

# 1 RESEARCH AND THE CPA EXAM

## THE COMPUTER-BASED CPA EXAM

The computer-based CPA exam is here to stay. Over 100,000 candidates have taken the exam since its inception in April, 2004<sup>1</sup>. The computer-based CPA Exam can test a candidate's work-related skills by using small cases called simulations. These simulations are minicases that require multiple tasks including communications and research.

The simulations component has replaced the old problems, other objective format questions, and essays on the old paper-pencil exam. Not to worry! In many ways, the newer simulations component is actually easier for the CPA candidate because candidates are no longer required to structure the problem. Candidates no longer create the schedules, tables, and disclosures. Instead, the answer formats are created, and the candidate fills in the blanks.

Since the simulations are machine-graded, the simulation is broken into parts. Some parts may require matching exercises, completing a table, or calculating values. Other parts may require selecting an answer from a list of choices on a drop-down menu. Simulation questions with drop-down menus are similar to multiple-choice questions. Near the end of each simulation is a communications component, which is similar to the essay component in the old paper-pencil exam. Again, the computerized exam is easier, because candidates can easily edit the essay and use a spell-checker.

The newest part of the CPA exam is the research component which is included in each of the simulations. In the paper-pencil exam, it was good enough to know the rules. Now the candidate must know the rules *and* find them!

## RESEARCH COMPONENTS ON THE EXAM

There are three different research components on the computer-based CPA exam. Research is tested separately in the Financial Accounting and Reporting (FAR), Auditing and Attestation (AUD), and Regulation (REG) portions of the CPA exam. Therefore, candidates must be knowledgeable and skilled with each of these infobases.

In each of the three areas (FAR, AUD, and REG), the research requirements and the infobases are completely different. The infobases contain information from several sources: the Financial Accounting Standards Board, the Public Company Accounting Oversight Board, the American Institute of Certified Public Accountants, and the US Treasury Department.

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<sup>1</sup> Source: *The Uniform CPA Examination Alert*, Fall 2007, AICPA Web site.

Because these products contain different information, it is important that you are familiar with each resource and infobase, as well as the CPA exam interface.

The Financial Accounting and Reporting (FAR) simulations require research in the financial accounting literature that is found in the Financial Accounting Research System, called FARS. The FARS infobase is a collection of accounting pronouncements and is copyrighted by the Financial Accounting Standards Board (FASB). Both the Original Pronouncements as Amended and the Current Text are available on the exam. In the FAR simulations, a candidate may be required to cite one paragraph or citation from the financial accounting standards to answer a question or research problem in each simulation.

In the AUD simulations, the infobases tested are the AICPA Professional Standards and/or the PCAOB Standards. Candidates may be required to complete one or two tasks within a given simulation. An audit simulation may include a research task to solve a case by finding a rule or rules from the auditing standards. An audit simulation may also require the candidate to copy up to ten paragraphs from the auditing standards for a reporting requirement.

In the REG simulations, research skills are tested in the tax area. The literature accessed in the REG simulations may include the Internal Revenue Tax Code and/or Publication 17 published by the US Department of Treasury. For REG, candidates will be required to find the applicable code section. Publication 17 may be required to complete a tax return.

## **STUDYING RESEARCH FOR THE CPA EXAM**

It is important to outline a reasonable set of goals in preparing for the research component on the CPA exam. A candidate should develop a quick study strategy for attaining these goals. First, a candidate must become familiar with the commercial infobases or the hard copy of the professional literature. Second, it is essential to link this knowledge to already existing technical knowledge. Finally, every candidate must learn to use the interface of the CPA exam. Knowing the interface and search commands will save valuable time on the CPA exam.

As you study, think strategically about which questions are most likely to be asked. The current CPA exam does not require that you solve a challenging or complex case; the exam requires that you solve a minicase by locating a specific definition or rule in the literature. Keep in mind: The exam will not ask for a candidate's opinion; it will ask a research question that has one correct answer.

Many candidates believe they can rely on keyword searches during the exam. The problem with keyword searches is that they produce too many results to sort through and read during the exam's limited time. Therefore,

success on the research component is more likely if one is familiar with certain standards, and the researcher knows approximately where to look for the answer. This text will explore the overview and organization of the authoritative literature for FAR, AUD, and REG so that candidates have a good understanding of where certain information is located in the literature.

For the financial accounting standards, the text will take an historical perspective to look at the pronouncements. It is easier to find information if you have an overview of when certain standards were issued, and when certain topics were hot issues in the business environment. This book will also look at the structure of the different accounting pronouncements. Knowing the structure of the standard is important for moving through the pronouncement quickly.

Finally, this text will give special attention to vocabulary. Candidates can capitalize on knowing certain accounting jargon that may help find the answer quickly. Practicing research skills will also help strengthen a candidate's knowledge of the various accounting topics. Therefore, studying research is great for preparing for the exam!

## **OBTAINING THE AUTHORITATIVE LITERATURE**

### **Financial Accounting and Reporting Literature**

The financial accounting and reporting literature is the property of the Financial Accounting Standards Board (FASB). The FASB posts the Statements of Financial Accounting Standards online at [www.fasb.org](http://www.fasb.org). Although these pronouncements can be downloaded in .pdf format, the original pronouncements have not been updated to show amended or superseded materials. In addition, the FASB Statements are not formatted in a way that allows keyword searches. Although the FASB Web site's .pdf files are helpful in learning a new pronouncement, the site is not the optimal location for studying amended or updated material for the CPA exam.

The updated version of the FASB's literature is published by John Wiley & Sons, Inc. The Original Pronouncements as Amended and the Current Text are available in hard copy format and can be ordered from any bookstore. In addition, two electronic versions of the standards are available. These electronic versions are referred to as infobases because they are a database of information.

One version of the electronic infobase is a CD-ROM product titled *Financial Accounting Research System* (FARS). The FARS CD product uses a Folio search engine. Although the search program is loaded on the computer's hard drive, the FARS CD must remain in the CD drive to access the infobase. The FARS CD is available as a stand-alone product directly through John Wiley & Sons, Inc. at [www.wiley.com](http://www.wiley.com). To find the CD-ROM product on the Wiley Web site, type in capital letters FARS CD and look for the 2007 edition. The CD can also be ordered from [www.amazon.com](http://www.amazon.com).

Generally, the new version of the CD is available in August, and it costs approximately \$35 before taxes, shipping, or handling charges. The 2007 edition is current through June 1, 2007, and contains all the FASB pronouncements through FAS 159.

The other electronic version of the financial accounting literature is an infobase called FARS Online. FARS Online is available for use with a one-year subscription from John Wiley & Sons, Inc. FARS Online subscriptions are listed with Wiley's Higher Education Division. Go to the Web page [www.wiley.com/college/farsonline](http://www.wiley.com/college/farsonline) and follow the instructions to subscribe. FARS Online can also be found at <http://he-cda.wiley.com>. As of November 1, 2007, the subscription rate for FARS Online is \$29.95 for 12 months.

Although FARS Online contains the same information as the FARS CD-ROM product, the FARS Online search engine, menus, and commands look slightly different. The best feature of FARS Online is that its menus and commands are similar to the interface used on the CPA exam.

### **FARS BOOK, CD, OR FARS ONLINE—WHICH IS BEST?**

Many people ask, "Which version of FARS is best?" The answer to that question depends on personal preference and the kind of work being done. For me, all three versions work because I love to do research.

The paperback books work well for writing class materials and casually reading the standards. It also provides a topical index in the back of the book. The book indicates superseded material by shading the text in gray. The book also identifies amended material by incorporating the new material into the appropriate standard with underlining or special notation. The paperback is excellent for reading the standard from front to back and highlighting important information.

For research purposes, the FARS CD is more efficient than the paperback version. The FARS CD provides a Folio search engine that is powerful and fast. The FARS executable program loads onto the hard drive of a computer, and the FARS CD must be in the CD drive to access the infobases. The FARS CD does not require an Internet connection. The CD-ROM product is perfect for learning the standards and doing professional research. One of the best features of the FARS CD is that the Folio search engine produces detailed results in chronological order. Having the results in chronological order is extremely helpful in learning the organization and content of the standards.

Of course, the FARS Online version contains the same information as the CD product, but there are three major differences. First, as its name implies, the user must be online to use FARS Online. Second, the search engine is different from the CD product. And third, the search results are presented in a different order from the results on the CD product. The FARS Online version provides results that look like Internet search results. The

advanced search results are not listed in chronological order of the pronouncements. Instead, the FARS Online program prioritizes the results by an algorithm based on the relevance and frequency of key words. The results are then displayed based on the priority given by the search engine. Some researchers may find a jumbled list of results disorienting and more time-consuming to sort through. However, the important advantage to FARS Online is that its navigation and search commands are similar to the search interface on the CPA exam.

So, which version of the standards should a CPA candidate use to study for the exam? The answer to that question depends on an individual's personal budget and access to the professional infobases at his or her university or workplace. If the university or an employer has site licenses to the infobases, use those. If not, a candidate should purchase a version of FARS to learn the infobase.

Sometimes the FARS CD is adopted with a textbook in intermediate or advanced accounting classes. If you purchased a previous version of the FARS CD in an earlier accounting class, check to see if that version has expired. If not, you can use that older version to study the standards and learn the content and organization of the standards. However, if you are using an older version of the standards, be sure to get familiar with the most recent standards before the CPA exam.

If a candidate has the extra money to buy FARS Online, then buy FARS Online. Again, the CPA exam interface is similar to the FARS Online product, and it is helpful to practice with that product before the exam. Go to [he-cda-wiley.com](http://he-cda-wiley.com) and get online with FARS!

After a candidate is familiar with the accounting standards and the infobase, it is easy to practice with the CPA sample exam interface, located on the AICPA Web site. Keep in mind, though, that the CPA sample exam has a very limited and abbreviated version of the infobase. There are not enough standards posted on the sample exam to learn the standards. The CPA sample exam is only useful to learn how to navigate on the research component.

No matter which version of the FARS infobase a candidate uses, it is important to know the organization of the financial accounting literature. In addition, it is essential that every candidate practices on the sample exam in each research area, FAR, AUD, and REG, before sitting for the CPA exam.

## **Auditing and Attestation Literature**

The auditing and attestation literature, AICPA Resource, is produced and copyrighted by the AICPA. Unfortunately, AICPA Resource is more costly to obtain than the FASB literature. It is available for a subscription in CD-ROM format, with quarterly updates. AICPA Resource is also available in an online subscription for AICPA members for approximately \$425 per

year. In addition, the AICPA Web site offers a special subscription rate to AICPA members who are CPA Candidates.

Many universities obtain a site license with quarterly updates. Also, most accounting firms subscribe to the AICPA professional literature, so many candidates have access to this infobase at their workplace. Check with your university library, computer lab, or employer to determine if the AICPA infobase is available to you without charge.

AICPA Resource can also be licensed directly from the AICPA at the AICPA Web site at [www.aicpa.org](http://www.aicpa.org). There is a special student subscription rate for student members of the AICPA. The student rate requires a candidate to join the AICPA as a student member and then subscribe to the AICPA Professional Standards for an additional fee. The membership requirements, dues, and subscription rates are posted on the AICPA Web site at [www.aicpa.org](http://www.aicpa.org).

Another source for some of the AICPA standards can be found at the Public Company Accounting Oversight Board's Web site at [www.pcaob.org](http://www.pcaob.org). There are two sets of standards at the PCAOB Web site. The PCAOB standards are labeled as Auditing Standard No. 1, Auditing Standard No. 2, up through Auditing Standard No. 5. The PCAOB standards (AS1 to AS5) relate only to the audits of publicly traded companies. However, in 2003, the PCAOB adopted the AICPA standards as its interim standards. These interim standards are to be used until superseded or amended by newer PCAOB standards. Therefore, the PCAOB has posted the interim standards for auditing, attestation, quality control, ethics, and independence.

Please note that the interim standards posted by the PCAOB are only a portion of the AICPA Professional Standards. For example, only two ethics standards are posted, ET 100 and ET 191. The AICPA Web page indicates that the Code of Professional Conduct is numbered from ET 50 through ET 500. Although the interim standards posted at the PCAOB Web site are not a complete list of the AICPA standards, and are not in keyword searchable format, enough standards are posted to help the candidate learn the structure and organization of the AICPA standards. The interim standards are posted in a drop-down menu format similar to the table of contents used in AUD research on the CPA exam.

Candidates may find that it is not necessary to purchase a copy of the AICPA Professional Standards. Why? First, you may be able to learn from the PCAOB Web site. Second, if you do not have access to the AICPA Professional Standards, you can practice on the AICPA Web site after you have received your NTS (Notice to Schedule). Every CPA candidate receives free access to this important literature for six months. Go to [www.cpa-exam.org](http://www.cpa-exam.org). Under the tab marked "Prepare for the Exam," click on "Access to Prof. Literature." Be sure to write down your log-in and pass-

word. Also, bookmark the Web page that has the log-in page because the log-in page can be difficult to find again unless it is bookmarked.

The auditing literature is generally easier to search than the financial accounting literature because it is codified and well organized. Hence, you may require less practice with the auditing standards. Begin your study of the audit literature as you study the auditing materials in your CPA review course. Most CPA review courses reference their study materials to the AUs, the ARs, and the ATs. Because the auditing literature uses very descriptive titles, you can usually find the answer by clicking down the menus and looking through for the correct title. You will probably need less practice in this area because everything is grouped by topic, and the titles are straightforward and intuitive.

Many candidates find that the AICPA practice site is sufficient to learn the various sections, menus, and titles of the auditing standards. Once you have studied this book and your audit CPA review materials, you should sufficiently know your way around the AICPA standards. Then you're ready to use the infobase when you receive your NTS (Notice to Schedule). Although the interface on the AICPA Web site is not exactly like the CPA exam interface, this free site provides you with excellent menus to learn the auditing standards. You can finish your studies by practicing with the real exam interface on the sample exam, also found at the AICPA Web site.

The AICPA literature is covered in depth in Chapter 6.

## Regulation Literature

Candidates may find two research resources on the Regulation portion of the CPA Exam: the Internal Revenue Code and Publication 17. You should become familiar with both of these resources before taking the Regulation part of the CPA exam.

The Internal Revenue Code (IRC) contains the laws passed by Congress. Therefore, the Code is public domain information. A Yahoo or Google search will provide several sites on the Internet for the IRC.

The Internal Revenue Service home page is [www.irs.gov](http://www.irs.gov). If you search in the top right-hand corner for **internal revenue code**, you should find a match that shows "Tax Code, Regulations, and Official Guidance." This search usually shows a 51% match. Click on that link and find the next menu. This menu provides access to the Table of Contents of the Code, a link for Retrieve by Section number, and Execute full text search. If you read the fine print under these links, you will see that the IRC materials are provided as a public service by the Legal Information Institute of Cornell University Law School, not the IRS. Notice that you will be taken to another menu and you must click on the button "Leave IRS Site" to gain access to this infobase.



This Cornell Web site is fantastic. Cornell Law School has a beautiful, searchable code. There it is, Title 26 in all its glory—keep clicking on the table of contents menu and drill your way down into the Code just like on the CPA exam. What a beautiful site. Bookmark this for future use—this link is invaluable!

Yahoo or Google can also be used to search for other IRC sites available via the Internet. However, the Cornell is quite a beautiful site and easy to use—my personal favorite!

Another important piece of literature for the tax portion of the regulation exam is Publication 17 (Pub. 17), “Your Federal Income Tax” from the Department of the Treasury Internal Revenue Service. Currently, Pub. 17 is listed on the sample exam in REG as a resource. Therefore, it is recommended that all candidates become familiar with this document. If a simulation requires the candidate to complete a tax return, the standard deductions, personal exemptions, deduction limitations, and other information are located in Pub. 17. Knowledge of the contents and organization of Pub. 17 is important because if a candidate needs to access information in this large document, there certainly is not enough time to browse through it or read it during the exam.

To find Pub. 17, go to the IRS Web site at [www.irs.gov](http://www.irs.gov). At the IRS main Web page, on the left-hand side, there is a link for “More Forms and Publications.” Click on “More Forms and Publications.” There is a menu for downloading forms. Under the section marked “Download forms and publications by:” click on “Publication Number.” Then find *Publication 17 Your Federal Income Tax*. Highlight this link, and click the “Retrieve Selected Files” button. Publication 17 will download in .pdf format. It is a large document, (over 250 pages), so be patient. Downloading Pub. 17 may take some time.

If the IRS has changed its menus, then perform a search for “Publication 17.” Click on Pub. 17 in the results list, and you should find appropriate instructions for downloading.

In addition to downloading Publication 17, you can obtain a complimentary copy at your local IRS office. However, if you download Pub. 17, you can practice searching it with the “find” command in Adobe .pdf. Personally, I enjoy having both the hardcopy and the downloaded version of this valuable publication.

At this time, the AICPA Web site does not have a tax infobase to practice for the REG research. There is only a small portion of the tax infobase available on the CPA sample exam. Don’t worry! This text will cover the organization of the code in this book, and you can practice on the Internet. The tax literature is discussed thoroughly in Chapter 7.



## PRACTICING RESEARCH BEFORE THE EXAM

As indicated earlier, candidates can also obtain free online access to the financial accounting and auditing infobases before taking the CPA exam. The online packet includes the FASB Original Pronouncements, the FASB Current Text, and the AICPA Professional Standards. The FASB Original Pronouncements and Current Text are used in FAR; the AICPA Professional Standards are used in AUD. Candidates must have applied to take the exam and be eligible by their state board of accountancy to register for this free six-month subscription. The AICPA notes that this version of the infobases is also not identical to the version used on the CPA exam. Therefore, it is still important to read the CPA exam tutorial and practice research using the sample exam.

The AICPA will give you access to the FAR and AUD literature when you receive your Notice to Schedule. You may obtain a log-in and a password to access the infobases for FAR and AUD by visiting the AICPA Web site at [www.cpa-exam.org](http://www.cpa-exam.org) and clicking under “Prepare for the Exam” and “Access to Prof. Literature.” Make *sure* you keep the e-mail that provides the link to the log-in page, and bookmark the address. If you lose this information, you may find it difficult to locate the log-in page again. As we discussed earlier, at this time, the AICPA has not posted a practice infobase for tax.

In addition to the FAR and AUD literature, the AICPA also provides a tutorial for the CPA exam and a sample CPA exam at their Web site. Go to [www.aicpa.org](http://www.aicpa.org) and click on CPA Exam. Follow the menus to exam tutorial. You can also go directly to the CPA exam Web page at [www.cpa-exam.org](http://www.cpa-exam.org). At the very top of the CPA Examination page, you will see “Tutorial and Sample Exams.” Follow the links on that page to find the tutorial.

The CPA Exam Tutorial is great for learning the commands and interface of the exam. This tutorial is a “show and tell” version of the exam. It walks you through the various screens for entering the exam, answering multiple-choice questions, continuing on to another section of the exam, answering simulation questions, using the calculator and spreadsheet functions, using the research standards, and exiting the exam. The tutorial is very informative, but it is not interactive.

Although the tutorial is wonderful for learning the interface of the CPA exam, seeing the exam interface and using it are two different things! Just because you read the tutorial does not mean that you will know or remember all the intricate details of how the exam interface works. There is a big difference in thinking you know something, and really being able to do it. Therefore, you *must* work the sample exams. *No*—let me take that a step further. You *must* explore every button, every function, and every command, and give the sample exam a good workout.

Candidates have repeatedly had problems with the functionality of the exam interface. If you do not know how to use the exam interface, you may lose valuable time, which, in turn, could affect your score. The AICPA has now posted a notice to candidates that it is the candidate's responsibility to become familiar with the functionality, format, and directions of the exam before reporting to the testing center. Therefore, make *sure* you familiarize yourself with the sample exam. Chapter 9 and Appendix C cover helpful hints on the exam interface.

Again, on the CPA Examination Web page, follow the link for the sample tests. Depending on how your browser is set, it may be necessary to approve each of the extra downloads to get the sample exam functioning. On some computers, it loads easily; on other computers it does not. Your Internet settings must allow active-X controls and software to be loaded on your computer.

If the sample exam does not load properly, follow the instructions located on your screen. I have loaded the sample exam on at least seven computers. I have experienced success on the first try, only three out of seven times. If the sample exam doesn't load properly, it helps to print out the instruction pages. These instructions are somewhat involved, and require you to change some settings on your computer. Therefore, it is much easier if you print them out and slowly follow them step-by-step.

In addition, the new version of the sample exam may not properly load if you have an older version of the sample exam on your computer. Again, the AICPA page has instructions on how to delete the older version, so that the new sample exam can be loaded. Print these instructions and follow the guidelines step-by-step. They will show you how to delete the older version so that the new sample exam will load.

## THE CPA SAMPLE EXAM

As discussed earlier in this chapter, the AICPA has a sample exam for each section of the CPA exam: REG, AUD, FAR, and BEC. Each sample exam is a miniexam to allow you to work with the exam interface. This cannot be said emphatically enough: The sample exam is a *must do* to prepare yourself for navigating through the exam! You will actually be able to take five multiple-choice questions, use the calculator and spreadsheet functions, enter formulas and values, make journal entries, and use the research infobase. The sample exam is invaluable for familiarizing yourself with an abbreviated version of the exam and an abbreviated version of the infobases on the exam. Spend some time and click on everything. Enter values that don't make sense and see if you get an error message. Cut and paste. Use the spell-checker. Try every function several times and make sure it works.

An important point to make is that the entire infobase is *not* accessible in the sample exam. Because the infobases are quite large, the sample exam

uses a limited set of standards to allow candidates to practice with the research interface. Don't worry, though; the sample exam infobase is still large enough to give you plenty of practice navigating and searching. However, the sample exam is not large enough to help you learn the contents of the infobases.

You will find the exam interface may do some strange things. For example, a CPA candidate and I were practicing research on the FAR sample exam. We had difficulty highlighting and transferring a research answer. After reading the instructions more carefully, we learned that the screen must be split to highlight or transfer an answer. When we performed a keyword search, we were stuck in the search and couldn't get out of it. With the FARS CD, you use arrow keys to go back or move between searches. On the CPA interface, the commands do not work the same as the commercial product. We tried to generate other searches. In order to start over, we had to clear the previous search or click on "Home." We wasted at least five or ten minutes with this. Finally, we were so frustrated that we clicked on Home. Remember, this is *not* ten minutes you want to waste on the actual CPA exam!

Keep in mind, I had read all of the tutorials and instructions, and I still had trouble. You will find that some of these instructions don't "stick" in your brain until you actually do it. So, make sure you give those sample exams a good workout! We'll cover a little more about the exam interface in Chapter 9 and Appendix C.

### IMPORTANT WEB SITES

The AICPA Web site and the FASB Web site are important to visit on a regular basis prior to taking the exam. The AICPA Web site will post any updates to the exam, and the FASB Web site will post information on new accounting pronouncements. Remember that a new pronouncement is testable six months after the effective date, unless early application is permitted. If early application is permitted, the standard is testable six months after the issue date. Therefore, it is important to visit the FASB and AICPA Web sites to stay current with the most recent information and literature. Make *sure* you visit these important Web sites while preparing for the CPA Exam.

The AICPA Web site has several important documents and information posted. A "must read" for all CPA candidates is the *CPA Candidate Bulletin*. The *CPA Candidate Bulletin* has information about how to apply, how to schedule the exam, what to bring to the exam, and how to prepare for the exam. The *CPA Candidate Bulletin* is found under "Getting Started" at the CPA Examination Web page. Another valuable document is the Uniform CPA Examination Content Specifications. These content specifications can be found under "Learning Resources" in "How to Prepare."

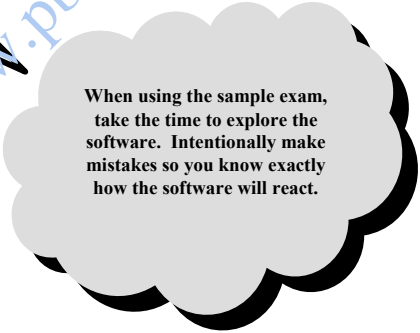
CPA Candidates should also check for any announcements or updates before taking the exam. An important source of information for updates can be found at the AICPA exam Web site under the headings “Latest News” and “Breaking News.” In addition, the “Uniform CPA Examination Alert” will outline any changes to the exam and post any issues or changes regarding functionality of the exam.

Below are the addresses for Web sites that you will find valuable in preparing for the CPA exam.

<b>AICPA Web sites</b>	<a href="http://www.aicpa.org">www.aicpa.org</a> <a href="http://www.cpa-exam.org">www.cpa-exam.org</a>
<b>FASB Web site</b>	<a href="http://www.fasb.org">www.fasb.org</a>
<b>PCAOB Web site</b>	<a href="http://www.pcaob.org">www.pcaob.org</a>
<b>Tax Web sites</b>	<a href="http://www.irs.gov">www.irs.gov</a> <a href="http://www.law.cornell.edu/uscode/html/uscode26">www.law.cornell.edu/uscode/html/uscode26</a>



## STUDY HINT



When using the sample exam, take the time to explore the software. Intentionally make mistakes so you know exactly how the software will react.

**TEST YOURSELF**

1. How many parts of the CPA exam test research skills?
  - a. One.
  - b. Two.
  - c. Three.
  - d. Four.
2. Which infobase appears on the AUD portion of the CPA exam?
  - a. Financial Accounting and Reporting System (FARS).
  - b. AICPA Professional Standards.
  - c. Internal Revenue Code.
  - d. All of the above.
3. Which infobase appears on the FAR portion of the CPA exam?
  - a. Financial Accounting Research System (FARS).
  - b. AICPA Professional Standards.
  - c. Internal Revenue Code.
  - d. All of the above.
4. Which section of the CPA exam may require more than one research task on a simulation?
  - a. FAR.
  - b. REG.
  - c. AUD.
  - d. BEC.
5. Where can you find Publication 17?
  - a. The FASB Web site.
  - b. The AICPA Web site.
  - c. The SEC Web site.
  - d. The IRS Web site.
6. The FASB Statements are available in which format?
  - a. Paper copy.
  - b. At the FASB Web site.
  - c. FARS CD.
  - d. FARS Online.
  - e. All of the above.
7. The FASB Statements located at the FASB Web site are searchable by keyword.
  - a. True.
  - b. False.
8. The financial accounting standards are continually updated and edited for changes at the FASB Web site.
  - a. True.
  - b. False.
9. Publication 17 contains information on deductions, exclusions, and limits for certain deductions.
  - a. True.
  - b. False.
10. The AICPA provides the CPA candidate with resources and infobases to practice all three areas of research before the CPA exam.
  - a. True.
  - b. False.

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