

CPA Exam and Licensure FAQs

➤ What is “CPA Eligibility”?

- CPA eligibility is a term used by CPA firms referring to the fulfillment of educational background for CPA licensing. The “CPA Eligibility Date” refers to the estimated date you complete all the educational requirements for being licensed as CPA in California.
- If you are from CSUF’s undergraduate accounting major—
 - Under the new AB1175 (the 120-unit rule) pathway your graduation date is your “CPA Eligibility Date”.
 - Under the legacy 150-unit pathway, that is the date you complete both the total units of 150 and the category requirements within the 150 (see explanations below).
 - CPA firms allow you to choose either pathway to estimate the “CPA Eligibility” on your resume.

➤ What are the requirements for taking the CPA exam?

- In California, to validate the exam you need to have:
 - 1) 24 semester units in accounting subject
 - Any accounting course can be counted towards “accounting subject”, including independent studies or internship, if the course has accounting prefix such as “ACCT” or “ACT”, indicating that the course is offered from an accounting department. At CSUF, that would be the School of Accountancy.
 - The Accounting Concentration from the School of Accountancy at CSUF guarantees the fulfillment of this requirement.
 - Please also refer to the answer to question “What “accounting-related subjects” means?” below.
 - 2) 24 semester units in business subject
 - Any course offered by business school, such as CBE at CSUF, is considered “business subject”. On top of that, all mathematics and computer science courses are also included in “business subject.”
 - Any business major student at CBE at CSUF will graduate with more business subject units required for this purpose.
 - 3) bachelor’s degree from any major.

Note: all accounting courses can be counted as business-related subjects, but not the other way around.

➤ You may **apply** for the exam when:

- 1) Option **A**: you have fulfilled the three requirements stated above (i.e., 24 units of accounting +24 units of business + bachelor’s degree).
- 2) Option **B**: you have fulfilled all the requirements to earn the three requirements stated above, and are qualified to graduate with bachelor's degree, however, you are deferring your graduation date to prolong your education for the purpose of earning more educational units (for instance, for the 150 units of licensure requirement) or to earn next level degree (i.e., master’s).
- 3) Option **C**: it’s within 180 days (6 months) **before** you fulfill the above requirements (i.e., 24 units of accounting +24 units of business + bachelor’s degree), you may apply “**early entry**” to start taking exams before you receive the bachelor's degree.

- **CSUF's accounting major** covers all required courses for students to take CPA exam, which means, if you are in the accounting program at CSUF, **you are allowed to apply for and consequently take the exam 180 days (6 months) before you graduate.** You need to apply for early entry as a **type C** candidate.

- For further details, please refer to CBA's website at:
<https://www.dca.ca.gov/cba/applicants/exam-applicant.shtml>

➤ **How to be licensed as a CPA in California**

- During 1/1/2027~ 12/31/2028, you can choose to fulfill the "150 units" requirement, or the alternative pathway from AB 1175.
- Starting 1/1/2029, the 150-unit requirement will be completely phased out, replaced by the AB1175.

➤ **Key Provisions of AB1175 for licensing**

➤ **Educational background:**

- a bachelor's degree with an accounting concentration, or,
- a bachelor's degree (non-accounting concentration) with 24 semester units in accounting, 24 in business-related courses including ethics, and 3 units in ethics

➤ **Experience requirement:**

- **Two years** (24 months) of full-time equivalent experience in accounting, unless the candidate obtains a master's degree in accounting, taxation, or related fields, which will allow licensing applications with only one year's experience.
 - **Advanced degrees** (e.g., master's in accounting, taxation, or related fields) can substitute for up to one year's experience.
 - Certain board-recognized certificates or training programs (e.g., from community colleges) can substitute for portions (up to six months).
- Experience must be obtained under the supervision of an individual holding an active CPA license.
- Experience may be obtained from internship, part-time job, or full-time job.
- If all experience obtained is from general accounting, for instance, posting journal entries, composing financial statements, filing tax returns, etc., the license to be issued would be "General Experience License" which does not allow licensees to issue audit opinions and/or sign off audit report from attest engagement.
- To be issued a license with the ability to sign reports on attest engagements, you must also demonstrate completion of a minimum of 500 hours in attest experience.

- **Examination:** candidates must pass all four sections of the CPA exam.

➤ **Details about AB1175 can be found at**

<https://www.dca.ca.gov/cba/outreach/california-legislation.shtml>

- Main differences between the current 150-unit requirement and the AB1175 are:

- AB1175 only requires 120 units.
- AB1175 requires two years of experience, while 150-unit requirement requires one year.

- **If you choose the 150-unit pathway for licensing, please keep in mind that you can only take the benefit of obtaining license with one year's experience if you pass all sections of exam and have the required experience before the end of 2028, after which you will have to go by the AB1175.**

➤ **What is the 150 units requirement? How do I understand each section in the requirement?**

- 150 semester units' requirement is one of the requirements to qualify for a CPA license. It is NOT the requirement for taking the exam. To learn more about the complete requirements to qualify for a CPA license in California, please visit the California Board of Accountancy (CBA)'s CPA Licensing Applicant Handbook at: <https://www.dca.ca.gov/cba/applicants/applbook.pdf>
- In the 150 units, 72 units can be taken from any college level courses (any level, any major). The remaining 78 units must be in the specific categories according to the CBA's "tip-sheet": https://www.dca.ca.gov/cba/applicants/tip_sheet.pdf. These category requirements are explained below.
- If you are a student from CBE at CSUF, you will meet all business subject units' requirement when you graduate.
 - Besides business units requirement, you must have a minimum 30 semester units of accounting courses (at any level, with any title, from any school) and 10 Semester Units of Ethics Study. See "10 Semester Units – Ethics Study" breakdown below.
- The section-by-section explanation of 78 units category requirement is as follows:
 - The first two sections (in color blue): "24 Semester Units – Accounting Subjects" and "24 semester Units – Business-Related Subjects" overlap with the educational requirement of taking the CPA Exam.
 - The "20 semester units – accounting study" section breakdown:
 - This section requires minimum 6 units in accounting subjects, which refers to any accounting course at any level from any college/ university. This is the same requirement as the "24 semester units -accounting subjects" on the top of the list. Together, you need to have total $6+24=30$ semester units from any accounting courses. At CSUF, these can be any courses with the prefix of "ACCT", including internship/independent studies.
 - "Maximum 14 semester units in business-related subjects" means you can have up to 20 units from "business-related subjects". "Maximum" indicates that these 14 units are not "must have" such as the 6 accounting subject units, but if you don't have extra accounting subject units to spare and fill in this section, you can use up to 14 units of business subject courses. Business subjects include all courses taken from business school, such as CSUF's CBE, plus any math and computer science courses. Please note that all accounting courses can be count as business-subject, but not the other way around. If you are from CSUF's CBE, you will have enough business subject courses to satisfy all business subject requirements in both the "24 semester units – business-related subjects" section and this "20 semester units – accounting study" section.
 - "Maximum 9 semester units in other academic work" means these 9 units are not required. If you don't have enough accounting and/or business units, you can use up to 9 units of courses from the listed discipline in this section.
 - "Maximum 4 semester units in internships / independent studies in accounting and/or business-related subjects" means you can use up to 4 units of internships/ independent studies from accounting or other business discipline. This limitation doesn't apply to internship or independent studies from accounting courses with the prefix ACCT at CSUF, or such prefix indicating the accounting nature of the course. If a course has a prefix such as ACT or ACCT, it's considered "Accounting Subject".
 - Completion of a Master of Accounting, Taxation, or Laws in Taxation is equivalent to 20 semester units of accounting study" indicates that if you have a degree in MSA, MST, or Laws in Taxation, this whole "20 semester units – accounting study" section required is waived from the total 150 units' requirement, and the educational background for you

is 130 units rather than 150. This waiver shows CBA's effort to encourage CPA candidates to get a master's degree in accounting/taxation.

- “10 Semester Units – Ethics Study” breakdown:
 - “Minimum 3 semester or 4 quarter units in accounting ethics, accountants’ professional responsibilities, auditing or fraud”. You must have minimum 3 units from one or more of the above listed courses. You can take them at any college / university. **At CSUF, the courses apply to this requirement are: ACCT402 Auditing, ACCT422 Internal Audit and Controls, ACCT415 Accounting Professional Ethics, ACCT405 Forensic Accounting and Fraud Examination.**
 - “Maximum 7 semester or 11 quarter units in courses in any of the following subject areas” provides a list of courses (other than accounting ethics) qualified under ethics study. Among the courses are Organizational Behavior and Business Law, or Legal Environment. These two are GE courses (3 units each, total 6 units) at CSUF CBE, which means if you graduated from CSUF’s CBE, you would have at least 6 Ethics Study units. Most CBE students only have these two GE courses that can be used in this category.
 - “Maximum 3 semester or 4 quarter units in courses from the following disciplines” means you have an option to use up to 3 semester units from the three listed discipline: philosophy, religion, theology, given that the course title include one of the listed terms, such as “Introduction”, “Principle of”, etc., under Ethics Study. For instance, if you took a course titled “Introduction to Philosophy”, you can count to 3 semester units from this course in the Ethics Study category.

➤ If you try to match your course units according to the “tip sheet” (https://www.dca.ca.gov/cba/applicants/tip_sheet.pdf), please keep in mind that you cannot double count any course in different section, however, if you have extra units in one section, you can split the units and use the extra in the next section. For instance, if you counted 25 units of accounting subject while matching the first section “24 Semester Units – Accounting Subjects”, you can split the one extra unit (25-24) and use it in the “minimum 6 semester units in accounting subjects” under the “20 semester units – accounting study”.

➤ **Do I have to have 150 units to sit for the CPA exam?**

- No. 150 units’ requirement is one of the requirements to be licensed as a CPA, NOT the requirement for taking the exam. For you to be licensed as CPA in California, you need to
- Pass all four sections of CPA exam
 - Have 150 units of educational background
 - One year’s experience

You can accomplish these three main requirements at any order or all at the same time. After accomplishing all these, before applying for the license you will need to take and pass an online, take home, open book/ notes Professional Ethics Exam. For further details, please refer to the CPA Licensing Application Handbook from California Board of Accountancy at:

<https://www.dca.ca.gov/cba/applicants/applbook.pdf>

➤ **What “accounting-related subjects” means?**

- Any course offered by accounting department or School of Accountancy at any college or university is considered an accounting subject. If your university / college has accounting department, or in CSUF’s case, a School of Accountancy, then all courses with the accounting prefix, such as “ACCT” or “ACT”, are considered “Accounting Subject”, regardless the title or content of the course.

- If you attended a university or college that offers accounting courses but does not have accounting department or accounting major (such as UCLA), hence the accounting courses offered do not have the prefix such as “ACCT” to indicate the accounting nature of the course, then in order for the course to be qualified as “Accounting Subject”, the title of the course must include the terms listed in the “Educational Requirements for CPA Licensure” (https://www.dca.ca.gov/cba/applicants/tip_sheet.pdf), which includes the following:
 - Accounting
 - Auditing
 - Taxation
 - Financial Reporting
 - Financial Statement Analysis
 - External & Internal Reporting

➤ **What courses are “business-related subjects”?**

- Business subjects include all courses taken from business school, such as CSUF’s CBE, plus any math and computer science courses. Please note that all accounting courses can be count as business-subject, but not vice versa.
- If you are a business school student, you will have enough business-related subjects’ units per the 150 units requirement by the time you graduate.

➤ **Can units from community college count towards the 150 units requirement?**

- Yes, units from any course that you take at college level from any college / university, including community college, can be used toward the total 150 units requirement.
- In the 150 units, 72 units can be from any college / university level courses (any level, any major). The remaining 78 units must be in the specific categories listed here:
https://www.dca.ca.gov/cba/applicants/tip_sheet.pdf
- See the answers for question “What is the 150 units requirement” for detailed breakdown of the 150 units’ category requirement.

➤ **What’s the current CPA exam model?**

- The new model is: 3 core exams + 1 elective exam from three disciplines.
- The 3 core exams test the “old knowledge”, or fundamental accounting knowledge in the traditional areas of financial reporting, auditing, and tax.
- After finishing 3 core exams you need to take one exam chosen from one of the three disciplines:
 - Business analysis and reporting (BAR)
 - This is the continuous of financial accounting
 - Information systems and controls (ISC)
 - This is the continuous of audit
 - Tax compliance and planning (TCP)
 - This is the continuous of taxation
- The three disciplines focus more on high level transactions, use of technology, system skills, researching skills, and data analytics.
- For further details and updates please visit:
<https://evolutionofcpa.org/>
<https://www.youtube.com/watch?v=YoVUbuTa5ro>

➤ **What are the courses that can best prepare me for the CPA exam under 2024 new model?**

- All the core courses prepare you for the exams, especially the core exams.

- A more specific course vs. exam mapping is as follows:

Exam Name	Exam Acronym	Core or Discipline	Main Corresponding Accounting Course(s)	Accounting Course Title	Estimated % of Course Content in Exam
Auditing and Attestation	AUD	Core	ACCT402	Auditing	80-100%
Financial Accounting and Reporting	FAR	Core	ACCT301A & B	Intermediate Accounting I & II	80-100%
Taxation and Regulation	REG	Core	ACCT308	Concepts of Federal Income Tax	80-100%
			ACCT408	Taxation of Business Entities	80-100%
Business Analysis and Reporting	BAR	Discipline	ACCT302	Cost Accounting	10-30%
			ACCT401	Advanced Accounting	40-60%
			ACCT403	Governmental Accounting	10-20%
			ACCT460	Financial Statement Analysis	5-15%
Information Systems and Controls	ISC	Discipline	ACCT307	Accounting Information System	10-30%
			ACCT402	Auditing	10-30%
			ACCT422	Internal Auditing and Controls	10-30%
Tax Compliance and Planning	TCP	Discipline	ACCT308	Concepts of Federal Income Tax	80-100%
			ACCT408	Taxation of Business Entities	80-100%

- Please also note that the trend in CPA exam is gradually increased content of technology and system skills. Having basic knowledge of Excel and data analytics can only helps you in future exam.
- **Do I have to take a CPA review course to pass CPA exam?**
- Yes, you need to take a CPA review course. Only such course can provide you enough practices in a systematic way to prepare you for the real exam.
 - There are may CPA review courses available in the market, you can choose the right one for you according to your budget and learning style.
 - At School of Accountancy, we offer a CPA review program powered by Becker CPA. School of Accountancy sends out flyers regarding this program at the beginning of each semester. Please refer to the flyer or contact CPA Advisor Kristin Li (Krli@fullerton.edu) for further information.
- **What are some extra resources regarding CPA exam / licensure and CPA career?**
- California Board of Accountancy. This is the organization that issues CPA license in California. Website: <https://www.dca.ca.gov/cba/>
 - The American Institute of Certified Public Accountants (AICPA): <https://www.aicpa.org/home>
 - This is the organization behind CPA exam. It provides a lot of resources for CPA and CPA candidates.

- AICPA's CPA Exam Blueprint:
<https://us.aicpa.org/content/dam/aicpa/becomeacpa/cpaexam/examinationcontent/downloadabledocuments/cpa-exam-blueprints-effective-july-2021.pdf>
 - All CPA review courses design and update their review courses according to this document. It's very important that you give it a glance before studying CPA exam.
- National Association of State Boards of Accountancy (NASBA): <https://nasba.org/>
- CalCPA: <https://www.calcpa.org/>
 - CalCPA's student membership is free. Joining CalCPA, the largest statewide CPA association, will give you access to a lot of networking opportunities and resources for studying CPA exam.
- There are various CPA review courses are available in the market, such as Becker. Some of them provide free demos of their studying materials and recent CPA exam / licensure related news and updates.