



Predictors of Performance in the Certified Public Accountants' Licensure Examination

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Abstract

This study aimed to identify the predictors of performance in passing the Certified Public Accountant Licensure Examination (CPALE) among takers who took the CPA Board exam for the first time. The respondents who participated in this study were BS Accountancy graduates from 2015 to 2019. The independent variables are classified as internal or dispositional attributes and external or situational attributes. Specifically, internal factors include academic performance, attitude towards accounting, study habits and motivation to pass the CPALE. While the external factors were the school's curriculum and instruction. The results of the study showed that there is a positive significant relationship of academic performance, attitude towards accounting, and motivation to pass towards the CPALE Performance. The school's curriculum and instruction showed a negative significant relationship towards the CPALE performance. Also, the analysis of the SEM Model Fit Path diagram revealed that the students' chances in passing the CPA Board exam is an amalgam of both the situational and dispositional attributes. Proper recommendations were suggested to the faculty, administration and future researchers based on the findings of the study.

Keywords: *Certified Public Accountants Licensure Examination, Academic performance, Attitude towards accounting, Study habits, Curriculum, Instruction*

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Introduction

The increase in demand of Certified Public Accountants (CPAs) makes the profession one of the top career goals among college entrants. A degree in Accountancy gives the graduates manifold opportunities in the world of work, much more so when they take and pass the Certified Public Accountants Licensure Examination (CPALE). The privilege of having a license is a symbol of trust and professionalism in the business world (AICPA.org, n.d.). However, it is also a fact that the CPALE is one, if not, the most difficult board examinations in the Philippines (Perez, 2015).

Data in the passing rate of the Accountancy Licensure Examination in one of the universities in Cagayan de Oro, which is the setting of this study, revealed that for the last three years an average passing rate of 40% or four (4) examinees out of 10. Although, the result of every exam is above the national passing rate, it is quite alarming given that there has been a downward trend in the recent result of the CPALE since 2017. The Accountancy Department of the said university was granted a level IV accreditation by the 2018 Philippine Accrediting Association of Schools, Colleges and Universities for five years. This led to questions as to why such downward trend in the CPA Licensure exams and what factors could possibly account for the performance of CPALE takers. Thus, this study aimed to look into the factors that predict the board takers' performance in the CPA Licensure Examination and such findings may address the research gap in the said topic.

This study aimed to determine the extent of internal and external factors of the first-time board exam takers predict their success in the CPA Licensure examination. Also, this study intended to answer what is the model fit that best explains the performance of takers in the CPA Licensure examination.

Methodology

The study involved the BS Accountancy graduates who took the CPA Licensure Exam for the first time from the period 2015-2019 in a private Higher Education Institution (HEI) in Cagayan de Oro City, Philippines. It was participated by 200 individuals. Data on the respondents' CPALE performance overall and per subject rating and their graduation quality point index (QPI) were utilized. Further, a four-point questionnaire was accomplished by the respondents. The instrument was adapted from Ballado-Tan's (2014) "Academic Performance, Aspirations, Attitudes and Study Habits as Determinants of the Performance in Licensure

Examination of Accountancy Graduates” and “Performance in the Accountancy Licensure Examination of the University of Eastern Philippines: A look at Curriculum and Instruction” ; an open accessed “Manual for the Use of the Motivated Strategies for Learning Questionnaire (MSLQ)” and the “ABC Model of Attitude” survey questionnaire by Mazana et al. (2019). The instrument was content validated through an examination of related literatures and review from experts and had an overall acceptable reliability coefficient ($\alpha=0.75$). The survey had a total of 78 items, specifically, to include the following constructs: Attitude (20 items; $\alpha = 0.80$); study habits (18 items; $\alpha = 0.75$); motivation to take the CPA licensure exam (20 items; $\alpha = 0.70$); accountancy curriculum (10 items; $\alpha = 0.73$) and instruction (10 items; $\alpha = 0.70$).

Descriptive statistics, correlation, multiple linear regression, and SEM fit-path analysis were used to address the objectives of this study. Also, interviews were conducted, to those that gave consent for such, to augment the findings.

Findings

The results of the dispositional or internal attributes of the respondents are the following: *a good Academic Performance during college; good Attitude towards Accounting; high Motivation in taking the CPALE; average Study habits*. While the results of the situational or external attributes of the respondents in terms of their perception on the university’s curriculum and instruction indicates that the *provision or condition on the extent of implementation is present but moderate*.

Further, the data resulted to an $R=.503$ which indicates that 50.3% of the CPALE performance is positively correlated with the dispositional and situational attributes, namely: academic performance, attitude towards accounting, motivation to pass the exam, study habits, curriculum, and instruction. Also, the adjusted $R^2 = .230$ indicates that 23% of the variability of the CPALE outcome can be explained from the regressors (independent variables) included in the linear model. What could account for the remaining 77% can be speculated to be coming from other variables which is not part of this study.

Conclusion

Both dispositional and situational attributes specifically, academic performance, attitude towards accounting, motivation to pass the exam, curriculum and instruction play a significant role as predictors in the success of first-time takers’ passing the CPA Board exam. The results of the study confirms the theory of Attribution wherein when one succeeds, that achievement will

be attributed to the person's internal factors. On the other hand, when one fails, that failure will be attributed due to his external environment. Moreover, the school's curriculum needs to be revisited and planned according to the specific needs of the student. The same with classroom strategies, teachers are facilitators of knowledge who must encourage students to acquire and practice higher order thinking skills. A serious collaborative and innovative actions must be done by the school, the faculty, and the students in order to mitigate the declining trend in the CPA Licensure Examination.

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