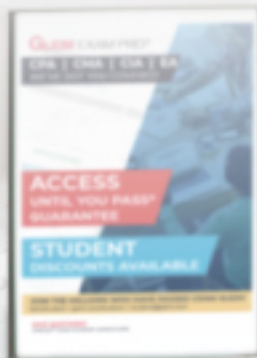


**GLEIM** EXAM PREP



HOW TO   
**SUCCEED**  
 IN ACCOUNTING

FROM CLASSROOM TO CAREER

IRVIN N. GLEIM



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*Gleim is Committed to Helping You During Your Accounting Experience*

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## A MESSAGE FROM DR. GLEIM



### **My college experience at the University of Illinois in the 1960s was probably not so different from yours today.**

As a first-generation American, I had to work to pay for my classes and living expenses. I was determined to seek an educational path that would lead to a successful career so I would not have to worry about providing for myself and my future family. I realized accounting was the perfect fit for me.

First as a public accountant, then later as a professor, I noticed graduates entering the accounting profession spending a lot of time and money on test prep for the CPA Exam. Expensive live CPA review courses were the only study option. To offer an alternative, **I developed a self-study system to help students who were hard-working, self-motivated, and just wanted easy-to-understand CPA explanations and realistic study questions.** I also was committed to providing study materials at a more affordable cost so that students could become CPAs no matter their background. It was an immediate success and over the years has helped millions of candidates pass their CPA, CMA, CIA, and EA certification exams. I have spent over 45 years perfecting a system that continues to innovate the field of accounting education and improve how people study. In this booklet, I want to share this system with **you**.

A cornerstone of the Gleim system is to encourage you to learn and understand foundational principles so you are properly prepared for your accounting career. Success in your future classes, certification examinations, and professional career depends on applying your knowledge to various circumstances. That means learning and understanding concepts rather than relying on short-term memorization. The Gleim study system guarantees you achieve just that.

### **Think about this...**

*You're investing in your future by going to college after high school.*

*You're investing further by majoring in accounting, a profession that provides exceptional career opportunities.*

Why not make the most of your time and money by using study techniques to help ensure a successful future in accounting—from classroom to certifications to your career?

Despite your success up to this point, your study methods may not be as efficient as they could be. Many students experience temporary success based on short-term memorization, but, eventually, the complexity and amount of subject matter they have to learn will outpace their ability to perform by memory alone.

This booklet contains all the information you need to begin your pursuit of a successful career in accounting. By reading this carefully, you will gain a competitive advantage over your peers and develop the skills and qualities employers value **so you can move onward and upward.**

– Dr. Irvin N. Gleim





# PREPARING FOR SUCCESS

*In School, on Certification Exams, and Professionally*

The central theme of this booklet is how to be in control of your future. We teach you how to create your own control system to achieve success. An effective system includes

- |   |                        |   |  |
|---|------------------------|---|--|
| 1 | Defining goals         | 4 | Evaluating your performance              |
| 2 | Establishing plans     | 5 | Understanding where you need improvement |
| 3 | Performing effectively | 6 | Following through                        |

This booklet provides an executive approach to goal setting that works, especially if you aspire to be a leader in your future career (and you should—because you have the potential).

## What is your goal?

To earn a degree in accounting and obtain the CPA and the CMA, CIA, and/or EA certifications.

## Why?

The employment prospects for accountants are great (and consistently improving). Starting salaries are high and demand is up. Accounting leads to professional positions, such as an accountant, auditor, CFO, and even CEO. Certification can increase your earning potential by more than 40%!

## What now?

Earning the title of professional accountant is only the first step in laying the foundation for a long and successful career. Preparing yourself for a career in accounting requires establishing a plan, and we'll help you make one over the course of this booklet.

# SETTING EDUCATIONAL & PROFESSIONAL GOALS

*And How to Achieve Them*



*The first step is to look at some big-picture items.*

## PLANNING YOUR CURRICULUM

- 1** Consult your school website for departmental requirements and any other relevant information pertaining to your accounting curriculum.
  - ✓ **Know which classes you are taking and when.** Many classes have prerequisites, so make sure you sequence your classes properly to avoid surprises later.
  - ✓ **Ensure your course load meets all graduation requirements.** Most accounting programs have several specific courses you are required to take.
  - ✓ **Enroll in courses that meet certification exam requirements.** Sometimes graduation requirements do not align with the requirements to take the CPA Exam or other certification exams. Accounting students should choose electives that satisfy the requirements for the certification exams they plan to take.
  - ✓ **Research professors in your department.** Find out from upperclassmen which professors are best and try to take their classes. Top firms may look for specific instructors on your transcript.
- 2** Use your academic advisors as a resource to properly select your college curriculum and have them review your schedule to make sure that it satisfies your graduation requirements. Your advisor's job is to help you succeed—make sure to take advantage of their knowledge and experience.





## GRADES

Getting good grades is an important first step. Usually, a 3.0 GPA (B average) or higher is necessary to enter a graduate program. Some employers restrict hiring to individuals with a 3.0 GPA or higher. If you are currently struggling with a C average, don't give up. If implemented, the techniques explained here will help you improve your study methods and ultimately improve your GPA. Don't be discouraged if your GPA remains low; while higher grades are preferred, many C and C+ students are extremely successful once out of school.

Lower-level classes are much easier than upper-level ones, so the earlier you're able to establish a strong study approach, the better. Plus, maintaining a strong GPA is easier than trying to improve a weak one. Make sure to focus on classes pertaining to your career, but don't disregard non-career specific courses, as they affect your overall GPA and make you a more well-rounded accountant.

Grades are not the only item you should concentrate on, though. Make sure you're involved in extracurricular activities. Your future employer will be interested in you as a person, not just as an accountant. You're going to be part of a team, and hiring committees and recruiters look for candidates who are a good fit with their corporate culture.

## STUDENT ACTIVITIES

There is no question that employers like to see students who succeed academically, but they also value well-rounded individuals who are team players and willing to volunteer to help their communities. Leadership ability and "soft skills," like communication and emotional intelligence, are developed through involvement in volunteer organizations and student activities. Whatever you decide, be sure to pursue the highest position at the organization to show that you are a leader.

Some ways to develop leadership skills are:

- ✓ Serving as an officer in the honorary accounting fraternity, Beta Alpha Psi (BAP), or one of many accounting clubs (IMA, ALPHA, NABA)
- ✓ Being an active member of a professional or service coed fraternity, such as Delta Sigma Pi or Alpha Phi Omega
- ✓ Joining or creating a sports club or other competitive, team-oriented organization
- ✓ Performing community service, such as volunteering to help low-income families and individuals with tax returns through the VITA program

It's not difficult to find information about these opportunities and others like them. Your school's website has most of the resources you need. Find BAP, professional fraternities, and other accounting club information on your business school's pages, and explore other areas of the website, like the recreational or intramural sports section, for non-accounting related opportunities.

Programs like VITA ([gleim.com/VITA](http://gleim.com/VITA)) not only connect you with your community and enhance your resume, but also serve as relevant work/volunteer experience, especially for accounting students with an interest in tax.

**Make sure you're involved  
in extracurricular activities.  
Your employer will be  
interested in you as a person,  
not just as an accountant.**



## WORK EXPERIENCE

### THE IMPORTANCE OF INTERNSHIPS

Internships are a great way to build your resume and network with professionals. They also provide you with valuable experience and skills that employers look for during the hiring process. Internships give you a taste of what everyday work life is like before you commit to a specific career path within accounting. Many internships offer paid opportunities and may lead to a full-time job offer upon receiving your diploma and/or certification.

For accounting students, internships are one of the main ways to help you gain the attention of well-known firms. Be sure to pay attention to your school's calendar and emails and watch for recruiting events, career fairs, "Meet the Firm" events, and company information sessions. It's never too early to start seeking out internship opportunities and forming connections with employers to ensure success in your future career.

**Internships are one of the main ways to help you gain the attention of well-known firms.**

### PART-TIME EMPLOYMENT

Many students need part-time work to make ends meet while in school, especially in regions with a high cost of living. If you are looking for a part-time job, try to find one that is student-friendly (i.e., gives you the time you need to study for exams) and offers career benefits, such as accounting experience or the opportunity to grow within the organization as you complete your degree. See if you can work for a professor, as you will acquire relevant skills and gain an invaluable mentor. If you qualify and your school participates, the Federal Work-Study program can offer on- and off-campus part-time jobs. Regardless of your specific position, a part-time job will build your resume and grow your soft skills, which can be as important to landing your dream job as your academic record.



# OPPORTUNITIES AFTER GRADUATION

## WHAT ABOUT A MASTER'S DEGREE?

Your bachelor's degree is an investment in your future. So is a master's degree (MA, MS, or MBA). Gleim recommends pursuing a master's degree as soon as possible after graduation.

### Reasons for a Master's Degree Before Entering the Workforce

- 1 A master's degree in accounting provides you with an even greater opportunity for employment and career advancement and allows you to demand a premium salary (as much as a 15% increase!).<sup>1</sup> Your employer will have higher expectations as a result of your additional training. Usually this translates into better client assignments, more interesting work, extra responsibility, faster promotion, and higher compensation.
- 2 Executive and managerial positions, such as controller or treasurer, generally require a master's degree; the CPA, CMA, and/or CIA designation; and several years of experience.
- 3 Once you begin working long hours in a specialized field, resuming the role of a student is not easy. If possible, stay in school until your educational goals have been met.

### Consider the Cost

Education is the best investment you can make! Scholarships can help offset the cost, and if you qualify for any, **you should apply**. There are thousands of scholarships you can apply for online, and almost every school has their own privately funded scholarships available. A part-time job or paid internship can also help defray some of your costs.

The amount and availability of financial support can be a barrier to continued education, but borrowing funds to pursue a higher level of education is generally a prudent financial decision, especially if you graduate with an accounting degree. Accounting jobs are widely available and pay well.

### Delaying a Master's Degree

Many professionals attend graduate school on a part-time basis if circumstances did not allow them to complete a master's before entering the workforce. These programs provide a chance to interact with peers who have similar interests and aspirations. An added benefit of attending graduate school part-time is learning from the work experience of classmates with various backgrounds, which significantly enriches class discussion. Your employer may also offer tuition assistance if the education furthers your employment with the company.

<sup>1</sup>Robert Half 2020 Salary Guide

## WHAT ABOUT AN ACCOUNTING CERTIFICATION?



An accounting certification is a great way you can invest in your future. In addition to adding more letters to your business card, accounting certifications offer quantifiable benefits (e.g., a higher starting salary) and can open the door to advanced positions and promotions because they send the message that you are competent and value professional development.

In truth, if you do not have a certification, it will be held against you. As an accountant, you will be asked if you are a CPA and if you have any other designations. In today's global economy, combining your CPA with a CMA, CIA, and/or EA will make you more attractive to every type of employer, including multinational firms.

The testable content of many accounting certificates overlaps with upper-level accounting courses. There are also monetary incentives to pursuing your CPA, CMA, and/or CIA designation(s) while you are still a full-time student. Some CPA state societies and the AICPA give students free access to member benefits and provide valuable networking resources. Students benefit from significantly reduced CMA and CIA exam fees as well as IMA and IIA membership fees. In addition, students can often get discounts on exam prep material like Gleim. Check out our student page at [gleim.com/students](https://www.gleim.com/students) to see how you can save on all certification exam materials!

For more info on the four most sought-after certifications, go to page 22-23. You can even start pursuing multiple certifications as a student with our guide at [gleim.com/AccountingCertifications](https://www.gleim.com/AccountingCertifications).

# HOW TO LEARN

*Putting Theory into Practice*



As you have progressed through school, you have likely taken for granted how you learn. You learned better from certain teachers in high school without knowing why. Chances are, those teachers taught closest to your optimal learning style. At this point in your academic career, you need to analyze how you learn best. Knowing your learning style will ensure your success in any class, no matter the teaching method.

**Try to answer these questions...**

- ✓ *How do you learn?*
- ✓ *How do you store information in your long-term memory?*
- ✓ *What are the levels of learning?*
- ✓ *How do the levels of learning relate to your accounting education and future career?*

Were you able to answer any of the questions above? Most students can't.

By better understanding how you acquire knowledge, you can study more efficiently and become more effective.

**IF YOU IMPROVE YOUR  
STUDY METHODS, YOU CAN  
CHANGE 75% SCORES TO  
90% SCORES.**

Look at it this way: If you improve your study methods and increase your comprehension by 20%, you can change 75% scores to 90% scores or reduce 30 hours of studying per week to 24 hours. There is some effort involved up front (unlearning bad habits and replacing them with good ones) but you will ultimately save countless hours over your remaining years of schooling and in your career.



## UNDERSTANDING MEMORY

Before you learn how to study to maximize your performance, you have to understand how the brain stores information and turns it into memory. Having the basic understanding of how this works will help to make the studying and learning process more efficient and effective. Memory is an integral part of the learning process. It is made up of three parts: the sensory register, the short-term memory, and the long-term memory.

- 1 The **sensory register** receives input from the environment and quickly processes it according to the individual's preconceived notion of what is important. This occurs on a subconscious level.
- 2 The **short-term memory** is where information deemed important by the sensory register goes. Information remains in the short-term memory for longer periods when it is related to an individual's previous knowledge or experiences.
- 3 The **long-term memory** is where information is stored for future use. For the stored information to be valuable, an individual must apply it to a specific action, like answering a multiple-choice question, or put it in context of a familiar situation where they have applied the information previously, like writing a monthly budget. Long-term memory is a reconstruction, not pure recall, of information or events.

Information is stored for roughly 30 seconds in your short-term memory. After that, it may rapidly fade or be consolidated into long-term memory, depending on the person's priorities. Several common steps help short-term memories become long-term memories. These include rehearsal or repetition of the information and sorting or categorization into systematic chunks. Examples include using flashcards, rewriting notes from class, and summarizing notes while reading a textbook.

Studies suggest reviewing notes for 3 or more consecutive days to help store information in long-term memory. Therefore, if you have an exam on a Thursday, you should begin studying by Monday at the latest. Surprisingly, studying 2 hours each night for 3 nights (6 hours total) may be enough to obtain a B or higher grade. Alternatively, cramming for 8 hours or more on the night before the exam could earn a C grade or lower.

You probably remember times when you've struggled during a final exam to recall concepts taught the first week of school. Sometimes students mistakenly believe that success on each test equals mastery of the subject. If you use short-term memory to pass tests, then you won't truly have a command of the concepts or retain the information for future use. Consistently reviewing concepts throughout the semester keeps information current. Organize your schedule to spend an occasional 10 or 15 minutes reviewing information learned earlier in the semester and you may save yourself stress, anxiety, and hours of studying for your final exams.



**More is better.** Answer more multiple-choice questions and relate the concept to as many familiar situations as you can. One of the best ways to learn is to explain the concept to others. The more you actively use the concept or teach it, the more you are helping yourself cement the knowledge, retain it longer, and apply it better.



## LEVELS OF LEARNING

Based on Bloom's taxonomy<sup>1</sup>, the authoritative source for curriculum planning, research, and other areas of education, there are a number of different levels of knowledge<sup>2</sup> you must transcend in order to fully understand a concept and be able to apply it successfully as an accountant.

The levels are cumulative—they constitute building blocks of the cognitive process. To understand something, you need to remember what you learned; to analyze problems, you must understand the concepts. And so on.



### REMEMBERING

Recalling knowledge, such as definitions of technical terms and sources of information without necessarily understanding them. Think of this as "pure" memorization.

Multiple-choice questions often test this fundamental kind of knowledge.

#### EXAMPLE

Memorizing the cost of goods sold (COGS) formula is mere recall: [COGS = Beginning inventory (BI) + Purchases (Pur) - Ending Inventory (EI)].



### APPLYING

Using knowledge to solve complex problems.

Applying combines both remembering and understanding to culminate in actually performing a task.

#### EXAMPLE

##### What is the Cost of Good Sold?

A company's records indicate the following changes to accounts:

Direct materials inventory	\$15,000
Finished goods inventory	-\$35,000
Direct materials purchased	\$430,000
Direct-labor payroll	\$200,000
Factory overhead	\$300,000
Beginning/Ending WIP inventory	\$0

Direct materials purchased totaled \$430,000, but we know the direct materials inventory increased by \$15,000, so the total materials purchased and used in this period equals \$415,000. Adding factory overhead of \$300,000 and payroll of \$200,000 to direct materials used in this period equals \$915,000.

Finished goods inventory went down by \$35,000, which means that not only were all the costs incurred this period, but also there is an additional \$35,000 of materials from a prior period that was sold.

Therefore, \$915,000 was spent this period plus the \$35,000, so the total cost of goods sold is \$950,000.

### UNDERSTANDING

Not just repeating what you learned, but also comprehending the principles and theory behind it.

Questions at this level test understanding of, and interrelationships among, ideas and concepts. This level of knowledge is also called comprehension.

#### EXAMPLE

In order to solve more complex problems, such as the effect of inventory errors, you should also understand the relationship of the change in inventory level to COGS. For example, when EI is greater than BI, it means not all purchases were sold. Given BI, Pur, and EI, most students can solve for COGS simply by plugging numbers into the formula. But an interpretation of the relationship of the data is required for more complex problems.

<sup>1</sup> Bloom, B.S. and David R. Krathwohl. 1956. *Taxonomy of Educational Objectives: The Classification of Educational Goals*, by a Committee of College and University Examiners. Handbook I: Cognitive Domain. New York, NY: Longmans, Green.

<sup>2</sup> Anderson, L.W. and David R. Krathwohl, et al (Eds.). 2001. *A Taxonomy for Learning, Teaching, and Assessing: A Revision of Bloom's Taxonomy of Educational Objectives*. Allyn & Bacon. Boston, MA: Pearson Education Group.



## CREATING

Designing, constructing, and planning. In today's learning and business environments, students and professionals often create their own programs to solve challenges.

This type of activity involves the synthesis of multiple elements to reform existing structures or create entire new ones.

### EXAMPLE

*A company hires a consultant to help streamline its production process. Based on their assessment and evaluation of the company, the consultant may propose robotic process automation (RPA) to replace most manual operations, deployment of artificial intelligence (AI) in customer order acceptance and resources planning, or outsourcing part of the production process.*



## EVALUATING

Making a judgment based on the results of the analysis. What is the most effective method and what are the pros and cons of alternatives? Like analysis, evaluation takes into consideration qualitative as well as quantitative variables. But evaluation takes the process one step further by choosing the better or best conclusions.

### EXAMPLE

*A company is developing the sales budget for the coming year. It has gathered information related to sales units. An accountant must analyze multiple sales scenarios to determine the best course of action, such as how many new sales staff to hire, for the coming year. First the accountant will use quantitative analysis to determine the correct decision, but then the accountant must use intuition and experience to settle on the best decision.*



## ANALYZING

Identifying cause-and-effect relationships, internal consistencies or inconsistencies, relevant and irrelevant items, and underlying assumptions.

### EXAMPLE

*An accountant facing a new business transaction must understand what the entity is obtaining as well as why and how the entity is obtaining it. The accountant can then prepare a journal entry by debiting the property rights being received and crediting either a liability account or an equity account associated with the transaction. An auditor requires the same type of analysis when ascertaining whether these entries have been done correctly.*

## CRITICAL THINKING

Why are these levels of knowledge important to you as an accounting student? Ask yourself: How does accounting differ from bookkeeping? The answer is professional judgment. The first three levels of knowledge are required to prepare financial data or basically crunch the numbers. The last three levels are necessary to use financial data in exercising professional judgment to make effective recommendations to clients or management.

In your study of accounting, you must go beyond recall and memorization and be able to analyze situations and problem solve. To the extent automation is changing the field of accounting, you must be able to deliver valuable skills beyond those of a computer. Entry-level accountants must show good judgment and take on more responsibility to move up to management or executive positions later in their professional careers.

**IN YOUR STUDY OF  
ACCOUNTING, YOU  
MUST GO WELL  
BEYOND RECALL AND  
MEMORIZATION**



Accountants at all levels and functions must exercise more judgment and rely less on rote memory and remedial bookkeeping tasks. With today's advanced technology, numbers are crunched by custom proprietary programs or enterprise-level software. Increasingly, the value accountants provide is knowing and communicating the "why" or "so what" behind the numbers and recommending a course of action to clients or to management.

Unfortunately, many students tend to focus on concept and rule learning, which only requires the remembering and understanding skill levels. However, most accounting and business concepts are multidimensional (i.e., they relate to many concepts, rules, and relationships); therefore, they are better understood from multiple perspectives. This requires the highest levels of Bloom's taxonomy: analysis, evaluation, and creation.

For example, you might view a financial accounting transaction by the:

- 1 Journal entries required to record the transaction
- 2 Impact of the transaction on the financial statements
- 3 Consequences of the transaction for the business
- 4 Motivations of the parties entering the transaction
- 5 Behavioral implications for employees, customers, competitors, etc.



As you learn new concepts in class, think critically and dive further into your studies by considering the contextual implications of the underlying business transactions. For example, consider the effect a given procedure or transaction will have on:

- |                    |                      |
|--------------------|----------------------|
| 1 Purchasing power | 4 Cost of capital    |
| 2 Financial ratios | 5 Earnings per share |
| 3 Cash flows       | 6 Dividend growth    |

As you can see, the vast amount of work going on behind the scenes in accounting is precisely why memorization alone won't form the basis of your achievement.

For extra help, you can review case studies and look at the detailed examples in your textbooks.



# STUDYING EFFECTIVELY

## Preparation and Control

As discussed in the previous section, consistently refreshing your understanding of concepts presented earlier in the semester helps you retain the knowledge in long-term memory. Unfortunately, most college students only begin to think about their exams when they draw near. The truth is, you can begin preparing for any exam you will ever have by practicing good habits today.

### Ask yourself these three questions:

- ✓ *How do you approach studying for each course to maximize learning while minimizing study time?*
- ✓ *Do you understand how each of your assignments relates to the course as a whole?*
- ✓ *How do you study for class assignments and tests to perform at your best?*



## THE BASICS OF STUDYING

### Course Overview: Understanding the big picture of what and when you'll be learning

At the very beginning of the term, as soon as you have your textbook and syllabus, create an overview of each course and create a study plan. It's important to know what will be happening in each class throughout the semester so that you can properly prepare. Are any exams going to be administered right after a trip or the "big game"? Put a note in your calendar and plan ahead so you are prepared.



*The entire process will probably take 2 to 4 hours. Spend half a day at the library and do a thorough job for each course. This initial investment of time will pay off because you will gain an understanding of how the chapters and their parts, as well as definitions and concepts, fit into the overall course. Plus, it helps you relate previous knowledge to your courses, which aids your ability to store information in your long-term memory.*

- 1 List your textbook's chapter titles.**  
Using this information, ask yourself: What is the course about? How does its content relate to courses I have already taken and plan to take in the future? Reference your course syllabus to familiarize yourself with the course learning objectives and the schedule of topics to be covered.
- 2 Skim each chapter.**  
Read the introduction and summary/conclusion. Your objective is to gain more insight into each chapter's content than you gained from the chapter title analysis in Step 1 without reading the chapter fully.
- 3 Document your effort.**  
Write a short paragraph and/or summary outline of each chapter.
- 4 Examine the entire course overview.**  
Has your overview of the course changed and become more focused as a result of your analysis?

# STUDY SUGGESTIONS



## Where to Study

Study where you study best. It's not one size fits all. Some study best at home, while others study best at the library. Some prefer to study at different locations at various times of the day or on different days.

**The goal is effective study.** Find the study locations that provide the best environment for concentration, which means avoiding or blocking out distractions. Try out-of-the-way places where other accounting majors and friends do not study, like the law library or a quiet coffee shop. Consider putting away your cell phone as well. If you use your phone to study, consider turning off notifications.

## When to Study

Study on a regular basis and stay ahead of all assigned material. Do not wait to study until just before exams and assignments. This will lead you to develop a habit of relying on short-term memorization, which does not result in understanding and mastery of the information.

Are you a morning person? Do you study more effectively in the evening? What about weekends? Experiment with different study times to determine when you study best and schedule your time accordingly. Studying and school work should be your priority and considered your full-time job. Make a schedule and stick to it to build good study habits.



**A good rule to follow is, "If you're not ahead, you're behind."** Class lectures and discussions are so much more meaningful and beneficial when you have studied the assignment prior to attending class. By doing so, you can ask meaningful questions and follow along better. To ensure you have enough time to study, treat school like your job. Schedule nothing except classes, studying, or your internship for 9-5, Monday-Friday. Even if you can finish your current assignments in less time, use the rest of the time to study ahead or work on long-term projects. This schedule leaves all evenings and weekends truly free to fill with a part-time job, extracurricular activities, or any leisure events so that you can learn work-life balance.

## Group Study

Some people learn effectively studying in small groups. These types of learners typically fit in one of two categories:

- 1 People who use group study to learn and store information in short-term memory, then study alone to move information to long-term memory. For example, these students prefer to first study in a group so they can ask questions/copy notes but then complete practice problems repetitively alone to solidify the concepts.
- 2 People who use group study as a secondary setting to move information from short-term memory into long-term memory. For example, these students first study alone to learn the concepts and then work in groups to master the material by discussing the concepts with others and explaining to them how to solve problems.

If you know you're a group learner, try both methods to see which works best for you.

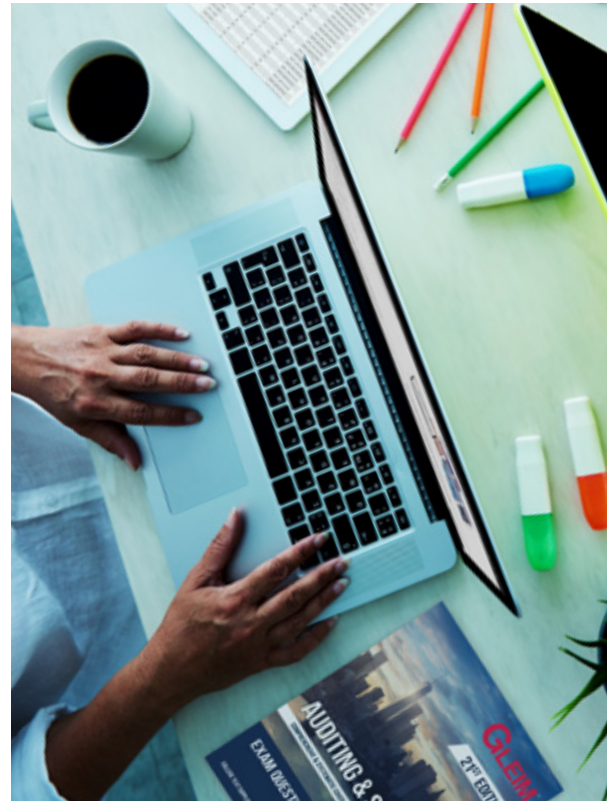
## ENGAGING WITH YOUR COURSEWORK

For future success in your career, you must go beyond just checking the boxes as a student. True understanding of accounting requires you to dive deeper into your coursework - before, during, and after class.

### Studying the Textbook

Before reading a chapter in depth, gain a general understanding of the chapter's contents. Follow these six steps when you start a new chapter.

- 1 Read the chapter summary.**  
What's it about? What are the key concepts you should understand by the end?
- 2 Skim the chapter.**  
Skimming should solidify your knowledge of what's in the chapter, generally.
- 3 Look at the homework assignments in advance.**  
You'll know what to expect when it comes time to complete them and have a good idea of where to focus your attention during your studies.
- 4 If there are questions at the back of the chapter, try to answer them.**  
See if you can provide answers based on your present knowledge. Try to relate the questions to everyday life so that you can use common sense to answer them. See what you already know so you can save time by focusing your studies on the areas you don't.
- 5 Begin studying. Don't simply read.**  
Studying means understanding. What is the author saying? Do you agree? How does each concept fit into the chapter? Create an outline, take notes, or make flashcards. Whatever works best so you are actively studying.
- 6 Complete extra practice questions.**  
Working through extra practice questions prepares you for the actual exam and ensures you understand the material and can apply it to a problem. Gleim created the *Exam Questions and Explanations* series so that you always have access to practice questions. The questions are cross-referenced with the most popular textbooks, so you can easily find questions on the topic you are studying (see page 20).



*Remember, the objective is not to read the chapter and complete an assignment. The objective is to understand the material well enough to be able to explain it to someone else. To this end, you need to be sufficiently comfortable with the material in each chapter so that you can confidently discuss it, question it, and/or debate it with your professor, as well as incorporate it into class lectures.*





## During Class Time



### Ask questions!

Engage your professor and classmates in discussions about topics, procedures, or principles. Many students sit passively in class and only receive information. This approach is ineffectual because these students simply write down formulas and definitions for later regurgitation and do not understand the concepts or how to apply them. If your class is online, don't let this stop you from participating. Use your course discussion boards to ask questions or email questions to your professor in advance.



### Attempt to relate your current course material to previous courses.

A thorough understanding of the material in previous courses enables you to tie the contents of all your courses together. It also helps you see whether you are actually retaining and learning the material from each class rather than just memorizing. Remember, problem solving is multi-dimensional so you will be expected to apply various concepts together.



### Stay ahead of your professor.

Pre-class preparation allows you to actually learn in class. Reading the textbook before class helps you store the knowledge in long-term memory during class discussion, especially if you're staying engaged during lectures by answering all of the professor's questions (usually to yourself). The alternative is playing catch-up and attempting to memorize lists and definitions out of context after class is over.



### Take notes and refer back to the outlines you created before class.

Look back at the outline you prepared before class. Can you tie it back to the class discussion? Are all the concepts coming together? Consider collaborating with classmates by sharing notes to ensure that you have all of the material.



*Do not become dependent on highlighters and underlining! Highlighting may be useful to make very important terms or definitions stand out, but many students highlight and underline far too much content and then attempt to memorize everything they've marked as "essential." Consider writing or typing an outline based on your highlights and underlining to aid your long-term memory.*

## Outside of Class

Many accounting course assignments consist of computational problems that are largely similar to the examples and illustrations in your chapters. Most of your homework problems are similar and therefore are susceptible to “cookbooking,” or copying from the chapter, step-by-step, like following a recipe. These types of questions require little more than basic memorization, which won’t help you understand concepts at the level required for exams. Professors often change one element of the question to see if you’ve only memorized the “cookbooking” steps without understanding the concept.

To be in control of your studies, complete your homework assignments under exam conditions (under time constraints and without referencing the chapter). Put yourself in a frame of mind to be **highly** productive when doing homework. Try not to check your phone or email between problems, as this breaks your concentration and cannot be done during an exam. Effective time management is very important for successful exam performance.

- ✓ Scan the question or problem and set a 5-, 10-, or 15-minute time limit. See how much you can accomplish within the time limit.
- ✓ As you complete each problem, note the issues you need to research further to fully understand the concepts after you’ve completed your work.
- ✓ Do your best on each problem! Take an educated guess when you aren’t sure of the answer since that is what you’ll have to do on exam day.



# HOW TO SUCCEED ON EXAMS

*Maximize Your Score*



In addition to learning material efficiently and effectively, you need to develop test-taking skills. Every test is an opportunity for you to hone your skills for the next one. All of the work you put in during college and graduate school will pay off when you prepare for certification exams as you begin your career.

## BE IN CONTROL

**You must be in control to be successful during exam preparation and execution.**

A large part of your success depends on whether you have a control system in place to achieve your personal and professional goals. Control is a process where you set objectives and assess your progress by following these steps:

- ✓ Develop expectations
- ✓ Undertake an activity
- ✓ Measure the activity
- ✓ Compare the actual activity with expected activity results
- ✓ Modify the activity to better achieve the desired outcome
- ✓ Revise expectations in light of actual experience
- ✓ Continue the process to achieve desired goals

Actively taking steps to achieve your goals, rather than passively reacting to situations, is being in control. Control builds confidence because you realize you can systematically improve results until you achieve your desired outcome. Most accountants view this process in terms of standard costs, i.e., by establishing cost standards and minimizing cost variances.

The objective is for your actions to generate the best possible performance. You will gain confidence that your best possible performance is yet to come—you'll perform to the best of your ability, and you'll take this experience and use it to do even better next time. With this confidence that you are performing at the highest level, you will excel on academic as well as certification exams.



## EXAM PREPARATION

Learning how to be successful on exams in your higher level accounting courses will translate into success on certification exams. For success on both, you must

### 1 Understand the exam, including coverage, content, format, administration, and grading.

*For college courses:* Ask your professor for clarification of the exam process in class or in his or her office, talk to former students, and attempt to review exams from prior terms.

*For certifications:* The better you understand the process, the better you will perform. Gleim provides free, comprehensive Exam Guide booklets that contain all of the information you need for the CPA, CMA, CIA, and EA exams.

### 2 Learn the subject matter tested.

*For college courses:* Confirm text and chapter coverage with your professor. Also, find out to what extent class lectures, examples, and handouts are tested. Some professors teach the book, others teach from their own materials and provide a book as a reference.

*For certifications:* Each certification exam covers specific content to demonstrate you are an expert in that field. The CPA, CMA, CIA, and EA exam administrators provide a syllabus with exam content coverage. Ideally, it's best to use a review course provider to pass a certification exam, as they have analyzed the content coverage specifications and created an exact mapping of how to study. Most importantly, they will have review questions, which are the best preparation. Gleim Review courses provide the exam syllabus as well as study outlines, videos, and realistic practice questions so you are thoroughly prepared for the exam.



*Most importantly, you must develop confidence that you will be successful on your exams. The Gleim system gives you that confidence.*

### 3 Practice answering recent exam questions to perfect your question-answering and time-management techniques.

Answering recent exam questions helps you understand the standards to which you will be held. It also helps you understand the material covered, get used to the difficulty level of the problems tested, and gauge how you will need to manage your time to complete all questions.

*For college courses:* Find old exams and practice answering the questions under exam conditions. And for additional practice questions, consider using Gleim *Exam Questions and Explanations*, which provide practice questions and detailed answer explanations.

*For certifications:* Answering practice questions is the key to success. Make sure you allocate most of your study time to practice questions because part of preparing for a certification exam is learning how questions are asked and what the exam requires. Gleim SmartAdapt technology included in every course has multiple practice tests on each topic and personalizes the questions based on your weak areas.

### 4 Plan and practice exam execution.

Anticipate the exam environment and prepare a plan, including the location of the test, your arrival time, your manner of dress (will the room be warm or cold), the appropriate exam supplies, the expected number of questions, the format of the exam, the order in which you will answer questions, and the time you will spend on each question. Expect the unexpected and adjust!

*For college courses and certifications:* Remember that your sole objective when taking an examination is to maximize your score. Find out if there is a penalty for guessing so you know whether you should guess on questions you don't know the answer to. Complete the questions you know first, then circle back to the ones you aren't as familiar with.



#### THE SERIES INCLUDES:

- ✓ Auditing & Systems
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- ✓ Federal Tax
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Learn more effectively with detailed explanations for both correct and incorrect answer choices in this bank of nearly 10,000 multiple-choice questions adapted from CPA, CMA, CIA, and EA exams.



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Supplementing your studies with our extra practice questions is easy, user-friendly, and priced for a student's budget. EQE courses are available for under \$35 as a book and online package, and each title can be used for multiple classes!

# TEST YOUR KNOWLEDGE!

Adapted CPA Exam question from the chapter on inventories in our Financial Accounting Exam Questions and Explanations test bank.

## The following information pertains to Hague Corp.'s Year 2 cost of goods sold:

Inventory, 12/31/Year 1	\$180,000
Year 2 purchases	248,000
Year 2 write-off of obsolete inventory	68,000
Inventory, 12/31/Year 2	60,000

The inventory written off became obsolete because of an unexpected and unusual technological advance by a competitor. In its Year 2 income statement, what amount should Hague report as cost of goods sold?

**A** \$436,000

Answer (A) is **incorrect**.

The amount of \$436,000 results from adding obsolete inventory to, not subtracting it from, beginning inventory. Obsolete inventory is written off as a separate loss rather than capitalized as inventory and excluded as part of cost of goods sold. Thus, the obsolete inventory should not be excluded from the ending inventory to calculate the cost of goods sold.

**B** \$368,000

Answer (B) is **incorrect**.

The amount of \$368,000 includes the obsolete inventory in COGS. Obsolete inventory is written off as a separate loss rather than capitalized as inventory and excluded as part of cost of goods sold. Thus, the obsolete inventory should not be excluded from the ending inventory to calculate the cost of goods sold.

**C** \$300,000

Answer (C) is **correct**.

As indicated in the T-account analysis below, cost of goods sold equals purchases plus any decrease in inventory or minus any increase in inventory (purchases minus the change in inventory). The write-off of obsolete inventory is a loss, not a component of COGS. Thus, cost of goods sold is \$300,000.

Inventory			
12/31/Year 1	\$180,000	\$ 68,000	Obsolescence
Purchases	248,000	300,000	COGS
	<u>\$60,000</u>		

**D** \$248,000

Answer (D) is **incorrect**.

The amount of \$248,000 equals purchases. COGS equals beginning inventory plus purchases minus ending inventory. Beginning inventory is \$112,000 because the \$68,000 of obsolete goods is a separate loss not included in COGS.

Questions like this one, adapted from CPA, CMA, CIA, and EA exams, are found throughout our EQE series. We map these exam-caliber questions to your accounting textbooks so you can seamlessly move from learning the concepts to applying them.

Answer explanations like these are provided for every question. Our accounting experts craft them to help you connect the dots and understand the “why?” and “so what?” behind each concept. Reading each answer explanation is like having a class discussion that walks you through how to solve the problems presented.

## With Our EQE Series:

Many professors will

- ✓ Assign homework through our flexible, easy-to-use online platform
- ✓ Create tests and quizzes to help you learn concepts and prepare you for certification exams
- ✓ Supplement your syllabus to improve your accounting skills

Motivated students will

- ✓ Challenge themselves with extra practice
- ✓ Understand topics at a higher level to carry them from the classroom to their career
- ✓ Increase scores on classroom and certification exams



**Did this question help?  
Are you ready for more?**

Go to [gleim.com/EQE](https://www.gleim.com/EQE), visit your bookstore, or ask your professor about how our EQE series can work with your textbooks.



# MOVING INTO YOUR CAREER

*Opportunities in Accounting*



Now is the time to look beyond your degree and consider which certification(s), such as the CPA, CMA, CIA, or EA, you may want to pursue.

As a student, you are positioned for success because you have just learned much of the material that will be tested and you have access to discounts on exam and membership fees. Whatever your accounting career goals are, there is a certification that can help take you there. Certification distinguishes you from your peers and makes you a more desirable candidate to potential employers. It confirms your competence and expertise in a subject area because your knowledge and skills have been tested against a discerning professional benchmark. As an employee, a certification puts you in the running for more promotions and generally guarantees a higher salary and more job satisfaction than your non-certified colleagues.

There are certification exams you can take while still in college. You should consider two certifications even if you aren't sure of your career path.

## CPA

Certified Public Accountants are licensed to audit and attest. The public has also come to trust CPAs as financial advisors, which means the range of employment opportunities available to CPAs is incredibly broad. Every company and every person has financial goals they want to reach. CPAs help them set and meet these goals. You could do everything from auditing to advising on tax matters to conducting a business merger, and you will be equipped to become a supervisor or manager early in your career. Alternatively, you will be better positioned to start your own business if that's the path you choose. Learn more about the CPA Exam and how to pass it the first time at [gleim.com/PassCPA](https://www.gleim.com/PassCPA).



## CMA

Certified Management Accountants combine advanced accounting knowledge with business acumen, which positions them as key decision makers for their company. Through careful analysis of financial data, CMAs work closely with upper management and executives to help companies around the globe make profitable decisions. You may help select or manage investments or be asked to manage a supply chain. If you want to start or run a business or make high-stakes decisions, the CMA designation may be right for you. For details on how to start on your path to the CMA as a student, go to [gleim.com/PassCMA](https://www.gleim.com/PassCMA).

For a more detailed look at what each certification can offer you, and to see which might be the best for you to start with (because you should definitely get more than one), check out our free *Careers in Accounting* booklet at [gleim.com/careerguide](https://www.gleim.com/careerguide).

## CIA

Certified Internal Auditors focus on compliance. Every government around the world has its own set of rules and regulations for entities, and CIAs establish and review internal controls to ensure they are operating appropriately. If you work for a large corporation as a CIA, you may spend a lot of time traveling to different locations to make sure financial statements line up as they should. Investigating and preventing theft, loss, and fraud are just some aspects of working as a CIA. For a deeper dive into the specifics of how to attain your CIA and pass before you graduate, check out [gleim.com/PassCIA](https://www.gleim.com/PassCIA).

## EA

Enrolled Agents are U.S. tax specialists. The EA certification requires the fewest educational requirements and employment prerequisites, and it can advance your career in a big way. EAs, like CPAs and attorneys, can represent taxpayers before the IRS. They typically provide tax consultation or prepare state and federal tax returns. Whether or not you plan to be a CPA, if you want to advertise your tax expertise before you graduate, consider the EA. It's a perfect option for dual certification, and many schools have VITA programs where you can learn the skills that will help you in both your career and on the exam. Start looking into how to become an EA while you're still in school at [gleim.com/PassEA](https://www.gleim.com/PassEA).

# CERTIFICATION EXAMINATION SUMMARY

	CPA Certified Public Accountant	CMA Certified Management Accountant	CIA Certified Internal Auditor	EA IRS Enrolled Agent
<b>Sponsoring Organization</b>	American Institute of Certified Public Accountants	Institute of Certified Management Accountants	Institute of Internal Auditors	Internal Revenue Service
<b>Exam Parts</b>	AUD—Auditing and Attestation BEC—Business Environment and Concepts FAR—Financial Accounting and Reporting REG—Regulation	PART 1—Financial Planning, Performance, and Analytics PART 2—Strategic Financial Management	PART 1—Essentials of Internal Auditing PART 2—Practice of Internal Auditing PART 3—Business Knowledge for Internal Auditing	PART 1—Individuals PART 2—Businesses PART 3—Representation, Practices and Procedures
<b>Testing Windows</b>	January-March 10 April-June 10 July-September 10 October-December 10	January-February May-June September-October	On demand throughout the year	May-February
<b>Average Cost</b>	\$1,200	<b>\$849 (students)</b> \$945 (academic) \$1,325 (professionals)	<b>\$655 (students)</b> \$855 (members) \$1,315 (non-members)	\$585
<b>Exam Format</b>	AUD  72 MCQs 8 TBS 4 hrs. BEC  62 MCQs 4 TBS 3 written communications 4 hrs. FAR  66 MCQs 8 TBS 4 hrs. REG  76 MCQs 8 TBS 4 hrs.	PART 1  100 MCQs 2 essays 4 hrs. PART 2  100 MCQs 2 essays 4 hrs.	PART 1  125 MCQs 2.5 hrs. PART 2  100 MCQs 2 hrs. PART 3  100 MCQs 2 hrs.	PART 1  100 MCQs 3.5 hrs. PART 2  100 MCQs 3.5 hrs. PART 3  100 MCQs 3.5 hrs.
<b>Average Pass Rate</b>	AUD—51% BEC—60% FAR—46% REG—56%	PART 1—36% PART 2—51%	ALL PARTS: 43%	PART 1—61% PART 2—65% PART 3—86%
<b>Minimum Average Study Time</b>	AUD—150 hrs BEC—160 hrs FAR—150 hrs REG—170 hrs	PART 1—150 hrs PART 2—110 hrs	PART 1—65-75 hrs PART 2—75-85 hrs PART 3—115-125 hrs	PART 1—80-90 hrs PART 2—120-130 hrs PART 3—55-65 hrs

Information available at time of print in January 2020.



# ACCOUNTING CAREER RESOURCES

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## WANT TO LEARN MORE ABOUT ACCOUNTING CAREERS & CERTIFICATIONS?

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If you're wondering how much you can earn in accounting, look no further! These guides have detailed, up-to-date info on CPA, CMA, CIA, and EA salaries.

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