Becker CPA Review

Puerto Rico Division

2013
The CPA Profession
The USA CPA Designation

- Highly respected and valued credential in accounting and business – the Gold Standard
- All US CPAs are accountants, but not all accountants are US CPAs
- US CPAs are licensed to practice according to state-specific requirements for education and experience and by passing the CPA Exam
- Passport to advancement within the accounting profession
  - Multinational corporations from US
  - Overseas companies listed on the US stock exchange
Where CPAs Work

- US CPAs typically begin their career in public accounting because it gives them the fastest and broadest exposure to a variety of businesses
  - Big Four - E&Y, PWC, KPMG, Deloitte
- May move into corporate positions as they advance in their career, or pursue opportunities with:
  - Corporations – GE, Caterpillar, Procter and Gamble
  - Governmental entities – IRS, Defense Accounting Service, Department of Energy
  - Not-for-profit entities
  - Academia
What US CPAs Do

The roles and career paths for US CPAs have expanded.

- Audit & Assurance
- Corporate Accounting
- Consulting Services
- Environmental Accounting
- Forensic Accounting
- International Accounting
- Tax Accounting
- Teaching
Why Become a US CPA?

- Globalization
  - Convergence of U.S. Accounting Standards with International standards
  - Push to align all new US CPA pronouncements with International standards
  - US CPA exam now includes IFRS content
  - Growing demand for international accounting skills

- Multinational corporations from USA

- Overseas companies are listed on the US stock exchange

- Expanded career options, both locally and internationally

- Provides professionals with greater earning potential

- Candidates can prepare for and pass the US CPA Exam in 6 to 18 months
US CPAs are in Demand

- U.S. Bureau of Labor Statistics expects employment of accountants and auditors to grow faster through 2018 than for any other occupation
  - Best prospects are for those “who have a college degree and professional certification, especially a CPA.”
  - According to the American Institute of Certified Public Accountants, 75 percent of today’s CPAs will retire over the next 15 years

- Ranked 6th on list of 10 hottest jobs by CNNMoney.com for “great pay and superior growth prospects” and “work that's meaningful”
Earnings Potential

• 2014 projected accounting salaries (US $)

<table>
<thead>
<tr>
<th>Large Public Firms</th>
<th>Non-CPA Salaries Up To</th>
<th>CPA Salaries** Up To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager/Director***</td>
<td>- -</td>
<td>$175,000</td>
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<tr>
<td>Manager***</td>
<td>- -</td>
<td>$122,750</td>
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<tr>
<td>Senior</td>
<td>$94,250</td>
<td>$103,675</td>
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<tr>
<td>1 to 3 Years</td>
<td>$75,250</td>
<td>$82,775</td>
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<tr>
<td>Up to 1 Year</td>
<td>$63,500</td>
<td>$59,850</td>
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<table>
<thead>
<tr>
<th>Corporate Accounting</th>
<th>Non-CPA Salaries Up To</th>
<th>CPA Salaries** Up To</th>
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</thead>
<tbody>
<tr>
<td>Chief Financial Officer***</td>
<td>- -</td>
<td>$411,000</td>
</tr>
<tr>
<td>Tax Director***</td>
<td>- -</td>
<td>$233,500</td>
</tr>
<tr>
<td>Controller***</td>
<td>- -</td>
<td>$199,000</td>
</tr>
<tr>
<td>IT Auditor - Manager</td>
<td>$140,250</td>
<td>$154,275</td>
</tr>
<tr>
<td>Financial Analyst - Manager</td>
<td>$114,500</td>
<td>$125,950</td>
</tr>
<tr>
<td>General Accountant - 1 to 3 Years</td>
<td>$62,000</td>
<td>$58,200</td>
</tr>
</tbody>
</table>

• Licensed CPAs may earn 10% more than unlicensed accountants

• Potential for faster promotions

• Greater mobility and job security
Professionals in Demand
Earning Power - CPA vs non-CPA

$1 MILLION
Numerous Opportunities
+
Demand
____________________
Career Passport
Exam Structure and Content
Exam

4 Independent Sections

Financial Accounting and Reporting (FAR)
4 hours

Auditing and Attestation (AUD)
4 hours

Regulation (REG)
3 hours

Business Environment and Concepts (BEC)
3 hours

Exam can be taken in any state or jurisdiction
Exam is administered at Prometric Testing Centers
Financial - Structure

- Three multiple-choice question (MCQ) testlets containing 90 questions
- One testlet containing seven short, task-based simulations (TBS)
- 15 MCQs and 1 TBS are pretest questions
- Passing Grade 75
Financial - Content

- Not-for-Profit Accounting: 8% - 12%
- Concepts & Standards (including IFRS): 17% - 23%
- Government Accounting: 8% - 12%
- Specific Transactions: 27% - 33%
- Financial Statement Accounts: 27% - 33%
Financial - IFRS

- Candidates will be expected to identify and understand the differences between financial statements prepared under U.S. GAAP and under IFRS.

- First-time adoption of IFRS related to financial reporting, presentation and disclosures in general-purpose financial statements will also be tested.
Audit - Structure

- Three multiple-choice question (MCQ) testlets containing 90 questions
- One testlet containing seven short, task-based simulations TBS
- 15 MCQs and 1 TBS are pretest questions
- Passing Grade 75
Audit - Content

- Accounting & Review Engagements: 12% - 16%
- Professional Responsibilities: 16% - 20%
- Engagement Acceptance & Understanding the Assignment: 12% - 16%
- Evaluating Findings, Communication & Reporting: 16% - 20%
- Performing Audit Procedures & Evaluating Evidence: 16% - 20%
- Understanding the Entity & Environment: 16% - 20%
Regulation - Structure

- Three multiple-choice question (MCQ) testlets containing 72 questions
- One testlet containing six short, task-based simulations (TBS)
- 12 MCQs and 1 TBS are pretest questions
- Passing Grade 75
Regulation - Content

- Federal Taxation of Individuals: 13% - 19%
- Federal Taxation of Entities: 18% - 24%
- Federal Taxation of Property Transactions: 12% - 16%
- Ethics, Professional & Legal Responsibilities: 15% - 19%
- Federal Tax Procedures & Accounting Issues: 11% - 15%
- Business Law: 17% - 21%
Business - Structure

Exam Time: 3 Hours

Testlet 1: Multiple Choice
Testlet 2: Multiple Choice
Testlet 3: Multiple Choice
Testlet 4: Three Written Communication Tasks

85%

- Three multiple-choice question (MCQ) testlets containing 72 questions
- Three written communication tasks
- 12 MCQs and 1 written communication task are pretest questions
- Passing Grade 75
Business - Content

- Operations Management: 12% - 16%
- Corporate Governance: 16% - 20%
- Economic Concepts & Analysis: 16% - 20%
- Financial Management: 19% - 23%
- Information Systems & Communication: 15% - 19%
- Strategic Planning: 10% - 14%
Passing Rates
# Passing Rates – 2006

<table>
<thead>
<tr>
<th>Section</th>
<th>First Q</th>
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<tr>
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<td>43.52%</td>
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<tr>
<td>BEC</td>
<td>41.88%</td>
<td>43.36%</td>
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<tr>
<td>FAR</td>
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## Passing Rates – 2007

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<td>AUD</td>
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<td>47.57%</td>
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<tr>
<td>BEC</td>
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<td>48.08%</td>
<td>47.13%</td>
<td>46.69%</td>
<td>46.56%</td>
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<tr>
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<td>43.65%</td>
<td>49.39%</td>
<td>52.38%</td>
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<td>REG</td>
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Passing Rates – 2008

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<td>REG</td>
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<tr>
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<tr>
<td>REG</td>
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<td>52%</td>
<td>47%</td>
<td>50%</td>
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## Passing Rates – 2010

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# Passing Rates – 2011

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## Passing Rates – 2012

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<td>51.26</td>
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Passing Rates – 2013

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<td>48.08</td>
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<tr>
<td>BEC</td>
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<td>FAR</td>
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<td>49.79</td>
<td>49.80</td>
<td></td>
<td>49.20</td>
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The Exam
The Exam – Administrative Issues

• Calendar year divided into quarters. Testing occurs in the first two months of each quarter and third month is “closed”.

• Candidates can sit for one or more parts during any testing window, but not the same part more than once in a testing window.

• Candidates can generally sit at any Prometric site authorized to administer the CPA Exam.
The Application Process

• Key is applying early!!!
• Candidates apply to CPA Examination Services.
• Expectation is that new applications will take approximately 4-6 weeks to process at state level. Re-examination candidates will take considerably less time.
Application Process – As of Today

- 150 credits
- 32 accounting credits
- CPA Review
  - 4 credits toward the 150 credits
  - 3 credits toward the 32 accounting credits (Fare, Regulation, and Auditing only)
- Students will be allowed to sit for the CPA exam while studying his/her final semester
  - 3.00 GPA minimums
  - Letter from Accounting Department Head
Granting of Credits

• Candidates will be allowed to sit for each section individually, and in any order

• Candidates will retain credit for any section(s) passed for 18 months.

• Candidates will not be allowed to retake a failed section(s) within the same examination window

• 75 points (out of 100) – to pass
How Becker Can Help You
Becker Worldwide – Over 50 Countries
Becker Live Courses – Offered Worldwide

- Beijing, China
- Guam, US
- Hong Kong
- Macau, China
- Manila, Philippines
- Seoul, South Korea
- Shanghai, China
- Taipei, Taiwan
- Tokyo, Japan
- Puerto Rico
- Bahamas
- Cayman Islands
- Panama
- Jamaica
- Bermuda
Becker CPA Exam Review

• The leader in CPA review for more than 50 years
• Over 400,000 candidates have passed the CPA exam using Becker, more than any other review provider
• Double the pass rate of non-Becker candidates*
• Partnerships with the Big 4 and 98 of the top 100 accounting firms
• 15 of the 15 top scorers on the 2011 CPA exam prepared with Becker
Flexible Course Formats

Live
Over 250 worldwide locations

Online
Dedicated online instructors

Self-Study
Anytime anywhere
A Complete CPA Review Focusing on Your Success

• **Expert Instruction** and **Unlimited Academic Support**
• **Lecture’s by National Instructors**
• **Textbooks** for each exam part
• **Interactive Study Planner** and **Exam and Writing Tutorials**
• **Becker Software** with resources that replicate the functionality of the CPA Exam.
  - PassMaster™
  - Simulations
  - Final Exams
Textbooks

- Hard copy and “pre-annotated” e-Book included with every course.
- Comprehensive and exceptionally easy to use.
- Organized by the topics tested on the CPA exam.
- Includes hundreds of past exam questions.
Course Software & Course Manual

• Course Software contains:
  – Introductory video & tutorials
  – Multiple choices and simulations
  – Scheduling software
  – CPA Simulation and Final Exam Software
  – Videos
  – E-books
Study Road Map

- Provides guidance on what to study and how much time to devote to each topic.
- Fully integrates all course elements.
Multiple Choice Questions

Over 6,000 questions.

Link to lecture and link to text features provide clarification on challenging topics.

Complete answer explanations.

Timer allows you to stay on pace.
Simulations

- Over 200 task-based simulations.
- Functionality mirrors the CPA Exam.
- Timer allows you to stay on pace.
Final Exams

• Provides direction on how to prepare in your final days leading up to the exam.

• Includes two full final exams per part that mirror the CPA Exam.
Study Planner

- Creates a customized preparation plan that fits your needs.
- Drag and drop functionality allows you to easily address schedule changes.
- Export capability to MS Outlook.
Flash Cards

With their portability and ease-of-use, flashcards are a highly flexible preparation resource:

• Use flashcards as a study group resource.
• Find a study partner and alternate between asking and answering.
• Keep cards handy to study whenever you have downtime.
• Pack them in your briefcase or luggage with you when you travel.
Our “Package”

- Up-to date Books
- Software
- Flash cards
- Powerpoint presentations
- Live instructors
Regulation Instructor – Puerto Rico

Kenneth Rivera

• CPA
• Lawyer
• Regulation instructor
• Since 1998 – 15 years
• President of the PR CPA State Society 2012-2013
• Part-time instructor at the University of Puerto Rico Law School and at the Business Administration School
• Tax partner at a local accounting firm
• Was tax manager at Deloitte and Touche Puerto Rico Offices
Audit Instructor – Puerto Rico

- Juan M. Garcia
- CPA
- MBA – Madison WI 1985
- Audit instructor
- Since 1988 – 25 years
- UPR instructor – San Juan campus
- Treasurer of the PR Society of CPAs (2012-2013)
FARE & Business Instructor – Puerto Rico

- Eva Quinones
- CPA
- MBA – Texas at Austin
- Fare & Business instructor
- Since 1995 – 18 years
- UPR instructor – Mayaguez Campus
- Part time instructor at Grant Thornton Puerto Rico Division
Our Local Pricing Arrangements

• 4 parts – First time candidates (Live or Home study)
  – $1,580 plus sales tax
  • Full payment or 4 equal installments w/o interests
  • One year for final enrollment
• In the USA, the regular price for the same package is more than $3,000.
Our Live Offering per Year

Please visit us at www.cpareviewpr.com for current schedules

Four parts
Tues. 6pm -10pm
Thur. 6pm- 10pm
Sat. 8:30am – 5:30pm
January - April

Two parts
Tues. 6pm -10pm
Thur. 6pm- 10pm
Sat. 8:30am – 5:30pm
June

Four parts
Tues. 6pm -10pm
Thur. 6pm- 10pm
Sat. 8:30am – 5:30pm
August - October
Puerto Rico Marketing & Competition
Competitors & Current Market Share –

- **BECKER**: 87%
- **LAMBERS**: 10%
- **CPA EXCEL**: 2%

- Becker sells live and home study option
- Lambers sells live courses only
- CPA Excel sells home study option only
Becker at the 2012 Annual Students Conference
Becker at the Annual Students Conference
Becker at the Annual Students Conference
Becker at the Annual Students Conference
Becker at the Annual Students Conference
PR State Society of CPA’s Agreement

- 3 year contract for CPE online
- They use to use RIA Thomson on line courses
- Exclusive rights to sell our online CPE seats
- Pricing - $300 per one year unlimited license
- Number of CPA’s in PR = 4,200
- Number of CPA’s with a valid & current CPA license = 3,876
- We donate two full scholarships for the CPA Review course. They have a committee for the selection of the low income candidates
- We have sold hundreds of seats under this arrangement
Questions? More Information?

- CPA Juan M. Garcia  Merced
- Certified Public Accountant
- President
- [www.cpareviewpr.com](http://www.cpareviewpr.com)
- info@cpareviewpr.com