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# **HARVEST**

The Institutional Research Publication of Baliuag University



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# HARVEST

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**PERFORMANCE IN IN-HOUSE REVIEWS AND LICENSURE  
EXAMINATIONS OF BALIUAG UNIVERSITY  
GRADUATES (2015 – 2017)**

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**Abstract**

The performance of Accountancy graduates in licensure examinations is an affirmative tool to measure the quality and standard of education that HEIs provide. The high passing rate in the CPA board examinations is being recognized as one of the best considerations in offering an Accountancy program. Rules, policies, and even intervention programs are implemented to ensure that high passing rate is being achieved. Refresher courses and in-house review classes are some of the intervention programs that HEIs put into practice to attain a high passing rate. The main objective of the present study is to determine if there is a significant relationship between the in-house review performance and performance in the licensure examinations of BU-BSA graduates. Analysis of data was based on the in-house review performance of those who graduated in April 2015, 2016, and 2017 from Baliuag University with the degree of Bachelor of Science in Accountancy and took the CPA Licensure Examinations in the same year that they graduated. Findings revealed that Taxation and Advanced Financial Accounting and Reporting are the most difficult subjects where students always obtain the lowest/failing scores. It was also found that higher review scores must be maintained in order to ensure higher CPA board ratings and to increase the chance for passing the board. It is evident in the data across the years that CPA board ratings were much lower than review ratings.

*Keywords:* academic performance, accountancy, board ratings, in-house review classes, licensure examination

The United Nations Conference on Trade and Development states that Accounting plays an essential role in economic development. High-quality corporate reporting is key to improving transparency, facilitating the mobilization of domestic and international investment, creating a sound investment environment and fostering investor confidence, thus promoting financial stability. A strong and internationally comparable reporting system facilitates international flows of financial resources while at the same time helping to reduce corruption and mismanagement of resources. It also strengthens international competitiveness of enterprises in attracting external financing and taking advantage of international market opportunities.



The Philippine government also values the magnitude of contributions of accountants to the development of the economy. Republic Act No. 9298, also known as “Philippine Accountancy Act of 2004” affirms that:

The State recognizes the importance of accountants in nation building and development. Hence, it shall develop and nurture competent, virtuous, productive and well rounded professional accountants whose standards of practice and service shall be excellent, qualitative, world class and globally competitive through inviolable, honest, effective, and credible licensure examinations and through regulatory measures, programs and that foster their professional growth and development.

Baliuag University, the first school in Region III granted full autonomy by the Commission on Higher Education (CHED), offers a 5-year course program in Accountancy and is committed to improve its course curriculum. The University considers the performance of its graduates in licensure examinations as a positive measure of the quality and standard of education it offers. The BSA program of the University aims to provide students with quality preparation for careers in accounting and related disciplines so they could contribute intellectually and responsibly to the accounting professions, the business and academic communities, and the community at large. Specifically, it aims to prepare students for the licensure examination for Certified Public Accountant.

It is not easy to become a Certified Public Accountant (CPA) because students are required to possess higher education commitment than most other careers or professions. One must be a holder of a Bachelor’s Degree in Accountancy and pass the CPA board examination. To address this difficulty, the College of Business Administration and Accountancy of Baliuag University implements an admission and retention policy. Admission to the Accountancy program is limited to those students who can exhibit the likelihood of success in the field of accounting through high academic performance. To be retained in the program, one of the requirements is that a student should have a grade not lower than 3.00 in any academic subject/course, and no grade below 2.50 in any accounting subject/course.

Findings of this study may serve as a significant basis for initiating and implementing improvement or enhancement in the BSA curriculum. It can also serve as a reference point in developing intervening programs to increase the number of passers in the CPA licensure examination.

### **Statement of the Problem**

The main objective of this study is to establish the significance of relationship between the in-house review performance and performance in the licensure examination of the BSA graduates of Baliuag University who graduated in April 2015, 2016, and 2017 and took the licensure examinations in October 2015, 2016, and 2017.

In the light of this major problem, the following specific questions were considered:

1. What is the level of in-house review performance of the graduates of 2015 and the 2015 CPA Licensure Examination along the following board exam subjects:
  - a. Auditing Theory
  - b. Practical Auditing
  - c. Practical Accounting 1
  - d. Practical Accounting 2
  - e. Business Law and Taxation
  - f. Theory of Accounts
  - g. Management Services
2. What is the level of in-house review performance of the graduates of 2016 and 2017 as well as the 2016 and 2017 CPA Licensure Examinations along the following board exam subjects:
  - a. Financial Accounting and Reporting
  - b. Advanced Financial Accounting and Reporting
  - c. Management Advisory Services
  - d. Auditing
  - e. Taxation
  - f. Regulatory Framework for Business Transactions
3. How may the graduates' in-house review grades and the CPA Licensure Examination results be compared?
4. What is the degree of relationship between the graduates' in-house review grades and scores/grades in the subject-areas covered by the CPA board exams?
5. What intervention programs can the College implement to reinforce the subject/s with low scores/grades?

### **Scope and Limitations of the Study**

This study was conducted during the second semester of the School Year 2017-2018. It focused on the relationship between the in-house review performance and the performance of the graduates in the CPA Licensure Examinations in 2015, 2016, and 2017.

The researchers limited their analysis of data to the in-house review performance of those who graduated in April 2015, 2016, and 2017 from Baliuag University with the degree of Bachelor of Science in Accountancy and took the CPA Licensure Examinations on the same year that they graduated.

In-house review performance was measured using the GPAs in the following subjects: Auditing Theory, Practical Auditing, Practical Accounting 1, Practical Accounting 2, Business Law and Taxation, Theory of Accounts, Management Services. These are also the same subjects used by the researchers to measure the CPA Licensure Examination performance of the graduates who took the exam in 2015. For years 2016 and 2017, the researchers used the following board exam subjects: Financial Accounting and Reporting, Advanced Financial Accounting and Reporting, Management Advisory Services, Auditing, Taxation, and Regulatory Framework for Business Transactions.

### Definition of Terms

**Academic performance.** In this study, the term refers to the grade point average or GPA in specific undergraduate subjects of the respondents during their review classes in the University.

**Board subjects.** The term refers to the subjects covered by the CPA board examination such as Financial Accounting and Reporting, Advanced Financial Accounting and Reporting, Management Advisory Services, Auditing, Taxation, and Regulatory Framework for Business Transactions.

**Intervention program.** The term refers to a specific program or set of steps to help students improve in an area of need.

### Theoretical Framework

This study is anchored on the expectancy theory developed by Vroom (1964). Vroom's expectancy theory assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and to minimize pain. Vroom realized that an individual's performance is based on factors such as personality, skills, knowledge, experience, and abilities. He stated that effort, performance, and motivation are linked in a person's motivation. He uses the variables expectancy, instrumentality, and valence to account for this. Expectancy is the belief that increased effort will lead to increased performance; i.e., if one works harder, then this will be better. This is affected by such things as: having the right resources available; having the right skills to do the job; and having the necessary support to get the job done. This theory also explains that individuals can be motivated towards goals if they believe in the following: (1) there is a positive correlation between efforts and performance; (2) the outcome of a favorable performance will result in a desirable reward; (3) a reward from a performance will satisfy an important need; and/or (4) the outcome satisfies their need enough to make the effort worthwhile.



## Review of Related Literature

According to Perez (2015), performance of students in the Bachelor of Science in Accountancy Program is best tested with the actual results in the Philippine CPA Licensure Examination. A closer look at its past performance would create a basis of enhancement on how to improve a program's current passing rate and would serve as reflection of how effective the teaching-learning process is. He found that Practical Accounting 2, Practical Accounting 1 and Auditing theory were difficult exams for both date of exam and batch of graduates. Based on his other findings, he recommended that to increase the number of passers in the CPA Licensure examinations, there must be a re-evaluation of the different course syllabi based on PRC and Board of Accountancy recommendations visà-vis actual board syllabus, implementation of stricter selective admission and retention policy, a review for qualifying examinations to students, and administration of comprehensive examinations to graduating students to determine their strengths and weaknesses based on course.

Ballado-Tan (2015) conducted a study that specifically aimed to determine the level of performance of the respondents in the Certified Public Accountant Licensure Examination and ascertain its relationship with curriculum and program of studies, instruction, admission and retention, administrative support to instruction, and physical facilities and resources. Her study found that performance in the examination of the respondents was significantly related with instruction and administrative support but had no significant relation with curriculum and program of studies, admission and retention, and physical facilities and resources. The institution has adequate and functional provisions on curriculum and instruction. However, the institution still needs to improve the physical facilities and resources. The study recommends that instruction be given much emphasis so as to prepare the students for the licensure examination. The administration should lend support to curriculum and instruction to ensure that students are given the best preparation for the examination. She also recommends that possible offering of the practicum/internship in various fields of accounting should be considered to give the students a first-hand experience on what they should be doing after graduation, hence giving them the practical side of the concepts taught in school. The current curriculum of the program should be revised in accordance with the mandated curriculum of the Commission on Higher Education; that is, unnecessary subjects (not part of the prescribed subjects by CHED) be removed to give way to other subjects that should be included in the program like Calculus for Business, Practicum and Internship, and others.

Ballado-Tan (2014) also believed that the quality of education offered by an institution is often determined by the graduates it produces. In like manner, the quality of graduates produced by an institution is measured by their

performance in licensure examinations. He then conducted a study that determined the level of student's academic performance, aspirations, attitudes towards accounting and study habits. It also determined the performance of the graduates in the Certified Public Accountant (CPA) licensure examination and tried to find if there was any relationship with the academic performance, aspirations, attitudes towards accounting and study habits.

Her study found that respondents had good academic performance, high level of aspiration, favorable attitude towards Accounting and good study habits. Performance of graduates was above the national passing percentage, although the graduates did not make it in their first attempt. Graduates performed best in Theory of Accounts while the weakest performance was in Practical Accounting I. Academic performance, attitudes toward accounting and study habits were significantly related to the performance in the examination while level of aspirations was not related. Her study found that the students had poor grasp of practical application of the concepts that they learned. This can also be attributed to lack of hands-on experience of students on the realistic aspect of accounting. Generally, good academic performance, positive attitude and effective study habits gave an assurance of passing the CPA board examination. The study recommended the emphasis of students' persistence to work toward their goals, study habits and passion in accounting in admitting prospective students. Regular assessment through qualifying examination was also recommended to improve performance.

Magdaraog and Magdaraog (2013) conducted an exploratory research that analyzed the relationship between the academic performance of BSA students in their accounting subjects and their performance in the qualifying examination. They emphasized that standards on admission and retention programs on BSA (Bachelor of Science in Accountancy) are necessary in order to meet the needs of this profession. Universities and colleges offering this course must establish a program that will assure high probability for students to successfully finish this program satisfactorily. The results of their study showed that there was a strong positive relationship between these two variables in all of the three batches of BSA who already took the qualifying examination. Since there was a positive correlation, it revealed that there should be written policies that would state the benchmark of required grades for accounting subjects in order to maintain a possible high rate of passers for qualifying examination. Standardized TOS (table of specification) on qualifying examination is also recommended in order to give weight on a more important topic that would be part of the examination.

Pido (2010) conducted a study which aimed to determine the relationship of emotional intelligence with the degree of developed core competencies of CPA candidates and performance in the CPA Licensure Examination. Emotional intelligence was evaluated based on the following

dimensions: intrapersonal, interpersonal, stress management, impulse control, general mood, and total emotional intelligence. Core competencies were subdivided into the following dimensions: (a) Knowledge–general knowledge, organizational and business knowledge, IT knowledge, accounting and finance knowledge, and total knowledge; (b) Skills– intellectual skills, interpersonal skills, communication skills, and total skills; (c) Values– professional ethics, moral values, and total values. The demographic profile of the respondents in terms of gender, high school attended, and length of time since college graduation were also considered in the study as moderator variables.

The study found that interpersonal dimension, stress management, general mood and total emotional intelligence significantly correlated with the following competencies: general knowledge, organizational and business knowledge, IT knowledge, accounting and finance knowledge, total knowledge, intellectual skills, interpersonal skills, communication skills, total skills, professional ethics, moral values, and total values.

Based on her findings, she recommends that the guidance departments of universities and colleges should initiate in testing the emotional intelligence of every student in all levels; universities and colleges offering Bachelor of Science in Accountancy should endeavor to integrate in the program's curriculum a study on emotional intelligence and promote activities that enhance the same; universities and colleges must find ways to enjoin and encourage BSA graduates to take the CPA licensure examination as soon as possible after appropriate review has been undertaken.

Jalagat (2016) conducted a study that aimed to determine the performance of accounting graduates in CPA board examination. It also aimed to benchmark the opportunities to meet the market demands. Based on the findings of the study, it is recommended that the respondent-schools should take into consideration the admission and retention policies with the accounting program to ensure their readiness to take the CPA board exam and conduct refresher courses.

## **Method**

### ***Research Design***

The main goal of this descriptive type of research is to compare and describe the in-house review performance and the results of CPA Licensure Examinations of the BSA graduates of Baliuag University from 2015 to 2017.

The descriptive method of research was employed in this study, which according to Fox and Bayat (2007, p. 45), "aims at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this

method.” The present study, therefore involved the collection of data (grades or scores) of the graduates’ performance in the in-house review and the results of the CPA Licensure Examination.

### ***Participants and Sampling Procedure***

**Table 1.** Respondents of the study

Year Graduated	Number of Graduates	Number of Graduates Who Took the CPA Board Exam
2015	63	59
2016	69	67
2017	107	102
Total	239	228

Table 1 shows that year 2017 has the most number of graduates (107). It may be noted that there was an increase of more than 50% from the previous two years. – 2016 and 2015. It is an indication that Baliuag University was able to attract more students and make them interested to take the course *Bachelor of Science in Accountancy*.

### ***Instruments***

The main instruments used in this study were:

(1) Final grades received by the graduates during the in-house review classes covering the subjects Theory of Accounts, Business Taxation, Business Law, Practical Accounting 1, Practical Accounting 2, Auditing Theory, Practical Auditing, and Management Services.

(2) Results of the CPA Licensure Examination covering the subjects Theory of Accounts, Business Law and Taxation, Management Services, Auditing Theory, Practical Auditing, Practical Accounting 1, and Practical Accounting 2.

### ***Data Gathering Procedure***

The researchers used the grading sheets submitted by the CPA in-house reviewers to the office of the College of Business Administration and Accountancy. To assess the performance of the graduates in the CPA Licensure Examination, researchers also made use of the reports from the Professional Regulation Commission (PRC).

### ***Data Analysis and Statistical Treatment***

The study considered the final grades in the undergraduate subjects which are covered by the CPA in-house review classes: Auditing Theory, Practical Auditing, Practical Accounting 1, Practical Accounting 2, Business Law, Business

Taxation, Theory of Accounts, and Management Services. The final grades were compared with the scores/grades obtained by the graduates from the subject-areas covered by 2015 CPA Licensure Examination, i.e., Auditing Theory, Practical Auditing, Practical Accounting 1, Practical Accounting 2, Business Law, Business Taxation, Theory of Accounts, and Management Services. The subject-areas covered by 2016 and 2017 CPA Licensure Examination are: Financial Accounting and Reporting, Advanced Financial Accounting and Reporting, Management Advisory Services, Auditing, Taxation, and Regulatory Framework for Business Transactions.

The data collected were organized, tabulated, analyzed, and treated statistically using percentage (%) and *t*-test to measure the strength and direction of a linear relationship between the academic performance and the results of CPA licensure examination.

## Results and Discussion

This part of the study deals with the presentation, analysis, and interpretation of data to determine the performance of the graduates in the in-house review classes and in the CPA Licensure Examination. It also deals with the determination of the degree of relationship between the graduates' in-house review grades and grades in the subject-areas covered by the CPA board exam.

**Table 2.** 2015 mean and standard deviation of the in-house review and CPA board scores

Subjects	Mean	<i>N</i>	<i>SD</i>
Review-Practical Auditing	1.57	59	0.44
Board-Practical Auditing	2.92	59	1.12
Review-Auditing Theory	1.71	59	0.44
Board-Auditing Theory	3.42	59	1.03
Review-Management Services	1.98	59	0.39
Board-Management Services	2.70	59	1.14
Review-Business Law and Taxation	1.95	59	0.35
Board-Business Law and Taxation	3.29	59	1.15
Review-Theory of Accounts	1.97	59	0.46
Board-Theory of Accounts	3.22	59	1.10
Review-Practical Accounting 2	1.89	59	0.38
Board-Practical Accounting 2	3.38	59	1.23
Review-Practical Accounting 1	1.96	59	0.44
Board-Practical Accounting 1	3.53	59	1.28
Review-Mean Score	1.86	59	0.36
Board-Mean Score	3.21	59	0.99

Table 2 shows the results of the mean and standard deviation on the in-house review and CPA board scores. As can be seen, the top three most difficult subjects in in-house review are management services ( $M=1.98$ ,  $SD=.39$ ), theory of accounts ( $M=1.97$ ,  $SD=.46$ ), and practical accounting 1 ( $M=1.96$ ,  $SD=.44$ ), although business law and taxation comes close ( $M=1.95$ ,  $SD=.35$ ). While this may be the case, all participants still got a passing score of 2.0 and above. However, CPA board scores are much lower across all subjects as compared to in-house review scores, with the *auditing theory* ( $M=3.42$ ,  $SD=1.03$ ) followed by *practical accounting 1* ( $M=3.53$ ,  $SD=1.28$ ) and *practical accounting 2* ( $M=3.38$ ,  $SD=1.23$ ). It should also be noted that the GPA for review is ( $M=1.86$ ,  $SD=.36$ ), which is considered passing, while the GPA for the CPA board is ( $M=3.21$ ,  $SD=.99$ ), which is considered failing.

**Table 3.** 2015 paired samples *t*-test and Pearson *r* results of in-house review vs CPA board scores

In-house vs CPA Board Subjects	Mean	SD	95% Confidence Interval of the Difference		<i>t</i>	<i>df</i>	<i>p</i>	Pearson <i>r</i>	
			Lower	Upper				<i>p</i>	<i>r</i>
Practical Auditing	-1.35	.97	-1.61	-1.10	-10.64	58	.000	.493	.000
Auditing Theory	-1.71	.90	-1.94	-1.47	-14.49	58	.000	.475	.000
Management Services	-.72	.96	-.96	-.46	-5.70	58	.000	.596	.000
Business Law and Taxation	-1.34	.92	-1.58	-1.10	-11.15	58	.000	.726	.000
Theory of Accounts	-1.24	.80	-1.45	-1.03	-11.95	58	.000	.779	.000
Practical Accounting 2	-1.48	.97	-1.74	-1.23	-11.72	58	.000	.749	.000
Practical Accounting 1	-1.57	.99	-1.83	-1.31	-12.15	58	.000	.743	.000

Table 3 shows the results of the paired samples *t*-test between the scores in the in-house review and the CPA board. Results revealed that in-house review and CPA board scores were moderately to strongly and positively correlated across all subjects. Moreover, there was a significant difference between the in-house review and the CPA scores of all subjects, namely, review practical auditing ( $M=1.57$ ,  $SD>.88$ ) and CPA board practical auditing ( $M=2.92$ ,  $SD=1.11$ ),  $t(58)=-10.64$ ,  $p = 0.000$ ; review auditing theory ( $M=1.71$ ,  $SD>.88$ ) and CPA board auditing theory ( $M=3.42$ ,  $SD=1.03$ ),  $t(58)=-14.49$ ,  $p = 0.000$ ; management services ( $M=1.98$ ,  $SD>.7^3$ ) and CPA board auditing theory ( $M=2.70$ ,  $SD=.39$ ),  $t(58)=-5.70$ ,  $p = 0.000$ ; review business law and taxation ( $M=1.95$ ,  $SD>.79$ ) and CPA business law and taxation ( $M=3.29$ ,  $SD=1.15$ ),  $t(58)=-11.15$ ,  $p = 0.000$ ; review theory of accounts ( $M=1.97$ ,  $SD>.8^0$ ) and CPA theory of accounts ( $M=3.22$ ,  $SD=1.10$ ),  $t(58)=-11.95$ ,  $p = 0.000$ ; review practical accounting 2 ( $M=1.89$ ,  $SD>.7^2$ ) and CPA board practical accounting 6 ( $M=3.38$ ,  $SD=1.23$ ),  $t(58)=-11.72$ ,

$p = 0.000$ ; and review practical accounting 1 ( $M=1.96$ ,  $SD>.88$ ) and CPA board practical accounting 1 ( $M=3.53$ ,  $SD=1.28$ ),  $t(58)=-12.15$ ,  $p = 0.000$ .

In a CPA board report submitted by the Professional Regulation Commission (PRC) to the office of College of Business Administration and Accountancy (CBAA), 35 respondents passed the board, seven were conditional and 17 failed. This is in contrast to the in-house review results of the graduates where no one failed.

This shows that the results of the in-house review does not provide an accurate picture of the possible CPA board exam results. It could be that in-house review classes need adjustment particularly in the scoring system since the scores of respondents are much higher compared to the actual scores of participants in the board exam.

It has also been observed that respondents who got grades of 2.25 and lower in their in-house review scores have the propensity to fail the licensure examination. This means that students need to get a grade of not lower than 2.25 in the review classes to increase the chance of passing the CPA board exam.

**Table 4.** Changes and merging of subjects in 2016 board exam

From	To
1. Theory of Accounts	1. Financial Accounting and Reporting
2. Practical Accounting 1	2. Advanced Financial Accounting and Reporting
3. Practical Accounting 2	
4. Management Services	3. Management Advisory Services
5. Auditing Theory	4. Auditing
6. Practical Auditing	5. Taxation
7. Business Law and Taxation	6. Regulatory Framework for Business Transaction

The Board of Accountancy of PRC released Resolution No. 262-2015 providing for the new subjects of the Licensure Examination for Certified Public Accountants. The previous seven subjects that had been in place since 1975 were revised to six subjects consisting of Financial Accounting and Reporting, Advanced Financial Accounting and Reporting, Management Advisory Services, Taxation, Auditing, and Regulatory Framework for Business Transactions. Table 5 shows the changes of the subjects covered by the CPA Licensure Examination beginning May 2016.



**Table 5.** 2016 mean and standard deviation on the in-house review and CPA board scores

Subjects	Mean	N	SD
Review-Auditing	2.14	67.00	0.51
Board-Auditing	3.04	67.00	1.19
Review-Taxation	1.95	67.00	0.56
Board-Taxation	3.47	67.00	1.12
Review-Management Advisory Services	2.29	67.00	0.51
Board-Management Advisory Services	2.77	67.00	1.16
Review-Advanced Financial Accounting and Reporting	2.39	67.00	0.42
Board-Advanced Financial Accounting and Reporting	3.46	67.00	1.19
Review-Financial Accounting and Reporting	2.38	67.00	0.46
Board-Financial Accounting and Reporting	3.04	67.00	1.33
Review-Law	2.21	67.00	0.56
Board-Law	3.28	67.00	1.09
Review-Mean	2.23	67.00	0.43
Board-Mean	3.19	67.00	1.04

Table 5 shows the results of the mean and standard deviation of the in-house review and CPA board scores. As can be seen, the top three most difficult subjects in the in-house review are advanced financial accounting and reporting ( $M=2.39$ ,  $SD=.46$ ), management advisory services ( $M=2.29$ ,  $SD=.51$ ), and financial accounting and reporting ( $M=2.38$ ,  $SD=.46$ ). It is evident that participants got a score lower than 2.0. However, CPA board scores are much lower across all subjects as compared to in-house review scores, with *taxation* ( $M=3.47$ ,  $SD=1.12$ ) as the most difficult, followed by *advanced financial accounting and reporting* ( $M=2.38$ ,  $SD=.46$ ) and *law* ( $M=3.28$ ,  $SD=1.09$ ). Advanced financial accounting is considered at the top level of difficulty for both in-house and board exam. It is worthy to note that the mean for in-house review is quite low at 2.23, while the CPA board is considered failing at 3.19.

The results of 2016 CPA Licensure Examination revealed that a number of participants failed the board exam. Again, this is in contrast to the in-house review scores of the participants, where no one failed. Based on the reports from the PRC, 41 passed the CPA board exam, one conditional and 25 failed. This is in contrast to the in-house review performance of the graduates where no one failed.

**Table 6.** 2016 paired samples *t*-test and Pearson *r* results of in-house review vs CPA board scores

Subjects	Mean	SD	Std. Error Mean	95% Confidence Interval of the Difference		<i>t</i>	<i>df</i>	<i>p</i>	Pearson- <i>r</i> Correlation	
				Lower	Upper				<i>r</i>	<i>p</i>
Auditing	-.90	1.03	.13	-1.15	-.65	-7.17	66	.000	0.51	0.00
Taxation	-1.52	.84	.10	-1.73	-1.32	-14.82	66	.000	0.69	0.00
Management Advisory Services	-.48	.85	.10	-.68	-.27	-4.56	66	.000	0.74	0.00
Advanced Financial Accounting and Reporting	-1.06	.90	.11	-1.28	-.84	-9.61	66	.000	0.77	0.00
Financial Accounting and Reporting	-.65	1.12	.14	-.93	-.38	-4.78	66	.000	0.60	0.00
Law	-1.07	.89	.11	-1.28	-.85	-9.85	66	.000	0.58	0.00
Average	-.96	.73	.09	-1.14	-.78	-10.75	66	.000	0.82	0.00

Table 6 shows the results of the 2016 paired samples *t*-test between the scores in the in-house review and the CPA board. Results revealed that in-house review and CPA board scores were strongly and positively correlated across all subjects. Moreover, there was a significant difference between the in-house review and the CPA scores of all subjects, namely, review auditing ( $M=2.14$ ,  $SD>.95$ ) and CPA board auditing ( $M=3.04$ ,  $SD=1.19$ ),  $t(66)=-7.17$ ,  $p = 0.000$ ; review taxation ( $M=1.95$ ,  $SD>.9^0$ ) and CPA board taxation ( $M=3.47$ ,  $SD=1.12$ ),  $t(66)=-14.82$ ,  $p>4.444$ ; review management advisory services ( $M=2.29$ ,  $SD>.95$ ) and CPA board management advisory services ( $M=2.77$ ,  $SD=1.16$ ),  $t(66)=-4.56$ ,  $p = 0.000$ ; review advanced financial accounting and reporting ( $M=2.39$ ,  $SD>.86$ ) and CPA advanced financial accounting and reporting ( $M=3.46$ ,  $SD=1.19$ ),  $t(66)= -1.28$ ,  $p = 0.000$ ; review financial accounting and reporting ( $M=2.38$ ,  $SD>.8^0$ ) and CPA financial accounting and reporting ( $M=3.04$ ,  $SD=1.33$ ),  $t(66)=-4.78$ ,  $p = 0.000$ ; review law ( $M=2.21$ ,  $SD>.9^0$ ) and CPA board law ( $M=3.28$ ,  $SD=1.09$ ),  $t(66) = -9.85$ ,  $p = 0.000$ .

The results mean that higher in-house review scores are needed to ensure that participants will pass the CPA board exam. Participants who got grades of 2.5 and lower in their in-house review subjects have the tendency to fail the licensure examination. Thus a higher average must be maintained to increase the chance of passing the CPA board.

**Table 7.** 2017 mean and standard deviation on the in-house review and CPA board scores

Review Subjects	Mean	<i>N</i>	<i>SD</i>
<i>In-House</i>			
Auditing	1.80	102.00	.21
Advanced Financial Accounting and Reporting	3.63	102.00	1.13
Financial Accounting and Reporting	1.83	102.00	.20
Management Advisory Services	4.01	102.00	1.10
Taxation	2.25	102.00	.28
Law	3.81	102.00	1.18
Mean	2.89		
<i>CPA Board Subjects</i>			
Auditing	1.87	102.00	.21
Advanced Financial Accounting and Reporting	3.86	102.00	1.05
Financial Accounting and Reporting	1.76	102.00	.19
Management Advisory Services	4.14	102.00	1.02
Taxation	1.80	102.00	.32
Law	3.79	102.00	1.04
Mean	2.87		

Table 7 shows the results of the mean and standard deviation of the in-house review and CPA board scores for 2017. As can be seen, the top three most difficult subjects in the in-house review are advanced financial accounting and reporting ( $M=3.63$ ,  $SD=1.13$ ), management advisory services ( $M=4.01$ ,  $SD=1.10$ ), and law ( $M=3.81$ ,  $SD=1.18$ ). However, CPA board scores reflected the same three subjects as the top three most difficult, although scores are much lower, with management advisory services ( $M=4.14$ ,  $SD=1.02$ ) as the most difficult, followed by advanced financial accounting and reporting ( $M=3.86$ ,  $SD=1.05$ ), then law ( $M=3.79$ ,  $SD=1.04$ ). Advanced financial accounting is considered at the top level of difficulty for both in-house and board exam. It is worthy to note that the mean for in-house review and CPA board is almost the same at 2.89 and 2.87, respectively.

Based on the reports from the PRC submitted to the CBAA office, there were 36 who passed the CPA board exam, two (2) who were conditional and 64 who failed. This is not consistent with the in-house review performance of the graduates where 100% of them passed all the subjects.

It can be noted from the table that those students who received grades of 2.00 and below in their in-house review subjects are more likely to fail the CPA board examination.

It can also be concluded that not all in-house review subjects which are found to be the most difficult subjects are not necessarily the most difficult board subjects, although for the 2017 figure, the top three most difficult are the same. It can be noticed that for 2016 and 2017, where new board subjects were implemented, taxation and advanced financial accounting and reporting were included in the top three (3) most difficult board subjects, but taxation, as an in-house review subject, was the one where respondents got the highest GPA.

**Table 8.** 2017 paired samples *t*-test and Pearson *r* results of in-house review vs CPA board scores

	Mean	<i>N</i>	<i>SD</i>
Auditing	1.80	102.00	.21
Advanced Financial Accounting and Reporting	3.63	102.00	1.13
Financial Accounting and Reporting	1.83	102.00	.20
Management Advisory Services	4.01	102.00	1.10
Taxation	2.25	102.00	.28
Law	3.81	102.00	1.18
Auditing	1.87	102.00	.21
Advanced Financial Accounting and Reporting	3.86	102.00	1.05
Financial Accounting and Reporting	1.76	102.00	.19
Management Advisory Services	4.14	102.00	1.02
Taxation	1.80	102.00	.32
Law	3.79	102.00	1.04

Table 8 shows the results of the 2017 paired samples *t*-test between the scores in the in-house review and the CPA board. Results revealed that in-house review and CPA board scores were strongly and positively correlated across all subjects. Moreover, there was a significant difference between the in-house review and the CPA scores of all subjects, namely, review auditing ( $M=2.14$ ,  $SD>.95$ ) and CPA board auditing ( $M=3.04$ ,  $SD=1.19$ ),  $t(66)=-7.17$ ,  $p = 0.000$ ; re-

view taxation ( $M=1.95$ ,  $SD>.9^0$ ) and CPA board taxation ( $M=3.47$ ,  $SD=1.12$ ),  $t(66)=-14.82$ ,  $p>4.444$ ; review management advisory services ( $M=2.29$ ,  $SD>.95$ ) and CPA board management advisory services ( $M=2.77$ ,  $SD=1.16$ ),  $t(66)=-4.56$ ,  $p = 0.000$ ; review advanced financial accounting and reporting ( $M=2.39$ ,  $SD>.86$ ) and CPA advanced financial accounting and reporting ( $M=3.46$ ,  $SD=1.19$ ),  $t(66)= -1.28$ ,  $p = 0.000$ ; review financial accounting and reporting ( $M=2.38$ ,  $SD>.8^0$ ) and CPA financial accounting and reporting ( $M=3.04$ ,  $SD=1.33$ ),  $t(66)=-4.78$ ,  $p = 0.000$ ; review law ( $M=2.21$ ,  $SD>.9^0$ ) and CPA board law ( $M=3.28$ ,  $SD=1.09$ ),  $t(66)= -9.85$ ,  $p = 0.000$ .

The results mean that higher in-house review scores are needed to ensure that participants will pass the CPA board exam. Participants who got grades of 2.5 and lower in their in-house review subjects have the tendency to fail the licensure examination. Thus a higher average must be maintained to increase the chance of passing the CPA board.

**Table 9.** 2017 paired samples  $t$ -test and Pearson  $r$  results of in-house review vs

	Mean	SD	Std. Error Mean	95% Confidence Interval of the Difference		$t$	$df$	$p$	$r$	$p$
				Lower	Upper					
Auditing	-1.83	1.03	0.10	-2.04	-1.63	-17.93	101	.000	0.52	0.000
Advanced Financial Accounting and Reporting	-2.18	0.97	0.10	-2.37	-1.99	-22.62	101	.000	0.69	0.000
Financial Accounting and Reporting	-1.56	1.04	0.10	-1.77	-1.36	-15.21	101	.000	0.59	0.000
Management Advisory Services	-1.99	0.96	0.09	-2.18	-1.80	-21.02	101	.000	0.51	0.000
Taxation	-2.38	0.95	0.09	-2.57	-2.20	-25.26	101	.000	0.41	0.000
Law	-1.99	0.92	0.09	-2.17	-1.81	-21.89	101	.000	0.51	0.000

#### CPA board scores

Table 9 shows the results of the 2017 paired samples  $t$ -test between the scores in the in-house review and the CPA board. Results revealed that in-house review and CPA board scores were moderately to strongly and positively correlated across all subjects. Moreover, there was a significant difference between the in-house review and the CPA scores of all subjects, namely, review auditing ( $M=1.80$ ,  $SD>.65$ ) and CPA board auditing ( $M=1.87$ ,  $SD=.21$ ),  $t(101)= -17.93$ ,  $p=0.000$ ; review taxation ( $M=2.25$ ,  $SD>.6^2$ ) and CPA board taxation

( $M=1.80$ ,  $SD=.32$ ),  $t(101)=-25.26$ ,  $p=0.000$ ; review management advisory services ( $M=4.01$ ,  $SD>5.54$ ) and CPA board management advisory services ( $M=4.14$ ,  $SD=1.02$ ),  $t(101)=-21.02$ ,  $p=0.000$ ; review advanced financial accounting and reporting ( $M=3.86$ ,  $SD>5.57$ ) and CPA advanced financial accounting and reporting ( $M=3.86$ ,  $SD=1.05$ ),  $t(101)=-22.62$ ,  $p=0.000$ ; review financial accounting and reporting ( $M=1.83$ ,  $SD>.64$ ) and CPA financial accounting and reporting ( $M=1.76$ ,  $SD=.19$ ),  $t(66)=-15.21$ ,  $p=0.000$ ; review law ( $M=3.81$ ,  $SD>.55^2$ ) and CPA board law ( $M=3.79$ ,  $SD=1.04$ ),  $t(66)=-21.89$ ,  $p=0.000$ .

The results suggest that higher review scores must be maintained in order to ensure higher CPA board ratings and to increase the chance for passing the board. It is also noted, as evident in the data across the years, that CPA board ratings were much lower than review ratings. This means that in-house review classes must be enforced strictly and that passing and failing marks must be given to students. It is clear that in review classes, not one student is given a failing mark. This greatly affects the results of the CPA board. Instead of using the in-house review score to predict who will pass the CPA board, this does not happen because of the very high scores given to the reviewees.

Year	Financial Accounting and Reporting		Advanced Financial Accounting and Reporting		Management Advisory Services		Auditing		Taxation		Regulatory Framework for Business Taxation	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
2015	28	47.46%	24	40.68%	11	18.64%	23	38.98%	22	37.29%	22	37.29%
2016	22	32.84%	29	43.28%	16	23.88%	19	28.36%	28	41.79%	25	37.31%
2017	56	54.90%	67	65.69%	58	56.86%	50	49.02%	69	67.65%	54	52.94%
Average												

**Table 10.** CPA board subjects that respondents failed

Table 10 shows that in 2015, almost half (47.46%) of the respondents failed in the board subject Financial Accounting and Reporting followed by Advanced Financial Accounting and Reporting (40.68%).

In 2016, Advanced Financial Accounting and Reporting was also the board subject where 43.28% of the graduates failed followed by Taxation (41.79%).

In 2017, Taxation as well had the most number of respondents who failed with 67.65% of them, followed by Advanced Financial Accounting and Reporting (65.69%).

It may appear that Taxation and Advanced Financial Accounting and Reporting are the board subjects where students always obtain the lowest/failing scores.

It may also be observed that 2017 CPA licensure examination had the most number of respondents who failed, ranging from 49.02% to 67.65% along six (6) board exam subjects.

### **Recommendations**

Based on the foregoing findings and discussions, the following recommendations are being proposed:

1. Qualifying examinations should be developed and grades of the students should be strictly evaluated and monitored together with the strict implementation of the retention policy.
2. There should be a clear policy regarding the benchmark on grade for all in-house review subjects.
3. In-house reviewers should:
  - a. Develop their syllabi
  - b. Perform test item analysis for them to identify specific areas of course content which need greater emphasis or clarity
  - c. Prepare table of specifications (TOS) to improve validity of their evaluation based on a given assessment and to ensure that the subject matter content and the course objectives are adequately sampled by the test items
  - d. Continue constructing exercises and instructional materials patterned from the problems given in the CPA licensure examination.
4. Seminars may also be conducted for the enhancement of the students' knowledge, skills, and values.
5. A more comprehensive study may also be conducted to determine the reasons why graduates fail the board examination.

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