. You should be aware, however, that this is a challenging goal. Relatively few individuals complete the 150-credit degree program, and, of those who do, less than half pass the CPA Exam.

If you want to familiarize yourself with the type of material that is covered in beginning college accounting courses, browse through the 30 topics we present on our free website AccountingCoach.com. Be aware that the subsequent college accounting courses will be much more difficult than what is presented on AccountingCoach.com.

If you decide to pursue an accounting degree, make certain that you enroll in a college or university that has 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. Find out the job placement rate for the college or university that you are considering.

## Two-Year Associate Degree in Accounting

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Many two-year colleges, community colleges, and technical schools offer an associate degree in accounting. With an associate degree, you will most likely find a job as an accounting clerk at a large company, or as a bookkeeper at a smaller company. You will be somewhat limited as far as opportunities and pay, earning perhaps only 50% of what an accountant with a four-year bachelor's degree might 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 want to live. Before enrolling in an associate degree program, do the following:

- Visit the career services or placement offices of the colleges you are considering.
- Review the percentage of graduates getting placed through the college's placement office into the positions being sought by the graduates.
- Visit the human services departments of the companies where you'd like to be employed. Discuss the opportunities that are available for people obtaining an associate degree in accounting.
- Visit several temporary staffing organizations (like Kelly Services or Manpower, Inc.) 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 less expensive, 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 case you decide at a later date to obtain a bachelor's degree in accounting.

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

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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, 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, marketing, business statistics, information technology, business law, economics, and administrative policy.
- Approximately 60-64 credits of courses *outside of business*, such as social science, physical science, languages, and other liberal arts courses.

You should know that a 120-credit bachelor's degree in accounting will no longer qualify you to sit for the CPA Exam. See our discussion below on the 150-credit degree.

## 150 Credit Degree for the CPA Exam

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Each state in the U.S. has a “state board of accountancy” that is responsible for licensing certified public accountants (CPAs) who practice in that state. Each board issues rules that govern what a person must do in order to become a licensed CPA. While having a 120-credit bachelor’s degree in accounting was, at one time, enough to qualify a person to sit for the CPA Exam, most states now require that candidates complete a 150-credit college degree program. Exact rules vary from state to state.

Colleges and universities with quality accounting degree programs will offer both a bachelor’s degree in accounting as well as the more ambitious 150-credit degree, the latter one meeting the state’s requirements for sitting for the CPA Exam. If you want to become a CPA, you will choose the 150-credit program. Within those 150 credits you will most likely earn the bachelor’s degree in accounting.

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 known for high grading standards.

Less than half of the students who enroll in a bachelor’s degree program in accounting will succeed. The same is true for those who intend to earn the 150-credit degree. Of those students who succeed in qualifying to sit for the CPA Exam, less than half of them will successfully pass this difficult exam.

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

### Meeting the Educational Requirements in Different Ways

Generally, colleges and universities will establish an accounting curriculum that guides students through the entire 150 college credits needed to sit for the CPA Exam. That being said, state boards of accountancy allow a measure of flexibility. Here are a few examples of people who took a different qualifying route to the CPA Exam:

- Obtained a bachelor’s degree in accounting from a college or university noted for its outstanding undergraduate program. The student then attended a prestigious graduate school to earn an MBA degree.
- Obtained a bachelor’s degree in accounting from a college or university noted for its outstanding accounting program. The student then moved on to another exceptional university and earned a graduate degree in taxation.
- Graduated from college in only four years with the 150-credit degree. This is because the student had a “head start” coming into college due to the AP (or PSEO) credits earned in high school.

## Choosing a College or University

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Since the cost of tuition, books, housing, and your time will be significant, be certain that your education is worthy of your investment. Find 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 accounting program should be *accredited* by [The Association to Advance Collegiate Schools of Business](#) (AACSB International). If the college does not have AACSB accreditation, check to see if your state's board of accountancy recognizes its accreditation.
2. Ask the college to provide you with their accounting program's pass rates on the CPA Exams for the past three years (available in a publication from the National Association of State Boards of Accountancy entitled *Candidate Performance of the Uniform CPA Examination*). A high quality accounting program will produce (1) a high percentage of students who pass individual sections of the CPA Exam, (2) a high percentage of students who pass all sections of the CPA Exam, and (3) a small percentage of students who do not pass any section of the CPA Exam. (If the college only cites an impressive statistic from years ago, that isn't sufficient—perhaps the best professors have retired and their replacements are not at the same level of effectiveness.)
3. CPA firms recruit from campuses that consistently graduate a significant number of high quality students. Ask the college placement office which firms show up on campus year after year to recruit graduates and listen for names like Deloitte & Touche, Ernst & Young, KPMG, and Pricewaterhouse-Coopers (known as the "Big 4"). Listen for names of other national CPA firms, large regional CPA firms, and/or large corporations. 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 they 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 of getting your first professional accounting position.
4. In addition to a high grade point average, recruiters will want to know if you have skills in communication, leadership, and team dynamics. You can develop these skills 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). Ask if such organizations are active at the college or university you are considering.

Being a member (and later, being an officer) of a student organization will teach you 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 that value leadership and communication skills in addition to excellent grades. Informing a recruiter that you are "just now getting involved" is not impressive—get involved early so you can list your non-academic achievements during the interview.

It should also be said that involvement in student organizations might help you to get to know your professors better—and vice versa—something that becomes increasingly important as you begin to use their names as references on applications.

5. 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 internship was the best thing they did in college. Many students said 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 may also lead 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.

6. The college faculty should consist of full-time professional instructors who are recognized as effective in teaching accounting. Ask to see a tabulation of students' evaluations of their accounting instructors from the most recent semesters.

In summary, make certain that you are enrolled in an accounting program that has demonstrated success with its students passing the CPA Exam. A weak accounting program staffed by undemanding professors who give easy exams and high grades may, in the end, be a waste of your time and money. High test scores in courses with easy professors may give you a false sense of confidence when it comes time to take the CPA Exam.

## Introduction to CPA Requirements

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Requirements for becoming a certified public accountant, or CPA, are determined by each of the 50 U.S. states and five jurisdictions (Washington D.C., Guam, Puerto Rico, U.S. Virgin Islands, and Commonwealth of the Northern Mariana Islands). Requirements fall into the following categories:

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

## Education Requirements

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Each state in the U.S. has a "state board of accountancy" that is responsible for licensing certified public accountants (CPAs) who practice in that state. Each board issues rules that govern what a person must do in order to become a licensed CPA. While having a 120-credit bachelor's degree in accounting was, at one time, enough to qualify a person to sit for the CPA Exam, most states now require that candidates complete a 150-credit college degree program. Exact rules vary from state to state.



In general, state boards require the following:

- A total of 150 semester credits from a college or university whose accreditation is accepted by the state (Colleges and universities typically offer a curriculum designed to meet the 150-credit requirement.)
- A minimum of a bachelor's degree
- A specified number of accounting courses
- A specified number of business courses

Colleges and universities with quality accounting degree programs will offer both a bachelor's degree in accounting as well as the more ambitious 150-credit degree, the latter one meeting the state's requirements for sitting for the CPA Exam. If you want to become a CPA, you will choose the 150-credit program. Within those 150 credits you will most likely earn the bachelor's degree in accounting.

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 known for high grading standards.

Less than half of the students who enroll in a bachelor's degree program in accounting will succeed. The same is true for those who intend to earn the 150-credit degree. Of those students who succeed in qualifying to sit for the CPA Exam, less than half of them will successfully pass this difficult exam.

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

### **Meeting the Educational Requirements in Different Ways**

Generally, colleges and universities will establish an accounting curriculum that guides students through the entire 150 college credits needed to sit for the CPA Exam. That being said, state boards of accountancy sometimes allow a measure of flexibility. Here are a few examples of people who took a different qualifying route to the CPA Exam:

- Obtained a bachelor's degree in accounting from a college or university noted for its outstanding undergraduate program. The student then attended a prestigious graduate school to earn an MBA degree.
- Obtained a bachelor's degree in accounting from a college or university noted for its outstanding accounting program. The student then moved on to another exceptional university and earned a graduate degree in taxation.
- Graduated from college in only four years with the 150-credit degree. This is because the student had a “head start” coming into college due to the AP (or PSEO) credits earned in high school.

## **Passing the CPA Exam**

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

The CPA Exam is infamous for its low pass rates, and this only serves to re-emphasize our advice that you attend a college or university that has 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. The exam is based on academics, so it's best to take the test while your accounting courses are reasonably fresh in your mind. Recollection of coursework material will be far more valuable to you than on-the-job experiences.

We recommend that you sign up for a CPA Exam review course before attempting the CPA Exam. If that is not possible, CPA Exam review materials are available online or in printed books.

## Ethics Exam

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After passing the CPA Exam, but before a CPA license is issued, applicants for a CPA license will need to fulfill an ethics requirement, such as completion of an ethics course and/or an ethics exam. Learn your state's requirements regarding ethics at [State Boards of Accountancy](#)

## Experience Requirements

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

Prior to 2006, if someone had successfully passed the CPA Exam the odds were great that the person could easily find a job that provided the required professional accounting experience. Since 2006, finding an accounting position that provided the required experience may be more challenging.

## CPA License Requirements

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You must apply for your CPA license through your state's board of accountancy (or its designated licensing agency). You may be required to renew your CPA license annually or biannually.

In order to maintain a CPA license, most state boards of accountancy require CPAs to take a specified number of continuing professional education (CPE) hours within a specified period of time. Boards will state what types of CPEs will meet this requirement.

For more details, check with your [state's board of accountancy](#)

## Organizations for CPAs

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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 useful benefits:

- Informs members about current issues within the state.
- Arranges for continuing professional education seminars on such topics as state taxes, state laws, federal taxes, and technology changes.
- Publishes monthly bulletins, newsletters, magazines, and email notices covering issues important to its members.
- Promotes the accounting profession to students and the general public.

### 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 optional daily email newsletters to keep members informed about important events and issues.

CPAs who are members of the American Institute of Certified Public Accountants (AICPA) are required to take 120 hours of continuing professional education during each 3-year reporting period. CPE requirements for memberships in other CPA societies or institutes can be found using the following link: [State Boards of Accountancy](#)

Learn more about the AICPA and other accounting organizations at [Career Resources](#).

## Introduction to the CPA Exam

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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.

Most state boards of accountancy require candidates to complete (or be close to completing) 150 semester credits before they can take the exam. Within the 150 credits there must be a minimum of a bachelor's degree along with specified accounting and business courses from a college that the board recognizes as being accredited.

## Difficulty of the CPA Exam

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The CPA Exam is considered to be one of the most difficult of the professional licensing tests. Even though candidates are allowed to take just one section at a time, the CPA Exam is so rigorous that nearly half of the candidates sitting for any given section of the exam will receive a failing score. Click the following link to view recent [CPA Exam 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:

- 150 college credits that include very challenging accounting courses with high grading standards.
- A keen aptitude for and a strong interest in accounting.
- Prepared themselves for the exam by taking formal CPA Exam review courses and/or studying review materials.

It is a sobering statistic that nationally only 50% of candidates who attempt any given section of the CPA Exam will achieve a passing score. If your goal is to become a certified public accountant, this statistic stresses how critical it is that you enroll in a rigorous, high-quality, college accounting program.

## CPA Exam Facts

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Some facts about the CPA Exam:

1. The official title of the CPA Exam is the Uniform CPA Examination. The official name reflects the fact that the American Institute of Certified Public Accountants (AICPA) develops the exam questions.
2. The CPA Exam is available only in English and is completely computerized. It is offered only in testing centers in the 50 U.S. states, five additional jurisdictions (Washington D.C., Guam, Puerto Rico, U.S. Virgin Islands, CNMI), and some locations in the Middle East, Brazil, and Japan.
3. The CPA Exam has been a computer-based exam since the year 2004 and it consists of four sections that can be taken one at a time and in any sequence. The sections and their allotted times are:
  - Auditing and Attestation - 4 hours
  - Business Environment and Concepts - 4 hours
  - Financial Accounting and Reporting - 4 hours
  - Regulation - 4 hours
4. The sections of the CPA Exam are administered in testing centers during the first two months of each calendar quarter. For example, in the first calendar quarter of the year, approved candidates can sit for the CPA Exam at one of the testing centers during January and February, but not during March.
5. 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 will be more helpful to you than the information you learn in your first accounting job.
6. For important specifics and valuable resources to help you prepare for the CPA Exam visit: <https://www.aicpa.org/becomeacpa/cpaexam.html>.

7. For additional information regarding the CPA Exam visit: <http://nasba.org/exams/cpaexam/>. There you will find links to:
- “The Candidate Bulletin”
  - Jurisdictions for becoming eligible for the CPA Exam
  - Frequently asked questions
  - And more
8. To get current information on the international administration of the CPA Exam visit: <http://nasba.org/exams/internationalexam/>.

## CPA Exam Review Courses and Materials

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A strategy for attaining a passing score on each section of the CPA Exam must include a disciplined and aggressive study plan. Decide which CPA Exam review you will use.

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 list of links for some of the CPA exam review courses and materials that are available:

### CPA Review Courses

Becker CPA Review

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

Bisk CPA Review

<http://www.cpaexam.com/>

Exam Matrix CPA Review

<http://www.exammatrix.com/cpa-exam-review>

Fast Forward Academy

<https://fastforwardacademy.com/store/cpa/pathway>

Gleim CPA Review

<http://www.gleim.com/accounting/cpa/>

Lambers CPA Review

<http://www.lambers.com/cpa.html>

Roger CPA Review

<http://www.rogercpareview.com/>

Wiley CPAexcel

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

Yaeger CPA Review

<http://www.yaegercpareview.com>

## Certified Management Accountant (CMA)

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After you've become an accountant, you may choose to go on to earn a specialized certification, license, or other credential in accounting. Doing so puts you a step ahead of 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 a 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 [http://www.imanet.org/cma\\_certification.aspx](http://www.imanet.org/cma_certification.aspx)

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. You will become a better management accountant if you are already working in industry. If you are working at a CPA firm as a public accountant, you will also become a better CPA. Since most accountants will eventually work in areas outside of public accounting, the CMA credential is a great investment.

## CMA Exam Review Courses and Materials

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There are several sources for CMA review courses and materials. Here is our listing which provides links to their websites:

Becker CMA Exam Review

<http://www.becker.com/cma>

ExamMatrix CMA Review Software:

<http://www.exammatrix.com/cma-exam-review/>

Fast Forward Academy CMA Exam Review

<https://fastforwardacademy.com/store/cma/pathway>

Gleim Publications CMA Review:

<http://www.gleim.com/accounting/cma/>

HOCK International CMA Materials:

<http://www.hockinternational.com/>

Lambers CMA Review:

<http://www.lambers.com/cma.html>

Rigos CMS Self Study:  
<http://www.rigos.net>

Wiley CMAexcel  
<http://www.efficientlearning.com/wileycmaexcel/>

## 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
<b>CPA</b> Certified Public Accountant	Uniform CPA Exam Licensing by State (see State CPA Requirements)	<a href="http://www.aicpa.org">www.aicpa.org</a> <a href="http://www.cpa-exam.org">www.cpa-exam.org</a> <a href="http://www.nasba.org">www.nasba.org</a>
<b>CMA</b> Certified Management Accountant	IMA (Institute of Management Accountants)	<a href="http://www.imanet.org">www.imanet.org</a>
<b>CIA</b> Certified Internal Auditor	The Institute of Internal Auditors	<a href="http://www.theiia.org">www.theiia.org</a>
<b>CGMA</b> Chartered Global Mgmt Accountant	American Institute of CPAs (AICPA) Chartered Institute of Management Accountants (CIMA)	<a href="http://www.cgma.org">www.cgma.org</a>
<b>PFS</b> Personal Financial Specialist	Personal Financial Planning (PFP) Section of the American Institute of Certified Public Accountants	<a href="http://pfp.aicpa.org">pfp.aicpa.org</a>
<b>CFP</b> Certified Financial Planner	Certified Financial Planner Board of Standards Inc.	<a href="http://www.cfp.net">www.cfp.net</a>
<b>CFE</b> Certified Fraud Examiner	Association of Certified Fraud Examiners	<a href="http://www.acfe.com">www.acfe.com</a>
<b>NAFA</b> National Association of Forensic Accountants	National Association of Forensic Accountants	<a href="http://www.nafanet.com">www.nafanet.com</a>
<b>EA</b> Enrolled Agent	Internal Revenue Service	<a href="http://www.irs.gov">www.irs.gov</a>
<b>CGFM</b> Certified Government Financial Manager	Association of Government Accountants (AGA)	<a href="http://www.agacgfm.org">www.agacgfm.org</a>
<b>CB</b> Certified Bookkeeper	American Institute of Professional Bookkeepers	<a href="http://www.aipb.org">www.aipb.org</a>
<b>CPB</b> Certified Public Bookkeeper	National Association of Certified Public Bookkeepers	<a href="http://www.nacpb.org">www.nacpb.org</a>
<b>CPP</b> Certified Payroll Professional	American Payroll Association	<a href="http://www.americanpayroll.org">www.americanpayroll.org</a>
<b>FPC</b> Fundamental Payroll Certification	American Payroll Association	<a href="http://www.americanpayroll.org">www.americanpayroll.org</a>
<b>QuickBooks ProAdvisor</b>	Intuit Inc.	<a href="http://proadvisor.intuit.com">proadvisor.intuit.com</a>