

Your Guide to Taking the CPA Exam

What is this?

The critical information for candidates planning to take the CPA Exam in Michigan.

Why do I care?

The requirements for CPA Exam eligibility are very complex. The Exam is difficult. The rules to become a CPA in Michigan and the CPA Exam itself have recently changed. The more you know, the better!

Who's in control?

The AICPA writes the actual Exam. However, the Michigan State Board of Accountancy has ultimate authority concerning applications, administration, and granting CPA license to practice in Michigan.

What's inside?



- I. Qualifications for taking the Exam – **including new rules on the application process**
 - II. Requirements for the CPA License
 - III. CPA Exam sites
 - IV. CPA Exam format
 - V. CPA Exam preparation strategies
 - VI. CPA Exam content specifications
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Who put this together?

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Where can I get more info?

1. Rick Berschback
2. The Michigan State Board of Accountancy
517.241.9249 www.michigan.gov/cis
3. The AICPA www.cpa-exam.org



4. NASBA www.nasba.org
 5. The Metro-Detroit CPA Review course
www.detroitcpareview.com
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I. QUALIFICATIONS FOR TAKING THE CPA EXAM IN MICHIGAN

- A. Educational requirements include:
1. A baccalaureate degree.
 2. 24 Semester hours (or 36 quarter hours) in Accounting, including a course in **Auditing**, plus 24 semester hours (or 36 quarter hours) in General Business subjects.
 - a. The General Business requirements may include courses in Economics, Finance, Business Law, Ethics, Management, Taxation, Statistics, and Business Policy.
 - b. In addition to **Auditing**, the Accounting courses **must** include study of **Financial Accounting, Fund Accounting, Cost Accounting, American Taxation, and Accounting Systems**. The Fund Accounting requirement is usually earned within an "Advanced Accounting" class. The other specific accounting requirements must be a distinct and separate course (at least one credit) appearing on your transcript.

Note: Candidates may take the CPA Exam prior to earning 150 credits needed to earn the CPA license in Michigan.

- B. Application rules for the Exam include:
1. You must use the official Initial Application, which can be obtained from CPA EXAMINATION SERVICES (1.800.CPA.EXAM) or www.nasba.org
 - a. Click on Exam (CPA Exam)
 - b. Click CPA Exam
 - c. Click on Michigan on the US Map
 - d. Click on First-Time Applicant
 2. Re-examination candidates must register by phone or online.
 3. Use a certified check or money order.
 4. Official transcripts must be sent (usually by your educational institution). If you attended more than one school, you must send transcripts from any school where you earned credits required by the Board of Accountancy.
 5. You may mail the application and payment in advance of transcripts. You may register for the Exam in your final semester of completing the academic requirements. Send your transcripts plus the "Certificate of Enrollment" form with the Initial Application. You must send an additional set of transcripts after all academic requirements have been completed and posted.
 6. The earliest you may sit for an Exam section is 30 days before completing the educational requirements. Use the "Certificate of Enrollment" described in #5 above.

II. REQUIREMENTS FOR THE CPA LICENSE

Candidates must meet three requirements before applying for a CPA license:

1. Completion of the CPA Exam
2. 150 semester credits of college/university level education. These 150 credits include:
 - 30 hours of accounting and tax (not more than 6 hours of tax)
 - 39 hours of other business topics, including a course in at least 5 of the following areas:

Business law	Marketing	Finance
Economics	Taxation	Management
Ethics	Statistics	Business Policy
- Accounting and tax credits beyond the required 30 credits may be applied to this 39 hour requirement.
- 81 hours of unspecified subjects

Note: The specific course topics and the 30/39 hour requirement listed above do not apply if the candidate has earned a master's degree in accounting or an MBA with at least 12 semester hours of graduate level accounting.

3. One year (2,000 hours) of qualifying experience. The experience may be earned part-time, but 2,000 hours must be earned. Experience must be with a public accounting firm, supervised by a licensed CPA. The Board requires participation on at least one financial audit. Other government audit positions, such as employment as an IRS Tax Agent or in the office of the State Auditor General, may suffice.

Once you pass the Exam, there is no specified time limit in which to earn qualifying experience. Part-time work and experience earned as an "intern" may qualify; it is reviewed on a case-by-case basis and is counted hour-by-hour in meeting the 2,000 hour requirement. The one year (2,000 hours) must be obtained in a period no less than 1 year and no more than 5 years.

Note: All inquiries concerning this issue should be directed to the Michigan State Board of Accountancy, PO Box 30018, Lansing, MI 48909-7518. Attention: Board of Accountancy. Phone: 517.241.8205, Fax: 517.373.2162
Web Site: www.michigan.gov/accountancy or www.nasba.org

III. CPA EXAM SITES

- A. The computerized Exam is administrated by Prometric test centers (Sylvan Learning Center). Currently, Prometric sites in Michigan include:
 - Ann Arbor, Grand Rapids, Lansing, Livonia, Sault Ste Marie, and Troy.

- B. It is possible to sit for the Exam at another state's Prometric location and still be a Michigan candidate (or sit for the Exam in Michigan as another state's candidate). Contact the appropriate state board.

IV. CPA EXAM FORMAT

<u>Section</u>	<u>Length</u>	<u>Topics</u>
Auditing & Attestation	4.5 hours	Auditing
Financial Accounting & Reporting	4 hours	Financial, governmental, and not-for-profit accounting
Regulation	3 hours	Tax, Business Law, Professional Responsibilities
Business Environment and Concepts (BEC)	2.5 hours	Business Structure, Economics, Finance, Information Technology, Managerial/Cost Accounting

1. The Exam is offered in four two-month "windows" per year. For example, the four Exam sections can be taken in January and February (not in March), April and May (not in June), etc.
2. There are four sections. All four sections can be taken once in each two-month window, but candidates can take fewer sections if desired.
3. All four sections must be passed within 18 months. The 18 months begins the day you pass your first section. It ends at the month-end of the month which is 18 months later.
4. The Exam is computer-based. Candidates make appointments for specific times at a Prometric testing center. The Exam is 70% multiple choice and 30% "simulations". (The exception is BEC, which is all multiple choice.) Simulations include essays and problems requiring reference, spreadsheets, databases, and word processing. Approximately 10 points of each 30-point simulation section will be based on communication skills.
5. The passing score for each section remains at 75%. The passing rate per section is approximately 46%.
6. Total cost for all four sections taken within a six-month period is approximately \$1,000. That includes the application fee or a registration fee. Realize that whatever you register for, you have six months to take those sections before your "Notices to Schedule" expire.
7. Scores are reported just prior to each two-month window: March 31, June 30, September 30, and December 31. Scores could be reported earlier.
8. You may schedule to sit for the exam at any Prometric site in the United States.
9. More information on the Exam can be obtained from the AICPA's web site:

www.cpa-exam.org. To practice the logistics of the computerized Exam, choose “CPA Exam Tutorial.”

V. CPA EXAM PREPARATION STRATEGIES

1. Review Courses
 - A. Many candidates nationwide choose a formal review course as one element of their preparation. These courses have the sole objective of assisting the candidate in passing the Exam, whereas college courses were multi-objective.
 - B. Obtain as much information as possible before choosing a formal review course. Location, schedule, method of instruction, and cost are many factors to be considered.
 - C. Candidates taking a review course should register for the exam well in advance, selecting a date soon after the completion of the review course for that section.

2. Self-Review
 - A. Many students use a self-review strategy. Textbooks and computer software packages are available from several sources.
 - B. Self-review requires a certain amount of discipline. Use a detailed plan, scheduling your study time for several months. Your preparation should not be simply a review of objective questions, problems and/or essays on each topic.

3. Required Skills
 - A. All candidates should be familiar with various skills necessary to take the computer-based CPA Exam. **It is strongly advised that each candidate visit the “CPA Exam Tutorial” at the AICPA web site: www.cpa-exam.org.**
 - B. Skills required include experience in:
 - Excel-type spreadsheets
 - Entering text, numeric values and formulas on spreadsheets
 - Windows operations (scrolling, resizing and moving windows)
 - Business Letter formats
 - Key word search and navigational methods within a database search engine (FARS)

4. Sign-up Procedure
 - A. Candidates must first register for the Exam with CPA Exam Services, the exam administrator for the Michigan State Board of Accountancy. The candidate will then receive a Notice to Schedule (NTS) and make appointments with Prometric online, (www.prometric.com), by phone, or in person.

- B. On the Prometric web site will be a Test Center Locator and Scheduler. This will allow candidates to determine the most convenient time and location; a seat and time can then be reserved.
- C. Candidates are strongly advised to schedule at least 45 days in advance.
- D. It can take initial applicants 5 to 6 weeks to receive the NTS. These NTS are only valid for 6 months. Candidates should apply well in advance of the time they want to begin taking the Exam parts!

VI. CPA EXAMINATION CONTENT SPECIFICATIONS

Auditing & Attestation

The Auditing and Attestation section covers knowledge of auditing procedures, auditing standards generally accepted in the United States of America (GAAS) and other standards related to attest engagements and the skills needed to apply that knowledge in auditing and other attestation engagements. This section tests such knowledge and skills in the context of the five broad engagement tasks in the outline that follows.

- I. **Plan the engagement, evaluate the prospective client and engagement, decide whether to accept or continue the client and the engagement, and enter into an agreement with the client (22% - 28%)**
 - A. Determine nature and scope of engagement
 - 1. Auditing standards generally accepted in the United States of America (GAAS)
 - 2. Standards for accounting and review services
 - 3. Standards for attestation engagements
 - 4. Compliance auditing applicable to governmental entities and other recipients of governmental financial assistance
 - 5. Other assurance services
 - 6. Appropriateness of engagement to meet client's needs
 - B. Assess engagement risk and the CPA firm's ability to perform the engagement
 - 1. Engagement responsibilities
 - 2. Staffing and supervision requirements
 - 3. Quality control considerations
 - 4. Management integrity
 - 5. Researching information sources for planning and performing the engagement
 - C. Communicate with the predecessor accountant or auditor
 - D. Decide whether to accept or continue the client and engagement
 - E. Enter into an agreement with the client about the terms of the engagement
 - F. Obtain an understanding of the client's operations, business, and industry
 - G. Perform analytical procedures
 - H. Consider preliminary engagement materiality
 - I. Assess inherent risk and risk of misstatements from errors, fraud, and illegal acts of clients
 - J. Consider other planning matters
 - 1. Using the work of other independent auditors
 - 2. Using the work of a specialist
 - 3. Internal audit function
 - 4. Related parties and related party transactions
 - 5. Electronic evidence
 - 6. Risks of auditing around the computer
 - K. Identify financial statement assertions and formulate audit objectives
 - 1. Significant financial statement
 - 2. Accounting estimates
 - L. Determine and prepare the work program defining the nature, timing, and extent of the procedures to be applied
- II. **Consider internal control in both manual and computerized environments (12% - 18%)**
 - A. Obtain an understanding of business processes and information flows
 - B. Identify controls that might be effective in preventing or detecting misstatements

- C. Document and understanding of internal control
- D. Consider limitations of internal control
- E. Consider the effects of service organizations on internal control
- F. Perform tests of controls
- G. Assess control risk

III. Obtain and document information to form a basis for conclusions (32% - 38%)

- A. Perform planned procedures
 - 1. Applications of audit sampling
 - 2. Analytical procedures
 - 3. Confirmation of balances and/or transactions with
 - 4. Physical examination of inventories and other assets
 - 5. Other tests of details
 - 6. Computer-assisted audit techniques, including analysis
 - 7. Substantive tests before the balance sheet date
 - 8. Tests of unusual year-end transactions
- B. Evaluate contingencies
- C. Obtain and evaluate lawyers' letters
- D. Review subsequent events
- E. Obtain representations from management
- F. Identify reportable conditions and other control deficiencies
- G. Identify matters for communication with audit committees
- H. Perform procedures for accounting and review services engagements
- I. Perform procedures for attestation engagements

IV. Review the engagement to provide reasonable assurance that objectives are achieved and evaluate information obtained to reach and to document engagement conclusions (8% - 12%)

- A. Perform analytical procedures
- B. Evaluate the sufficiency and competence of audit evidence and document engagement conclusions
- C. Evaluate whether financial statements are free of material misstatements
- D. Consider whether substantial doubt about an entity's ability to continue as a going concern exists
- E. Consider other information in documents containing audited financial statements
- F. Review the work performed to provide reasonable assurance that objectives are achieved

V. Prepare communications to satisfy engagement objectives (12% - 18%)

- A. Reports
 - 1. Reports on audited financial statements
 - 2. Reports on reviewed and compiled financial statements
 - 3. Reports required by Government Auditing Standards
 - 4. Reports on compliance with laws and regulations
 - 5. Reports on internal control
 - 6. Reports on prospective financial information
 - 7. Reports on agreed-upon procedures
 - 8. Reports on the processing of transactions by service organizations
 - 9. Reports on supplementary financial information
 - 10. Special reports
 - 11. Reports on other assurance services
 - 12. Reissuance of reports
- B. Other required communications
- C. Other matters

Financial Accounting & Reporting

The Financial Accounting and Reporting section tests knowledge of accounting principles generally accepted in the United States of America (GAAP) for business enterprises, not-for-profit organizations, and governmental entities, and the skills needed to apply that knowledge. Content covered in this section includes financial accounting concepts and standards, and their application. To demonstrate such knowledge and skills, candidates will be required to

- Obtain and document information for use in financial statement presentations
- Evaluate, analyze, and process entity information for reporting in financial statements
- Communicate entity information and conclusions
- Analyze information and identify data relevant to financial accounting and reporting
- Identify financial accounting and reporting methods and select those that are suitable
- Perform calculations
- Formulate conclusions
- Present results in writing in a financial statement format or other appropriate format

I. Concepts and standards for financial statements (17% - 23%)

- A. Financial accounting concepts
 1. Process by which standards are set and roles of standard-setting bodies
 2. Conceptual basis for accounting standards
- B. Financial accounting standards for presentation and disclosure in general-purpose financial statements
 1. Consolidated and combined financial statements
 2. Balance sheet
 3. Statement(s) of income, comprehensive income and changes in equity accounts
 4. Statement of cash flows
 5. Accounting policies and other notes to financial statements
- C. Other presentations of financial data (financial statements prepared in conformity with comprehensive bases of accounting other than GAAP)
- D. Financial statement analysis

II. Typical items: recognition, measurement, valuation, and presentation in financial statements in conformity with GAAP (27% - 33%)

- A. Cash, cash equivalents, and marketable securities
- B. Receivables
- C. Inventories
- D. Property, plant and equipment
- E. Investments
- F. Intangibles and other assets
- G. Payables and accruals
- H. Deferred revenues
- I. Notes and bonds payable
- J. Other liabilities
- K. Equity accounts
- L. Revenues, cost and expense accounts

III. Specific types of transactions and events: recognition, measurement, valuation, and presentation in financial statements in conformity with GAAP (27% - 33%)

A. Accounting changes and corrections of errors	J. Income taxes
B. Business combinations	K. Interest costs
C. Contingent liabilities and commitments	L. Interim financial reporting
D. Discontinued operations	M. Leases
E. Earnings per share	N. Non-monetary transactions
F. Employee benefits, including stock options	O. Related parties
G. Extraordinary items	P. Research and development costs
H. Financial instruments, including derivatives	Q. Segment reporting
I. Foreign currency transactions and translation	R. Subsequent events

IV. Accounting and reporting for governmental entities (8% - 12%)

- A. Governmental accounting concepts
 - 1. Measurement focus and basis of accounting
 - 2. Fund accounting concepts and application
 - 3. Budgetary process
- B. Format and content of governmental financial statements
 - 1. Government-wide financial statements
 - 2. Governmental funds financial statements
 - 3. Conversion from fund to government-wide financial statements
 - 4. Proprietary fund financial statements
 - 5. Fiduciary fund financial statements
 - 6. Notes to financial statements
 - 7. Required supplementary information, including management's discussion and analysis
 - 8. Comprehensive annual financial report (CAFR)
- C. Financial reporting entity including blended and discrete components units
- D. Typical items and specific types of transactions and events: recognition, measurement, valuation, and presentation in governmental entity financial statements in conformity with GAAP
 - 1. Net assets
 - 2. Capital assets and infrastructure
 - 3. Transfers
 - 4. Other financing sources and uses
 - 5. Fund balance
 - 6. Non-exchange revenues
 - 7. Expenditures
 - 8. Special items
 - 9. Encumbrances
- E. Accounting and financial reporting for governmental not-for-profit organizations

V. Accounting and reporting for nongovernmental not-for-profit organizations (8% - 12%)

- A. Objectives, elements and formats of financial statements
 - 1. Statement of financial position
 - 2. Statement of activities
 - 3. Statement of cash flows
 - 4. Statement of functional expenses

- B. Typical items and specific types of transactions and events: recognition, measurement, valuation, and presentation in the financial statements of not-for-profit organizations in conformity with GAAP
 - 1. Revenues and contributions
 - 2. Restrictions on resources
 - 3. Expenses, including depreciation and functional expenses
 - 4. Investments

Regulation

The Regulation section tests candidates' knowledge of federal taxation, ethics, professional and legal responsibilities, business law and the skills needed to apply that knowledge.

Ethics, Professional and Legal Responsibilities, and Business Law

This portion covers knowledge of a CPA's professional and legal responsibilities and the legal implications of business transactions, particularly as they relate to accounting and auditing, and the skills needed to apply that knowledge. This section deals with federal and widely adopted uniform state laws. If there is no federal or uniform state law on a topic, the questions are intended to test knowledge of the law of the majority of jurisdictions. Professional ethics questions are based on the AICPA Code of Professional Conduct because it is national in its application.

Federal Taxation

This portion tests knowledge of principles and procedures for federal income, estate, and gift taxation and their application in practice. To demonstrate such knowledge, candidates will be required to—

- Analyze information and identify data relevant for tax purposes
- Identify issues, elections, and alternative tax treatments
- Research issues and alternative tax treatments
- Formulate conclusions

I. Ethics and professional and legal responsibilities (15% - 20%)

- A. Code of Professional Conduct
- B. Proficiency, independence and due care
- C. Ethics and responsibilities in tax practice
- D. Licensing and disciplinary systems imposed by the professional and state regulatory bodies
- E. Legal responsibilities and liabilities
 - 1. Common law liability to clients and third parties
 - 2. Federal statutory liability
- F. Privileged communication and confidentiality

II. Business Law (20% - 25%)

- A. Agency
 - 1. Formation and termination
 - 2. Duties and authority of agents and principals
 - 3. Liabilities and authority of agents and principals
- B. Contracts
 - 1. Formation
 - 2. Performance
 - 3. Third-party assignments
 - 4. Discharge, breach, and remedies
- C. Debtor-creditor relationships
 - 1. Rights, duties, and liabilities of debtors, creditors, and guarantors
 - 2. Bankruptcy
- D. Government regulation of business
 - 1. Federal securities acts
 - 2. Other government regulation (antitrust, pension and retirement plans, union and employee relations, and legal liability for payroll and social security taxes)
- E. Uniform commercial code

1. Negotiable instruments and letters of credit
 2. Sales
 3. Secured transactions
 4. Documents of title and title transfer
- F. Real property, including insurance
- III. Federal tax accounting issues (8% - 12%)**
- A. Federal tax procedures
 - B. Accounting periods
 - C. Accounting methods including cash, accrual, percentage of completion, completed contract, and installment sales
 - D. Inventory methods, including uniform capitalization rules
- IV. Federal taxation of property transactions (8% - 12%)**
- A. Types of assets
 - B. Basis of assets
 - C. Depreciation and amortization
 - D. Taxable and nontaxable sales and exchanges
 - E. Income, deductions, capital gains and capital losses, including sales and exchanges of business property and depreciation recapture
- V. Federal taxation – individuals (12% - 18%)**
- A. Gross income – inclusions and exclusions
 - B. Reporting of items from pass-through entities, including passive activity losses
 - C. Adjustments and deductions to arrive at taxable income
 - D. Filing status and exemptions
 - E. Tax computations, credits and penalties
 - F. Alternative minimum tax
 - G. Retirement plans
 - H. Estate and gift taxation, including transfers subject to the gift tax, annual exclusion, and items includible and deductible from gross estate
- VI. Federal taxation – entities (22% - 28%)**
- A. Similarities and distinctions in tax reporting among such entities as sole proprietorships, general and limited partnerships, Subchapter C corporations, Subchapter S corporations, limited liability companies, and limited liability partnerships
 - B. Subchapter C corporations
 1. Determination of taxable income and loss, and reconciliation of book income to taxable income
 2. Tax computations, credits, and penalties, including alternative minimum tax
 3. Net operating losses
 4. Consolidated returns
 5. Entity/owner transactions, including contributions and distributions
 - C. Subchapter S corporations
 1. Eligibility and election
 2. Determination of ordinary income, separately stated items, and reconciliation of book income to taxable income
 3. Basis of shareholder's interest
 4. Entity/owner transactions, including contributions and liquidating and nonliquidating distributions
 5. Built-in gains tax
 - D. Partnerships
 1. Determination of ordinary income, separately stated items, and reconciliation of book income to taxable income

2. Basis of partner's interest and basis of assets contributed to the partnership
3. Partnership and partner elections
4. Partner dealing with own partnership
5. Treatment of partnership liabilities
6. Distribution of partnership assets
7. Ownership changes and liquidation and termination of partnership

E. Trusts

1. Types of trusts
2. Income and deductions
3. Determination of beneficiary's share of taxable income

Business Environment & Concepts

The Business Environment & Concepts section tests 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 transactions, and the skills needed to apply that knowledge in performing financial statement audit and attestation engagements and other functions normally performed by CPAs that affect the public interest. Content covered in this section includes knowledge of business structure; economic concepts essential to obtaining an understanding of an entity's operations, business and industry; financial management; information technology; and planning and measurement.

- I. **Business structure (17% - 23%)**
 - A. Advantages, implications and constraints of legal structures for business
 - 1. Sole proprietorships and general and limited partnerships
 - 2. Limited liability companies (LLC), limited liability partnerships (LLP), and joint ventures
 - 3. Subchapter C and subchapter S corporations
 - B. Formation, operation, and termination of businesses
 - C. Financial structure, capitalization, profit and loss allocation and distributions
 - D. Rights, duties, legal obligations and authority of owners and management (directors, officers, stockholders, partners and other owners)

- II. **Economic concepts essential to obtaining an understanding of an entity's business and industry (8% - 12%)**
 - A. Business cycles and reasons for business fluctuations
 - B. Economic measures and reasons for changes in the economy, such as inflation, deflation and interest rate changes
 - C. Market influences on business strategies, including selling, supply chain, and customer management strategies
 - D. Implications to business of dealings in foreign currencies, hedging and exchange rate fluctuations

- III. **Financial management (17% - 23%)**
 - A. Financial modeling, including factors such as financial indexes, taxes and opportunity costs, and models such as economic value added, cash flow, net present value, discontinued payback and internal rate of return.
 - 1. Objectives
 - 2. Techniques
 - 3. Limitations
 - B. Strategies for short-term and long-term financing options, including cost of capital and derivatives
 - C. Financial statement and business implications of liquid asset management
 - 1. Management of cash and cash equivalents, accounts receivable, accounts payable, and inventories
 - 2. Characteristics and financial statement and business implications of loan rates (fixed vs. variable) and loan covenants

- IV. **Information technology (IT) implications in the business environment (22% - 28%)**
 - A. Role of business information systems
 - 1. Reporting concepts and systems
 - 2. Transaction processing systems
 - 3. Management reporting systems

- 4. Risks
 - B. Roles and responsibilities within the IT function
 - 1. Roles and responsibilities of database/network/Web administrators, computer operators, librarians, systems programmers, and applications programmers
 - 2. Appropriate segregation of duties
 - C. IT fundamentals
 - 1. Hardware and software, networks, and data structure, analysis, and including operating systems, security, file organization, types of data database management systems
 - 2. Systems operation, including transaction processing modes, such as batch, real-time, and distributed processing, and application processing phases, such capture; edit routines; master file maintenance; reporting, accounting, control, management; query, audit trail, and ad hoc reports; and transaction flow
 - D. Disaster recovery and business continuity, including data backup and data recovery procedures, alternate processing facilities (hot sites), and threats and risk management
 - E. Financial statement and business implications of electronic commerce, including electronic fund transfers, point of sale transactions, internet-based transactions and electronic data interchange
- V. **Planning and measurement (22% - 28%)**
- A. Planning and budgeting
 - 1. Planning techniques, including strategic and operational planning
 - 2. Forecasting and projection techniques
 - 3. Budgeting and budget variance analysis
 - B. Performance measures
 - 1. Organizational performance measures, including financial and nonfinancial scorecards
 - 2. Benchmarking, including quality control principles, best practices, and benchmarking techniques
 - C. Cost measurement
 - 1. Cost measurement concepts (standard, joint product, and by-product costing)
 - 2. Accumulating and assigning costs (job order, process, and activity-based costing)
 - 3. Factors affecting production costs