Friends, since I joined CFA, I came across number of queries through PM, comments on my profiles, mails etc and also, having a look over the forums and queries on CCI, I feel that most of us are not aware about the course and some have certain doubts, queries and growth prospects and opportunities about the course. All this, inspired me to write an article on this topic to clarify. I hope it will be in interest of aspiring students and will try to make them more clear and aware about the various points before undertaking the said Courses.
In this article, I just tried to explain the contents of the two courses, CFA(US) & CPA(US) in the way of suitability, eligibility, exam contents & structures, course fees and other relevant points. Also, based on the queries received relevant to the topic, I have included that as a query point and mentioned in italics in order to clarify from the prospective of Indian Students. I hope it will be useful for the readers

# Chartered Financial Analyst

www.cfainstitute.org

## ► About the Course

The CFA Program, administered by CFA Institute, is a graduate-level study and examination program intended to expand your working knowledge and skills relating to investment decision-making. Successful completion of the program and its requirements will earn you the CFA designation.
CFA Institute is located at Charlottesville, Virginia, USA and has worldwide locations.

*Toll free number from India 000-800-852-6784*

## ► Suitability

Candidates interested to pursue career as Analysts, Portfolio Managers, Investment Bankers, Traders, Fund Managers, and Auditors.

*Query Points > If career interest is in Finance and Investment Banking field*.

## ► Eligibility

a. Master English at a professional level
b. Have a bachelor's degree or equivalent, or be in the final year of your bachelor's degree program,

OR

c. have 4 years of full-time qualified professional experience.
d. Pass all three levels of CFA Program exams *sequentially*
e. Become a regular member of CFA Institute
f. Meet the professional conduct criteria and maintain the status.

*Query Points > Graduation is enough for doing the course*.

## ► CFA Exams

The CFA program is divided into three "levels", each of which concludes with an examination.

a. The Institute offers the **Level I** exam twice a year: in June and December.
b. The exams for **Levels II and III** are offered once annually in June.

*Query Points > Approximate minimum Duration for the course is 3 year*.

### I. Level I exams: multiple choice

Level I multiple choice questions are crafted with each of the incorrect responses (distracters) carefully constructed to represent common mistakes in either calculation or logic. A Level I examination consists of 240 questions to be completed in a six-hour time frame.

II. Level II exams: item set

The Level II CFA exam consists of 20 item sets — 10 on the morning session of the exam and 10 on the afternoon session. Item sets are sometimes called "mini-cases." Each item set on the CFA exam consists of a vignette (or case statement) and six multiple choice items (questions).

III. Level III exams: item set and essay

The Level III exam uses the essay format in the morning, and the item set format, with 10 item sets, in the afternoon. The Level III essay exam is given in the morning session and has a maximum score of 180 points. The essay exam typically has 10–15 questions, and questions may have multiple parts. The points for each question and each question part are given in the exam.

- Exam Centres

Each CFA Program level culminates in a six-hour examination administered in *two three-hour segments*. These examinations are live, proctored exams, and are offered in hundreds of locations in more than 90 countries throughout the world

*Query Points > For June, 2010 Exam centres are created in India also.*

Check this link for Latest Exam schedule for December, 2010 and June, 2011 >
https://www.cfainstitute.org/cfaprogram/exams/calendar/Pages/index.aspx

- Exam Format

| | Level I | Level II | Level III |
|---|---|---|---|
| Time | 6 hours | 6 hours | 6 hours |
| No. of Questions | 240 questions | 120 question | 60 questions + essays |
| Question Types | Multiple Choice | Item Set | Item Set & Essay |
| Focus | Knowledge and Comprehension | Analysis and Application | Synthesis and Evaluation |

- Topics Covered

| | |
|---|---|
| > Asset valuation | > Financial statement analysis |
| > Portfolio management | > Corporate finance and the fundamentals of financial management |
| > Equity, debt, derivatives, and alternative investments | > Ethical and professional standards |
| > Economics | > Quantitative methods for investment analysis |

► Course Fees

In order to enrol in the CFA Program and to register to sit for the CFA exam, you must have a valid international travel passport. The government-issued ID number on your passport and the country of issuance must be entered during **online exam registration (pay through credit card or debit card)**. On exam day, you **must** present your passport, containing the same name, date of birth, government-issued ID number, and country of issuance that you used to register, at the test centre for admittance.

Course Fees > Latest December 2010 CFA Exam > **Level I only**

| **Payment deadlines** | **Program enrolment** (new candidates only) | + | **Exam registration*** | = | **Total cost** |
|---|---|---|---|---|---|
| 24 August: | $400 | + | $710 | = | $1,110 |
| 15 September: | $480 | + | $955 | = | $1,435 |

*The exam registration fees include the complete curriculum and one mock exam per level. Sample exams are available for purchase. *(In my case, the curriculum cost is $225 & Exam registration is $485 which makes a total of $710 as mention in above table)*

Enrolment and registration fees are non-transferable and non-refundable. Full refunds are available within two business days of payment if you change your mind. Candidates re-registering for the same exam level in a future calendar year will receive a $50 discount on the exam registration fee. The discount will be applied in the shopping cart during online registration. June Level I candidates who re-register in the same calendar year (Level I exams are held in June and December) will not be charged again for the curriculum *(i.e. $225 as per my case)*

*Query Points > Both Program Enrolment and Examination fees is to be paid at the time of registration.*

*> Curriculum will be received at you Indian address within 10-15 Days*.

> Kaplan and Schwester notes are available in market. Also on line study materials are available.

> Total Course Fees amounts to approx $2500.

# Certified Public Accountant

[www.aicpa.org](http://www.aicpa.org)

AICPA American Institute of CPAs

## ▶ About the Course

The CPA profession offers unlimited possibilities for career growth and development. AICPA members work in all sectors of the business and financial services profession, including Public Accounting, Financial Planning, Tax, Business & Industry, Law, Consulting, Education and Government. The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, N.J. and Lewisville, Texas.
Email: service@aicpa.org

## ▶ Suitability

CPAs and potential CPAs have a variety of career paths from which to choose. Within the firm, you can work in audit and assurance, tax and management consulting. Within companies of all sizes, you can choose working in diverse areas such as financial accounting and reporting, management accounting, financial analysis, treasury/cash management, internal auditing, international accounting. Within government, you can create a path to success at either the federal, state or local level. Non-profit organizations and education also offer many diverse opportunities.
*Query Points > If interest is in Audit, Accounting, Financial Reporting, Management Accounting. (Similar to a CA in India, a CPA holder can practice in US only).*

## ▶ Eligibility

a. 3 E's are required for licensure:
   **E**ducation **E**xam or Uniform CPA Examination **E**xperience
   Of these three requirements, only the CPA Examination is uniform (i.e., it is the only examination that is accepted for CPA licensure by all U.S. jurisdictions), while education and experience requirements may vary from one jurisdiction to another. Candidates for CPA licensure must meet all three requirements.
b. State Boards of Accountancy determine the laws and rules for each state/jurisdiction. International candidates must be prepared to take the Uniform CPA Examination in one of the 54 U.S. jurisdictions. (It is not offered anywhere else). They must also be able to take the CPA Examination in English. (It is not available in any other language). *Qualifying through a board of accountancy is the ONLY route to the CPA designation. There is NO central professional body in the U.S. through which candidates may qualify as CPAs.*
c. The application process is the same for U.S. and international candidates. Prospective candidates must select the U.S. jurisdiction to which they will apply, contact the Board of Accountancy (or its agent) in that jurisdiction to obtain application materials, submit completed applications and required fees as instructed, and once deemed qualified, schedule the examination. *Requirements vary by state/jurisdiction. Most states now require **150 semester hours.** Number of accounting hours (in the 150 total) is dependent on state requirements*
d. Prospective candidates who are undecided about the jurisdiction to which they should apply may wish to review the requirements of several Boards of Accountancy before making their decisions. Contact information for all boards is available at [www.nasba.org](http://www.nasba.org)
   *With my Experience, Indian CA or MBA (Regular) along with regular graduation degree generally meet the requirements of State. However, all depends upon the type of university and credential evaluation.*

e. Any special requirements that international applicants must meet (such as arranging for an evaluation of their educational credentials by an agency approved by the board) are explained in accountancy board application instructions. In order to evaluate the Semester Hours, you need to have credit evaluation of your degrees to determine the eligibility requirements. Various Credit Evaluation Agencies in US provides such services.

*Query Points > Good Credential evaluation service providers - 1) http://www.fcsa.biz 2) http://www.wes.org . Just find "credential evaluation services in USA" in Google search.*

## ▶ CPA Exams

The Uniform Certified Public Accountant (CPA) Examination is the examination that an individual must pass in order to qualify for licensure as a Certified Public Accountant (CPA) in any of the *54 U.S. jurisdictions* (the 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam). CPAs are the only *licensed* accounting professionals. CPA licenses are issued by state boards of accountancy in the 54 jurisdictions – there is no national CPA licensure process in the U.S.

- Exam Pattern
  a. Computer-based format
  b. Passing score is 75 on a 0-99 scale
  c. Question types include multiple choice, simulation and written communication
  d. Eligibility to sit for exam depends on state.
  e. Exams can be given in any order (*No sequential Order*)
  f. Consists of 4 sections
     I. Auditing and Attestation (AUD) - This section covers knowledge of auditing procedures, generally accepted auditing standards and other standards related to attest engagements, and the skills needed to apply that knowledge.
     II. Business Environment and Concepts (BEC) -This section covers knowledge of general business environment and business concepts that candidates need to know in order to understand the underlying business reasons for and accounting implications of business transactions, and the skills needed to apply that knowledge.
     III. Financial Accounting and Reporting (FAR) - This section covers knowledge of generally accepted accounting principles for business enterprises, not-for-profit organizations, and governmental entities, and the skills needed to apply that knowledge.
     IV. Regulation (REG) - This section covers knowledge of federal taxation, ethics, professional and legal responsibilities, and business law, and the skills needed to apply that knowledge.

  For Detail contents on all topic click on this link > Detail Content of All Topics.pdf

- Exam Centres

  The examination is administered at prometric test centers in 54 U.S. jurisdictions, which include the 50 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands.

  Good News for CPA Exams to be held may be outside US in Future…

  *The AICPA and NASBA are currently considering making the U.S. (America) CPA Examination available at test sites overseas through our current computerized test site vendor, Prometric. The decisions to do so and the location of test centers are expected to be made in 2010. When the decision is made, it will be announced on the Exams website at www.cpa-exam.org well ahead of the implementation date*

  Source > http://www.nasba.org/Web/CBTFAQ.nsf/WFD?OpenForm&Category=Test+Centers

- <u>Exam Format</u>

Uniform CPA Exam Section Structure and Time Allocations - **CBT-e Launch Date: January 1, 2011**

| Current Structure | CBT-e Structure |
|---|---|
| **Auditing and Attestation (AUD)** | |
| » 3 Multiple-Choice Question (MCQ) testlets containing a total of 90 questions<br>» 2 Simulations in current (long) format<br>» 2 Written Communication tasks | » 3 Multiple-Choice Question (MCQ) testlets containing a total of 90 questions<br>» 1 Testlet containing 7 short Task-Based Simulations (TBS) with the research question in a new format |
| Current Testing Time: 4.5 hours | CBT-e Testing Time: 4 hours |
| **Business Environment and Concepts (BEC)** | |
| » 3 Multiple-Choice Question (MCQ) testlets containing a total of 90 questions | » 3 Multiple-Choice Question (MCQ) testlets containing a total of 72 questions<br>» 3 Written Communication tasks on BEC topics |
| Current Testing Time: 2.5 hours | CBT-e Testing Time: 3 hours |
| **Financial Accounting and Reporting (FAR)** | |
| » 3 Multiple-Choice Question (MCQ) testlets consisting of a total of 90 questions<br>» 2 Simulations in current (long) format<br>» 2 Written Communication tasks | » 3 Multiple-Choice Question (MCQ) testlets consisting of a total of 90 questions<br>» 1 Testlet containing 7 short Task-Based Simulations (TBS) with the research question in a new format |
| Current Testing Time: 4 hours | CBT-e Testing Time: 4 hours |
| **Regulation (REG)** | |
| » 3 Multiple-Choice Question (MCQ) testlets consisting of 72 questions<br>» 2 Simulations in current (long) format<br>» 2 Written Communication tasks | » 3 Multiple-Choice Question (MCQ) testlets consisting of 72 questions<br>» 1 Testlet containing 6 short Task-Based Simulations (TBS) with the research question in a new format |
| Current Testing Time: 3 hours | CBT-e Testing Time: 3 hours |

These four sections represent a total of 14 hours of testing

Uniform CPA Examination Scoring Weights **CBT-e Launch Date: January 1, 2011**

| **Item Format** | **Auditing and Attestation (AUD) Financial Accounting and Reporting (FAR) Regulation (REG)** | | **Business Environment and Concepts (BEC)** | |
|---|---|---|---|---|
| | Current Weight | CBT-e Weight | Current Weight | CBT-e Weight |
| » Multiple-Choice Question (MCQ) | 70% | 60% | 100% | 85% |
| » Simulations | 20% | 40% | N/A | N/A |
| » Written Communication tasks | 10% | N/A | N/A | 15% |

- Exam Procedure

a. After selecting the state and meeting the eligibility requirement (credential evaluation and others), you need to apply to the respective state.
b. After your application has been completely processed, your NTS (Notice to Schedule) will be sent to you by your preferred contact method (as requested on your application). All fees must be paid prior to the release of your NTS.
c. Your NTS will be valid for a specific amount of time. This time varies by jurisdiction. You must sit for the examination before your NTS expires. If you do not sit for the examination within the established time frame, your NTS will be invalid and you will need to submit a new application and/or registration to receive a new NTS. The NTS expiration date is included on the NTS. This varies for each jurisdiction
d. *Query Point > Most jurisdictions allow a maximum of 18 months to pass all sections.*
e. You can give Exams whenever you feel that the preparation is done. The exams can be given only when the testing windows are open. Testing window means the time slots for giving the exams. The Testing Windows are open 4 times a year. 1) January – February 2) April - May 3) July - August 4) October – November.
f. You may take each section up to one time per testing window. Candidates will not be permitted to take the same section more than once during any given testing window.
g. There is no minimum number of sections that must be completed in a testing window. You may take any section in any order.

► Course Fees

Fees also vary from one jurisdiction to another. For information about fees in a specific state or territory, visit the appropriate Board of Accountancy website. Links to all Board of Accountancy websites are available at http://www.nasba.org/nasbaweb.nsf/exam . Sample Fees for two states is given below >

- Sample of Fees of Colorado State >

All candidates are required to pay both an application fee and an examination fee upon application.

| | | |
|---|---|---|
| First Time Application fee: | | $ 150.00 |
| Re- Registration fees: | | |
| 4 examination sections | | $ 110.00 |
| 3 examination sections (any combination) | | $ 95.00 |
| 2 examination sections (any combination) | | $ 80.00 |
| 1 examination section | | $ 65.00 |

Examination Fees

| | | |
|---|---|---|
| Examination fees: | | |
| Auditing and Attestation | (AUD) | $ 230.55 |
| Business Environment and Concepts | (BEC) | $ 180.95 |
| Financial Accounting and Reporting | (FAR) | $ 218.15 |
| Regulation | (REG) | $ 193.35 |

Applicants are able to apply for one or more section(s) of the examination at a time. However, applicants are advised to only apply for a section of the examination they are ready to take within the next six (6) months. All fees must be paid at the time of application and must be in U.S. dollars. Personal checks, certified checks or money orders must be drawn on a U.S. bank and made payable to CPA Examination Services.

- Sample Fees for California Board of Accountancy >

| | | |
|---|---|---|
| First Time Application fee: | | $ 100.00 |
| Re Application fees: | | $ 50.00 |

Fees to be paid to NASBA (Examination Fees)

| | | |
|---|---|---|
| Examination fees: | | |
| Auditing and Attestation | (AUD) | $ 230.55 |
| Business Environment and Concepts | (BEC) | $ 180.95 |
| Financial Accounting and Reporting | (FAR) | $ 218.15 |
| Regulation | (REG) | $ 193.35 |

*Query Points* > > Total Course Fees amounts to approx $1100.

▼ CFA - CPA at a Glance in the comparative and tabular Format.

| Topic Area | CFA (Chartered Financial Analyst) | CPA (Certified Public Accountant) |
|---|---|---|
| Website | www.cfainstitute.org | www.aicpa.org |
| Institute Base | Charlottesville, Virginia, USA | New York, Washington, D.C., Durham, N.C., Ewing, N.J. and Lewisville, Texas |
| Eligibility | Graduation or 4yrs years of full-time qualified professional experience | Depends upon the State/Jurisdiction. Generally, most states require 150Hrs of study. Indian CA or regular MBA with regular graduation generally qualifies. |
| Career Suitability | Finance, Investment banking, Portfolio Management | Auditing, Accounting, Management reporting, Financial Reporting. |
| Services | Finance and Portfolio Management Consultancy and Service (anywhere) | Service (anywhere)<br>Private Practice (only in US) |
| Exam Pattern | 3 Level of Exams (Sequential Order) | 4 Exams (Any order) |
| Exam Centres | All over the World(Including India) | United States Only (May be Overseas in Future) |
| Exam Style | Written Exams | Computer Based Exams |
| Exam Timings | Level I – June & Dec, Level-II & III - June | 4 Testing windows in a year |
| Course Cost | Approx. $2500 | Approx $1100 (US Visa, Travelling and Boarding credential evaluation cost to be considered separately) |
| Course Duration | Approx Minimum – 3Years | Approx Minimum 6 months<br>(Depends on your own preparation) |
| Study Material | CFA Institute provides Material | No Material by CPA Institute (only sample Exams) |
| Popular Study Materials | Kaplan, Schweser | Becker, Wiley, Gleim. |

**Disclaimer >** The contents mentioned above are compiled through the information available on the internet sites about the courses and my personal experience while registration for CFA and my friends registration for CPA from Colorado state. Please highlight any points, which you would like to add as a part of your experience for the benefit of the course aspirants.

**Feedback >** Also, looking forward to your feedback, suggestions, improvements, inclusions, deletions or any sort of information which you think has been wrongly interpreted or can be added up and can provide more clearance in understanding the structure of the above courses.
Based on the feedback, I will try to improve and include the same for the next course comparison, which I will provide in few days. Also, let me know, the course comparison, which you think, will be useful, I will try to prepare for the same. Looking forward to your comments and suggestions.............