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*Research Article

Factors Affecting the Takers of the Qualifying Examinations as Part of the Accountancy Program Retention Policy: The Case of a University in Central Luzon Philippines

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ABSTRACT

This research was carried out to assess the qualifying examinations being administered by a school's department for a of university in Central Luzon, Philippines for the Incoming Second Year, Third Year and Fifth Year BS Accountancy Students. Using the physical and administrative factors are from Aiken et al. (2008), and the Psychological Testing and Assessment, and University of Waterloo's Center for Excellence (2016), when Preparing Tests and Exams are the guidelines for qualitative factors of exams revealed that the quality of exams had the lowest mean rating compared to physical environment and administrative responsibilities as the factors when assessing the qualifying examinations. The participants were two hundred ninety four (294) students who took the qualifying examinations. The analysis of variance findings confirmed that there is a significant difference on the assessment of the qualifying exams if grouped according to incoming year level and status. The return of the two strike policy to replace the one strike policy, is the most preferred recommendation by the examinees followed by the special remediation program for deserving 'late bloomer' students and the special review classes in preparation of the examination.

Keywords: *comprehensive examinations, cumulative grade point average, CPA board exams.*

Background

For the past decade, qualifying examinations has been the answer to the rigorous board exams for Certified Public Accountants since this requires preparation and thorough

screening among many schools, colleges and universities aiming to perform top nationwide.

According to The Free Dictionary (2016), in education a qualifying exam is an exam that

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needs to be passed in order to proceed or continue with the course or study. Shifters in courses or transferees, depending on the policy or guidelines of the school, may be subject to qualifying examination as in the case of University of Santo Tomas (2015), where the acceptance of a student from another school, college or university will undergo the strict standards of the University and will depend on the availability of slots of the program. Qualifying examinations may also be needed before a student will be allowed to conduct research.

In the case of Columbia University in the City of New York (2016), under the Department of Physics, also known as 'Quals', are taken by all graduate students without exceeding one term of residence, before taking up research in PhD and has exempts no one. The exam is usually given in January and consists of a written exam stretched over three days and an interview prior the start of classes. This is to assess the knowledge of the students on strengths on their undergraduate of physics and also a diagnostic tool on the weaknesses of possible qualified students.

For the university under study specifically its Accountancy Program, the qualifying exams are held annually in the months of February and March for Incoming Fifth Qualifying Examinations and April for Incoming Third Year and Fourth Year Qualifying Examinations. The exam is described to be comprehensive covering topics in accounting, finance, tax, law and audit that were already taken by the students the previous semesters. The passing grade is an average seventy percentage flat (75.00%) which is neither rounded up or down, depending on the number of qualifying exam subjects taken. Under the policy of the school, for second and third year Bachelor of Science students proceeding to the next years a student must pass the administered qualifying exams to be administered to the higher years. For fourth year students going to fifth year must have a minimum weighted point average of 2.5 for all accounting and business law subjects from first year to fourth year; and must pass a qualifying examination for admission to fifth year (Holy Angel University, 2016).

The examinees themselves, passed or failed, can properly assess how the examinations were administered and whether it reflects the true performance of the takers. However, on one hand, there are factors that are not under the control of the administrator. On the one hand, in Aiken and Groth-Manat (2008), fatigue, motivation level of the examinee, physical discomfort and level of anxiety are psychological factors that can be considered as variables that may affect the results. With these reasons, test administrators must seek ways on how to standardize or departmentalize to minimize the variability of results among examinees other than the ability to answer the exams.

On the other hand, there are factors that can be controlled by the administrators that may affect the performance of the examinees while taking the examinations. One is according to Aiken and Groth-Manat (2008), which is about controlling factors which are lightings, minimized noise levels, ventilation and minimal distractions. In addition, according to the University of Waterloo (2016), there are also other two controlling factors: administrative and qualitative factors. Administrative pertains to the responsibilities of the administrators in carrying out the exam before, during and after exams while qualitative factors pertain to the quality of exams. The combination of these three is enough bases for assessment on qualifying examinations administered.

Specifically, it will try to answer the following questions:

- 1) How may the respondents be grouped according to the following profile categories:
 - a. Description of the taker's retention policy
 - b. Status after the qualifying exams
- 2) Which among the qualifying exam subjects the students have found the most difficult or challenging?
- 3) What is the assessment of the takers based on the controllable factors affecting the qualifying exams?
- 4) Are there any significant differences among the responses if grouped according to incoming year level and status?
- 5) What are the implications of these controllable factors affecting the qualifying exams?

Several schools have formulated policies while others adopted retention policies to prepare their students on a gradual basis for their chosen degree and the upcoming national examinations. Since the promulgation of the Philippine Accountancy Act of 2004, qualifying exams for each year level depending upon the discretion of school and comprehensive exams for the terminal year have been implemented. The comprehensive exams, taken literally would cover all areas of accounting, finance, taxation and auditing necessary to equip students before leaving the undergraduate school.

The qualifying exams prepare an accountancy student to attain the Bachelor of Science in Accountancy degree and eventually with the CPA board examinations. This will provide a lot of opportunities to the practice of profession. According to the Board of Accountancy (2016), upon successfully passing the licensure examinations an applicant will attain the Certified Public Accountant license which allows an individual to practice his profession, whether as an officer or employee depending upon the nature and character of an accountant's employment under the academe, public practice, government or private institution. An accountant may choose in any or combination of these sectors. In commerce and industry, an accountant may sometime require decision making or professional knowledge in accounting or when an accountant represents the private employer before any government agency on tax matters related to accounting, or if a person holds or is appointed to a position in the accounting department or group in the government or in government-owned or controlled corporations, thus making a Certified Public Accountant, civil service eligible.

Qualifying exams maybe little by little be considered as comprehensive since the coverage of exams becomes bigger and bigger. These exams prepare a future CPA to choose from a variety of careers. This ranges from the practice of public accountancy which may be classified as individual, partner or staff member in an accounting or auditing firm, the professional being qualified to render professional services as a CPA or as a subject matter expert in the knowledge, science, and practice of accounting (Board of Accountancy, 2016). A future CPA

may offer to provide or provide services, or both, to more than one client on a fee basis or otherwise, services such as the auditing or verification of financial transactions and accounting records: the preparation, signing, or certification for clients of audit reports and financial statements. These may include balance sheets, and other financial accounting and related schedules, documents, statements, or reports which may be used for exhibit or documentation purposes, or to be presented before a court or government agency. The corresponding subjects under the qualifying exams that will hone a future Certified Public Accountant are auditing theory, cost accounting and financial accounting.

Taxation, regulatory framework for business transactions and management accounting are among other subjects in the qualifying exams that can prepare a future Certified Public Accountant from rang of functions that may include the installation and revision of accounting system, filing and submission of income tax returns; or an accountant representing a client before a government agency. Or to put it simply, by providing professional assistance in matters relating to accounting procedures and the recording and presentation of financial facts or data (Board of Accountancy, 2016). The practice of accountancy would include therefore, but not limited to the following sectors practice of public accountancy, practice in commerce and industry, practice in education or academe and practice in the government (Philippine Accountancy Act, 2004). The qualifying exams, therefore, are steppingstones in the undergraduate studies to become a CPA.

All of these functions are made possible once a Bachelor of Science in Accountancy degree holder passed the CPA board examinations. Since one of the main objectives of schools, colleges and universities is to produce Certified Public Accountant, qualifying examinations serve as steppingstones, while comprehensive examinations is seen as a springboard prior to the national CPA licensure board exams.

According to the Philippine Accountancy Act, 2004 while the Board of Accountancy remain as the driver for "(a) the standardization and regulation of accounting and (c) the

supervision, control, and regulation of the practice of accountancy in the Philippines”, schools, colleges and universities has the pivotal role of preparing their alumni for “(b) the examination for registration of Certified Public Accountants.”

Qualifying exams also support the Commission on Higher Education considered as the official governing body for higher education institutions, both public and private, in raising the standards of the Bachelor of Science in Accountancy program which should be sufficiently difficult and challenging, that is why it has set a retention policy for Colleges and Universities that offer the BSA program to conduct a rigorous admission policy (FindUniversity.ph, 2016).

Far Eastern University (2016) has almost similar policies with that of the university since according to its admission and retention policy for Bachelor of Science in Accountancy degree, explicitly states that in order “the qualifying examination is usually scheduled near or at the end of the 2nd Semester in the second year of the curriculum. Students enrolled in other BSBA majors who have completed 12 units of Fundamentals of Accounting Parts 1 and 2 may take the examination and be admitted to the BSBA-IA program if qualified. The result of the qualifying examination is final and not subject to appeal; no retakes are allowed. Non qualifiers shall be advised to shift to another BSBA major. Non qualification after this first qualifying examination is a permanent disqualification from the BSBA-IA program.”

De la Salle University - Manila (2016), however, has a different on qualifying examinations, “After twelve (12) units of basic accounting courses, the student must take and pass a qualifying exam to enter the BSA major program. The major subjects start with Module 1 and only those students who have passed the qualifying exam after 12 units of basic accounting courses are allowed to enter the major program. A minimum grade of 2.0 (equivalent to 83%) in accounting, finance, law, and taxation subjects is required for students to remain in the program.”

A related article about qualifying examinations stating the advantages of qualifying ex-

ams whether on a school or national level is according to Ricketts and Archer (2008), explaining that qualifying examinations support the established curriculum, secondly it removes bias and more independent because the examinations are departmentalized thus a uniform exam is given among examinees; and the results of qualifying examinations serve as a robust comparison on how students prior taking the board examination and entering into practice. The qualifying examinations provide a candidate’s ability based on a pass or fail decision.

Another related study is according to the study of Brady et al (2001) emphasized that the qualifying examinations among sociologist in graduate school, through qualifying examinations, the socialization aimed at developing a shared knowledge, perspectives, and practices gained through common experiences and contacts. An element of qualifying examinations in graduate education is it reflects the professional socialization assimilated by graduate students which will shape the future of sociology, thus influencing the next generation. By being exposed to old and modern works of specialization the students are gradually being prepared for dissertation and qualifying exams. The role of the qualifying examinations significantly will have an impact in the future landscape of the profession.

Common problems among qualifying examinees are presented through the study of Arganda, Ducut and Andal (2014) included difficulty to understand the problems, lack of effective habits, difficulty to express oneself orally and lack of time to study. Domestic problems would include increased television viewing; social networking, electronic games, lack of financial resources, emotional problems and lack of adequate family support and supervision are hindrances among qualifying examinee which can be conducted among university students through a separate study.

Because of these, this study is being carried out to assess the qualifying examinations for the most recent Incoming Third, Fourth and Fifth year based on controllable factors. It aims to identify which among the factors and sub-factors has a significant affect among students

excluding those beyond the control of the qualifying exams administrators.

Methods

Research Design and Sampling

The researchers used a cross-sectional descriptive research, which according to Mendoza (2012), serve two primary purposes: "(1) to portray accurately the characteristics of a particular phenomenon, and (2) to determine the frequency with which the phenomenon

occurs or associated with something else." The units of analysis are individuals, and the point of focus of the research design is the characteristics (pg. 114). Characteristics study the state of being for individuals, thereby as units of analysis (Mendoza, 2012). The research was considered as an analytical, since statistics was used to explain or give substance to a theory and -non-experimental, since the instrument to be used is a survey.

Table 1. Allocation of Respondents based on Number of Examinees

| Year Level | Ratio | Number of Respondents |
|----------------------------|-----------------|-----------------------|
| Incoming Third Year | 501/1,117 x 294 | 132 |
| Incoming Fourth Year | 401/1,117 x 294 | 105 |
| Incoming Fifth Year | 167/1,117 x 294 | 44 |
| Incoming Fifth Year Retake | 48/1,117 x 294 | 13 |

The participants were the examinees themselves for 2016 and there were 1,117 total examinees for the qualifying exams including retake. Applying Raosoft's software with 95% confidence level and 5% margin of error for computing number of samples, 294 samples was determined to be the number of respondents.

Data Collection and Instrument

The primary sources of information were the original documents which include qualifying examination records and results of the examinees obtained from the chairperson and coordinators of the accountancy department in the university.

Secondary sources of information quotes came from publications, such sources include comments on, interpretations of, or discussions about the original research conducted abroad. Academic research works using electronic source were used as a related study.

The questionnaire had two parts. The first part contained profile categories such as age, gender, incoming year level and number of takes in the exam. The second part is the sur-

vey, where the researcher used an original survey. These questionnaires were distributed among targeted respondents for a short period of time which was only for the academic year. By encircling the letter of his or her choice the corresponding assessment on the qualifying examinations recently held.

Data Analysis

The statistical tools used on this study include frequency and percentage distribution, mean rating, and ANOVA. These was used to describe and assess the data gathered by the researchers through the survey questionnaires and interview guide conducted. Since the survey is self-constructed and not adapted, the survey forms were subject to Cochran's reliability test.

Frequency and percentage distribution is an arrangement of the values that one or more variables take in a sample. The demographic profile of examinees was used in this process. Mean rating serves as a "balance point" in a set of data, was also utilized to determine the assessment of the qualifying examinations for the most recent exams.

Table 2. Mean rating scale and their corresponding equivalent.

| Scale | Mean Rating | Descriptive Rating |
|-------|-------------|--------------------|
| 4 | 3.25 - 4.00 | Strongly Agree |
| 3 | 2.51 - 3.25 | Agree |
| 2 | 1.76 - 2.50 | Disagree |
| 1 | 1.00 - 1.75 | Strongly Disagree |

The ANOVA or analysis of variance will be to establish the significant difference of the respondents' assessment of the most recent qualifying exams which can also be grouped according to factors.

Ethical Considerations

The consent of the dean, program chairperson and department coordinator of the accountancy program in the university were obtained to provide assurance that no sensitive personal information was revealed. Results of

the research were used for academic and knowledge preservation purposes only.

Results and Discussion

The results of the survey have provided a profile of the respondents which could explain the overall assessment of the accountancy retention program of the university which is the focal point of the study. Factors affecting the administration of the qualifying examinations are also considered in this study.

Table 3. Frequency Table of Qualifying Examinees

| Qualifying Exam | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------|-----------|---------|---------------|--------------------|
| 2QE | 132 | 44.9 | 44.9 | 44.9 |
| 3QE | 105 | 35.7 | 35.7 | 80.6 |
| 4QE | 44 | 15.0 | 15.0 | 95.6 |
| 5QE | 13 | 4.4 | 4.4 | 100.0 |
| Total | 294 | 100.0 | 100.0 | |

The profile of the examinees is composed mostly of incoming second year qualifying examinees with the incoming fifth year qualifying

exams as shown on Table 3. This represents the strictly policy that further reduces the qualified examinees every year.

Table 4. Description of the Retention Policy

| Retention Policy of Participants | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------------------|-----------|---------|---------------|--------------------|
| 1 Strike | 132 | 44.9 | 44.9 | 44.9 |
| 2 Strike | 162 | 55.1 | 55.1 | 55.1 |
| Total | 294 | 100.0 | 100.0 | |

The respondents of the study were under two different retention policies which are the one strike and two strike policy. Table 4 shows

that more than half of the respondents are under the old policy, which is what considered as the 'more lenient' policy.

Table 5. Status of the Respondents Assessing the Qualifying Exams

| Status of Participants | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------------|-----------|---------|---------------|--------------------|
| Qualified | 187 | 63.6 | 63.6 | 63.6 |
| Probationary | 49 | 16.7 | 16.7 | 80.3 |
| Out | 58 | 19.7 | 19.7 | 100.0 |
| Total | 294 | 100.0 | 100.0 | |

Table 5 presents the status of the respondents who were assessing the retention policy programs. Mostly are qualified and probationary, and some were already disqualified from the program. The assessment of the respondents of various status is very important so that a more objective results can be taken from the study.

Table 6. Subjects Assessed as the Most Challenging

| Subject | Frequency |
|--------------|-----------|
| TOA | 2 |
| FUNAC | 2 |
| FINAC/PRAC1 | 237 |
| PRAC2 | 94 |
| MAS | 56 |
| AUDIT THEORY | 9 |
| BUSINESS LAW | 39 |
| TAX | 137 |

Legend: TOA - Theory of Accounts, FUNAC - Fundamentals of Accounting, FINAC/PRAC1 - Financial Accounting/Practical Accounting Part 1, PRAC2 - Practical Accounting Part 2, MAS - Management Advisory Services

Table 6 presents the most difficult examinations according to the participants where

Financial Accounting, Taxation and Practical Accounting Part 1 ranked as the three highest. These three subjects or courses are considered difficult because these are heavily being applied in the actual practice of the CPA profession.

Table 7 presents the summary of mean rating for the identified factors. Some issues on the ventilation of the room, the exam question construction and information about the results of the qualifying exams. Overall, the physical environment mean rating of 2.77 (agree), whereas the quality of exams had a mean rating of 2.79 (agree) and administrative responsibilities (3.22). It is very clear that the physical environment while administering the exams can still be further improved.

Also based on the results of the analysis of variance (ANOVA), there is a significant difference (p -value of $0.05 > 0.00$) the decision is to reject the null hypothesis and accept the alternative hypothesis because there is a significant difference (p -value of $0.05 > 0.003$) on the assessment of the qualifying examinations if grouped according to year level. However, when it comes to status of each respondent, the decision is also to reject the null hypothesis and accept the alternative hypothesis because there is a significant difference on the assessment of the qualifying examinations if grouped according to examinees' status. Overall, these imply that the takers have varying assessment on the retention policy of the qualifying examinations.

Table 7. Mean Rating Summary for Each Factors

| Code | Question | Mean | Std. Deviation | Description |
|--------------|--|--------|----------------|----------------|
| PE1 | 1. The exam venue is clean. | 3.22 | 0.744 | Agree |
| PE2 | 2. The exam venue is properly lighted. | 3.27 | 0.704 | Strongly Agree |
| PE3 | 3. The exam venue is well-conditioned in terms of temperature (neither humid nor cold). | 2.16 | 0.796 | Disagree |
| PE4 | 4. The exam venue has zero to minimal noise level. | 2.81 | 0.725 | Agree |
| PE5 | 5. The exam venue is properly ventilated. | 2.39 | 0.735 | Disagree |
| PE6 | 6. The exam venue is free from or has minimal distractions. | 2.79 | 0.724 | Agree |
| MEAN PE | | 2.7718 | 0.55143 | Agree |
| QE1 | 1. The qualifying exam gives an equal opportunity to all examinees to demonstrate learning and is fair. | 2.88 | 0.748 | Agree |
| QE2 | 2. The qualifying exam questions are consistent in terms of questioning technique. | 2.86 | 0.654 | Agree |
| QE3 | 3. The qualifying exam questions are valid as it measures the examinee's logical and reasoning ability. | 2.96 | 0.639 | Agree |
| QE4 | 4. The number of qualifying exam questions are average, realistic and can be answered within the time allowed. | 2.61 | 0.752 | Agree |
| QE5 | 5. The qualifying exam is reliable as it accurately measures the ability of the examinees and is repeatable. | 2.74 | 0.668 | Agree |
| QE6 | 6. The qualifying exam questions uses multiple questioning types such as concept recall, computation case analysis, chain questions etc. | 3.18 | 0.561 | Agree |
| QE7 | 7. The qualifying exams offer multiple ways to obtain full marks such as clues, hints or bonus questions. | 2.37 | 0.74 | Disagree |
| QE8 | 8. The qualifying exam questions are objective or free from bias and uses and use a language understood by the examinees. | 2.95 | 0.659 | Agree |
| QE9 | 9. Some of the qualifying exam questions are redeemable meaning they are sourced directly from a book or reviewer. | 2.73 | 0.744 | Agree |
| QE10 | 10. The qualifying exam questions are demanding, not too easy. | 3.41 | 0.627 | Strongly Agree |
| QE11 | 11. The qualifying exam questions are constructed in such a way that examinees can satisfactorily answer the questions. | 2.61 | 0.645 | Agree |
| QE12 | 12. The qualifying exam schedule is properly spread out to give adequate time for preparation and other lessons. | 2.78 | 0.714 | Agree |
| QE13 | 13. The qualifying exam which uses shading is a format highly accessible to all examinees. | 3.26 | 0.667 | Strongly Agree |
| QE14 | 14. The qualifying exam fee is affordable. | 2.79 | 0.786 | Agree |
| MEAN QE | | 2.8666 | 0.38633 | Agree |
| AR1 | 1. Examinees are well-informed ahead of time about the details the schedule of exams. | 3.44 | 0.62 | Strongly Agree |
| AR2 | 2. Examinees are given informed consent before taking exams through an orientation. | 3.34 | 0.613 | Strongly Agree |
| AR3 | 3. Examinees are informed of the specifics of the test including the do's and don'ts. | 3.38 | 0.627 | Strongly Agree |
| AR4 | 4. Examinees are given satisfactory testing conditions in terms of seating arrangements before exams. | 3.26 | 0.636 | Strongly Agree |
| AR5 | 5. Examinees are given proper instructions during exams. | 3.24 | 0.627 | Agree |
| AR6 | 6. Examinees are able to establish rapport with exam proctors and administrators during exams. | 3.02 | 0.633 | Agree |
| AR7 | 7. Examinees are monitored by proctors who prevent cheating and secure testing room from disturbance and intrusion. | 3.25 | 0.628 | Strongly Agree |
| AR8 | 8. Examinees understand well questions that need clarifications and corrections during exams. | 3.09 | 0.611 | Agree |
| AR9 | 9. Examinees' answer sheets and questionnaires and are collected and handed to administrator for checking after the exams. | 3.42 | 0.528 | Strongly Agree |
| AR10 | 10. Examinees are given reasonable time to get the results of the qualifying exams. | 3.15 | 0.72 | Agree |
| AR11 | 11. Examinees are informed of the posting of results of the qualifying exams. | 3.03 | 0.812 | Agree |
| AR12 | 12. Examinees are given full and complete details of the test results after the exams. | 3.07 | 0.764 | Agree |
| MEAN AR | | 3.2229 | 0.45549 | Agree |
| OVERALL MEAN | | 2.9535 | 0.34899 | Agree |

Legend: PE - Physical Environment, QE - Quality of Exams, AR - Administrative Responsibilities

Table 8. Respondents Recommendation for Qualifying Examinations

| Response | Return of Two Strike Policy | Special Review for Examinees | Special Remediation Arrangement |
|----------|-----------------------------|------------------------------|---------------------------------|
| Yes | 228 | 178 | 156 |
| No | 66 | 116 | 138 |

Table 8 presents the recommendation preferred by the examinees and that is to return the two strike policy, conducting special review classes before qualifying exams although time

will be a constraint and establishing a special remediation arrangement for disqualified but late bloomer examinees.

