

Study on CPA Examination

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Abstract: Since the beginning of the new century, with the rapid development of China's economy, the demand for talents from all walks of life has become greater and higher. In 1991, the CPA examination was held for the first time. Since the first CPA examination was held in 1991, this system has gone through more than 20 years, and a large number of talents have emerged. With the continuous improvement of the CPA examination system, it has been largely recognized by the public. More and more young people take it as an important choice for their career development. The CPA examination has provided a large number of excellent financial personnel for the society.

1. Introduction of CPA

1.1 The basic information

CPA is to point to acquire the certificate for Certified Public accountants and the accounting firm practice, English full name Certified Public Accountant, CPA for short, refers to the social audit/intermediary auditing/independent audit professionals, CPA in some other countries, such as CGA in Canada, the United States of the AICPA, Australian CPA Australia, the chartered Certified Accountant guild ACCA. The subjects of the CPA examination are "accounting", "audit", "financial cost management", "economic law", "tax law", "strategy and risk management". Certified public accountants are subject to the examination system of 100 points, 60 points for qualifying score line.

1.2 The development of the CPA system

- In 1991, the CPA examination was held for the first time.
- The law of the People's Republic of China on certified public accountants was adopted at the fourth meeting of the standing committee of the eighth National People's Congress on October 31, 1993
- The law of the People's Republic of China on certified public accountants came into effect on January 1, 1994.
- In 2009, the CPA examination was divided into two stages and form a "6+1" examination subject system
- In 2012, the CPA examination was computerized
- In 2015, the Chinese society for certified public accountants formulated the reform plan of the quality assurance system of the CPA examination.

1.3 The significance of the CPA examination.

1.3.1 The examination of the CPA is an important part of professional admittance.

Independent auditing by certified public accountants is an important institutional arrangement in the supervision system of the market economy. The full play of CPA certification and service depends on the professional level of the CPA team. In order to increase the professional level of certified public accountants, the most important thing is the selection and training of certified public accountants. The CPA examination is the first pass to evaluate the professional admittance

qualification of certified public accountants, which are also the most important link of the professional admittance.

1.3.2 CPA examination is an important support for the development of the industry.

The certified public accountant profession is the expert professional. The profession development must depend on the talented person to support. Over the past 20 years, more than half of candidates who have obtained the comprehensive qualification certificate have been registered as practicing members, becoming the backbone of the industry development, while some have become non-practicing members, paying attention to and supporting the development of the industry in related industries and fields, as well as reserve talents for the industry development. The CPA examination not only provides talent support for the progress of the industry, but also plays a positive role in publicity and promotion. By taking the CPA examination, candidates have deepened their understanding of the CPA industry, and imperceptibly increased their sense of identity and being owned by the industry. After passing the examination, a large number of candidates have been active in the industry.

1.3.3 The CPA examination is a bellwether for the growth of professionals.

At present, more and more young people take the certified public accountant examination as an essential choice for their career development. By applying for certified public accountant and obtaining the certified public accountant qualification certificate, they can assist in their career. In addition, many colleges and universities have set up courses related to the CPA examination, or set up the majority of cultivating certified public accountants. To some extent, the content of the CPA examination influences the direction of students' study and school education, and objectively plays a role in guiding the growth direction of professionals in the field of finance and economics.

2. CPA examination status

From 1991 to 2017, a total of more than 5 million people registered to take the CPA examination, and 234,000 people passed the exam.

2.1 Enrollment situation

In 2017, the CPA examination set up 1,041 test centers and 1,1001 examination halls in 31 provinces, autonomous regions and municipalities directly under the central government, as well as in Hong Kong, Macao and European regions.

Table1 Comparison of enrolment
Unit: Ten thousand people

	2016		2017			
	Professional stage	Comprehensive stage	Professional stage	Increasing range	Comprehensive stage	Increasing Range
Number	92.37	2.39	115.91	25.43%	2.26	5.44%

Table 2 The number of applicants of the 2016-2017 professional examination
Unit: Ten thousand people

	In 2016	In 2017	
	The registration number	The registration number	Increasing range
accounting	71.25	91.51	28.45%
auditing	29.07	36.24	24.63%
Financial cost management	30.42	38.74	27.35%
economic law	42.91	55.20	28.64%
tax law	48.15	59.94	24.49%
Corporate strategy and risk management	24.55	32.69	33.18%

2.2 The examinee structure

According to different classification criteria, examinee structure is diverse. We mainly compare candidates' units, ages and majors.

Table 3 Different unit nature examinee holds proportion

	companies	accounting firm	administrative institution	others	no unit
Professional stage	39.35%	7.56%	9.79%	21.53%	21.78%
Comprehensive stage	43.82%	24.04%	12.08%	13.31%	6.75%

Table 4 The proportion of candidates of different ages.

	<25	26-30	31-35	36-40	41-45	>46
Professional stage	42.50%	34.79%	13.79%	5.73%	2.39%	0.8%
Comprehensive stage	8.63%	52.79%	23.16%	9.53%	4.58%	1.31%

Table 5 The proportion of candidates of different majors

	Accounting and auditing	Finance and economics	Non-finance and economics
Professional stage	52.73%	20.44%	26.83%
Comprehensive stage	55.49%	22.25%	22.26%

2.3 The passing of an examination

Table 6 The number of passing the professional examination

Unit:Ten thousand people			
	The number of passing the single subject	The number of passing the all subjects	Average pass rate
2013	8.37	1.68	21.03%
2014	7.72	1.01	17.61%
2015	9.93	1.76	23.56%
2016	11.82	1.45	22.65%
2017	16.76	2.07	25.27%

Table 7 The number of passing the comprehensive examination

Unit:People			
	The registration number	The number of qualified	Pass rate
2013	23736	12336	67.10%
2014	28154	15016	77.10%
2015	29266	11570	79.21%
2016	29271	15169	79.27%
2017	28588	14704	81.56%

2.4 Conclusion

1) The number of applicants for the two stages of the CPA examination increased year by year, and the passing rate also increased, but the growth rate was smaller than that of the number of applicants. This shows that the CPA exam is still difficult.

2) The proportion of candidates under the age of 35 in the professional examinations was 91.08%, and that in the comprehensive examinations was 84.58%, indicating that the CPA examination was

the most attractive to young people.

3) The proportion of candidates from companies was significantly higher than that of other organizations. It shows that enterprises have a relatively large demand for high-end financial personnel.

4) The candidates of non-accounting and auditing majors account for nearly half of the total, indicating that the CPA examination has a great influence on other majors. However, only 20% to 30% of the students are majoring in non-finance and economics, indicating that the CPA exam is professional.

5) For candidates from accounting firms, whether in the professional stage or the comprehensive stage, the passing rate is higher than other types of candidates, which reflect the importance of practice in passing the examination.

3. SWOT analysis of CPA

Strengths <ul style="list-style-type: none">● High social recognition● The system is relatively complete	Weaknesses <ul style="list-style-type: none">● The CPA examination is not closely connected with universities.● The subjects of the CPA examination are incomplete and unreasonable.● The entry threshold for CPA practice is low.
Opportunities <ul style="list-style-type: none">● Economic development needs high-end financial personnel.● More and more young people are learning CPA.	Threats <ul style="list-style-type: none">● ACCA,CMA and other examinations enter China.● Many CPA training institutions are not standardized.

3.1 Strength of CPA

According to the chart, the passing rate of the CPA examination has been maintained at 20-30%. This shows that the certified public accountant examination selection certified public accountant is very strict. A candidate who wants to become a certified public accountant must be proficient and flexible in using the knowledge he has learned. After passing the exam, the examinee has to go through two years of practice before becoming a certified public accountant. This ensures the high quality of the certified public accountants, winning a high degree of social recognition.

CPA examination system from scratch, gradually improves, constantly improve. In 1991, the CPA examination was held for the first time. Over the past two decades, the CPA examination system has been constantly improved, the examination system has become more scientific, and the financial and accounting personnel have been trained to better meet the needs of the society.

3.2 Weaknesses of CPA

3.2.1 The CPA examination is not closely connected with universities.

Colleges and universities play a key role in cultivating all kinds of professional talents. Some schools offer CPA course, but many of them do not offer formal CPA course. In addition, the CPA examination requires students to take an exam after graduation. This widens the gap between the CPA examination and college students.

3.2.2 The subjects of the CPA examination are incomplete and unreasonable.

With the development of the past decade, China has entered the decisive period of building a moderately prosperous society in all respects. Preventing and resolving major risks is the primary task of the three major battles at present, among which preventing and resolving financial risks is the top priority. Corresponding to the certified public accountants practice environment in our country, the current which involves many financial business of listed companies in our country, the certified

public accountant in the practice process will encounter all kinds of complicated financial instruments, but in the entrance exam for certified public accountants in our country, the financial sector, seldom involves the knowledge currently. As a result, certified public accountants who have passed the examination are not able to effectively use their professional knowledge to identify risk points in the practice process.

3.2.3 The entry threshold for CPA practice is low.

At present, China's certified public accountant system has a low threshold for CPA registration. That is, as long as a CPA certificate and two years of work experience in an accounting firm, you can sign up for practice in an accounting firm. As a result, some certified public accountants may be unable to make full and effective use of professional knowledge to improve the quality of practice due to their lack of experience in independent practice due to the few industries or projects they have contact with in the past two years.

3.3 Opportunities of CPA

3.3.1 Economic development need high-end financial personnel.

According to the chart, the proportion of candidates, from companies was significantly higher than that of other organizations. Since the reform and opening up, China's rapid economic development, the demand for certified public accountants is also increasing. The development of enterprises needs more and more senior financial personnel. Therefore, certified public accountants will have a good prospect for development.

3.3.2 More and more young people are learning CPA.

According to the data, the proportion of candidates, under the age of 35 in the professional examinations was 91.08%, and that in the comprehensive examinations was 84.58%, indicating that the CPA examination was the most attractive to young people. More and more young people devote themselves to study the knowledge of CPA and aspire to become an excellent CPA.

3.4 Threats of CPA

3.4.1 ACCA, CMA and other examinations enter China.

The CPA examination requires students to get an exam after graduation. As result, many college students take ACCA, CMA and other courses in the university, which reduced the number of students majoring in accounting and aggravated the shortage of high-end talents in the accounting industry.

3.4.2 CPA training institutions are not standardized

At present, there are numerous CPA training institutions in the society, they hype the importance of the CPA, so that college students sign up. However, there are various problems in the training institutions. The fees are not affordable. Numerous institutions charge very high fees. The quality of teaching is not guaranteed. Some of the teachers in training institutions are people who have just adopted the CPA exam. They do not have any teaching experience at all.

4. Suggestions on CPA examination development

4.1 Improve the system for admitting certifying public accountants to practice

According to the data, it can be seen that nearly half of the candidates for the CPA are non-accounting and auditing students, whose professional knowledge is not rich enough. Candidates with practical experience are more likely to pass the exam. In order to improve the quality of CPA, I suggest lengthening the practice time. Candidates who pass the exam can become certified public accountants after three years of practice.

4.2 Improve the subjects of CPA examination

China should reform the subjects of CPA examination and enhance the relevance between them and CPA practice. At present, China can consider to increase the assessment of financial and information knowledge (such as big data) in the CPA examination, so that certified public accountants can acquire more knowledge and skills to better deal with practical problems in the practice process and better serve the task of preventing and resolving major risks.

4.3 Standardize CPA training institutions

The government should strengthen the supervision of CPA training institutions. Regulate the fee of training institutions to prevent them from overcharging. The government should carry out some vocational requirements for teachers of training institutions, and they should have basic vocational certificates. We will strengthen regulation of online courses and e-books to protect the legitimate rights and interests of buyers.

4.4 Strengthen the connection between the CPA examination and higher education

In the process of talent construction, our country should make clear the specific requirements for the training of certified public accountants in colleges and universities. College teachers should pay close attention to certified public accountants industry development situation, dynamic at any time in the talent market as the guidance, optimize adjust itself in the certified public accountant talents construction goal, plan, etc., pay attention to the application of advanced teaching concept, pay attention to the organic integration of theory and practice of teaching, improve relevant professional curriculum system, science set up the professional courses, optimizing adjustment of professional course teaching content, such as effective teaching. The examination of certified public accountants should allow undergraduates to take the examination, increase the number of certified public accountants, and make greater contributions to China's economic development.

5. Conclusions

Since 1991, the CPA examination system has been continuously enhanced and the organization and management have been constantly optimized. As of December 31, 2017, 234,000 people had adopted the CPA exam. For the certified public accountant profession and the economic and social development have provided important specialized talented person support. Candidates through the CPA exam, more in-depth study of accounting and related disciplines of knowledge, improve their ability to solve problems, cultivate professional spirit, to win a better prospect for their own progress. CPA education is also developing and enhance. However, there are still many problems in the education and examination of certified public accountants, which need to be constantly improved in the future advance to cultivate more high-quality accountants and make more contributions to the economic development of society.

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