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Research Article

Cumulative Grade Point Average and Comprehensive Examination Results as Predictors of Certified Public Accountant Board Examinees' Performance

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ABSTRACT

The Certified Public Accountant Licensure Examinations among BS Accountancy graduates can be considered as the culminating direct measure on how an accountancy retention policy program in a school prepares students to becoming CPAs. This study is aimed to gauge how cumulative qualifying grade point average of a student from first year to fifth year college and the fifth year comprehensive exams serve as predictors for the CPA Board Exams for a university in Central Luzon, Philippines. To measure the quality of the predictors, October examinees from the graduating batch were the focus of the study. With five hundred fifty three (553) BS Accountancy coming from five alumni batches, three hundred fifty eight (358) passed, fifty five (55) are conditioned and one hundred twenty (120) have failed during the first take of comprehensive exams. Auditing theory, business law and taxation are the most difficult subjects with less than two thirds ($< 2/3$) of the first takers as passing the said subjects. Those with a CGPA of 1.554 or higher in the undergrad, finishing with latin honors have the highest probability of passing the board. A range of four percent (either -4% to +4%) serves as the average variance between fifth year comprehensive exams and board examination performance for all first takers. Both the CGPA ($r=0.632$) and comprehensive examinations ($r=0.745$) are moderate predictors of the board examinations which imply that the accountancy program for the university can still be improved to further prepare the students to become CPAs.

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

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Background

Filling up the empty vessels as an analogy to teaching students, is one of the duties and responsibilities of faculty members which is one way to prepare accountancy students to the path or goal they want to achieve. It may include rigorous grade requirement or passing a series of qualifying examinations until Fifth Year. In the Philippines, the culminating part happens right after graduation where in an accountancy degree holder aims to pass the board exams administered by the Board of Accountancy under Professional Regulation Commission held every May and October of each year.

Cumulative grade point average (CGPA) as a measure of a student's academic achievement that can be earned in a required given program of studies such as accountancy (TheFreeDictionary, 2012) defines cumulative. By getting the total number of grade points received divided by the number of credits attempted, the grade point average will be checked if it meets the requirement. In University of Texas Brownsville (2015), comprehensive exam main purpose is to assess the mastery in the field of study where the specific methods and procedures for the evaluation must be tailored fit within the program of the study. The comprehensive exam may happen prior to the finals during the semester and application for the comprehensive exam must be submitted by the student through a recognized authority within the academe before a set deadline.

The program department prepares the grades and assess the cumulative grade point average before a student is given a comprehensive exam. The academic office informs the students, administers the exam, collect all completed exams and submitted to the program coordinators for checking and evaluation, deliberation process of grades or ratings will follow until the exam takers will be informed of the results whether they passed or failed the exams (University of Texas Brownsville, 2015). Therefore, the cumulative grade point average and results of the comprehensive exam may be considered as predictors for future board examination performance.

A predictor refers to a preliminary sign or an indicator. Therefore, cumulative grade point

average and comprehensive exam ratings may serve as indicators of board examination performance in spite of the available option of fresh graduate to enroll for a review classes that will run for five to six months before the CPA licensure examinations (Merriam-Webster (2016).

Specifically, this study attempted to answer the following questions:

- 1) Which among the examination subjects had the least number of passers?
- 2) Which among the examination subjects had the greatest number of passers?
- 3) Which among the examination subjects require remediation?
- 4) Is there a direct relationship between the fifth-year cumulative grade point average and board examination ratings?
- 5) Is there a direct relationship between the fifth-year comprehensive examination grades and board examination ratings?
- 6) Are fifth year cumulative grade point average, strong predictor for board examination ratings?
- 7) Are fifth year comprehensive examination ratings, strong predictor for board examination ratings?

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. The employment sometimes may 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.

Practice of accountancy 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. A 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. Other functions 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).

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, the comprehensive examination is seen as a springboard prior to the national 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."

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.

Far Eastern University (2016) rule on admission and retention policy for Bachelor of Science in Accountancy degree, explicitly requires that a student must pass a comprehensive written examination at the end of the 5th year; whereas non-passers may retake the examination for unlimited number of times until finally qualified; students who fail for the third time shall re-enroll at least six (6) units of fifth year subjects as recommended by the Dean or Associate Dean. Passing the written comprehensive examination is an absolute requirement for graduation. De la Salle University Manila (2016), however, has a different take on the comprehensive examinations and it is being held after each sub-module. Students are enrolled in each module in one (1) term. Each module is further divided into six (6) or seven (7) 3-unit sub-modules. These sub-modules are made up of topics that are handled by assigned faculty members (full-time or part-time) and practitioners. The comprehensive examination is the equivalent of the final examination for each sub-module.

In Michael & Glenn (2012) a weak positive correlation between student Cumulative Grade Point Average (CGPA) and the Student Leadership Licensure Assessment (SLLA) scores was found, and no correlation between the Principal Internship Mentor's Assessment (PIMA), which are the mentoring by principal's scores and Student Leadership Licensure Assessment (SLLA) results.

Whereas in Bacon and Bean (2006), grade point average often correlates highly with variables of interest to educational researchers and thus offers the potential to greatly increase the statistical power of their research studies" (p. 36). Moore & Shulock (2009) noted that high grades in the subjects in the course serve as predictive values and higher cumulative grade point average that increases in the duration of the in the program, which means completion and earning of bachelor's degree.

In McGinniss & Krauss, (2012 first-timers or passers for the first attempt rates can be a measure of program quality. And because of this in order to improve success rate and therefore the number of licensed and practicing nurses, schools came up with an aggressive indicator and remediation measures. With the use of a descriptive correlational study used regression analysis to investigate multivariate relationship between readiness exam scores and predictors. Among the input variables, grades appeared to be the most predictive, however, student's personal system has a significant impact on the outcome of board exam performance.

Also related to this study is that of MacMillan & Fujita (2005), the dental assisting mock board examination can identify areas that students that need intervention and serve as a reinforce to study. The students taking the dental assisting mock board fortified their ability to sit for a long hour exam and reinforced their skills. Graduates of a dental assisting program, who remained focused and worked hard in achieving their goals, were more highly motivated and prepared in taking the dental board exam and later on enjoyed the fruits of being a Certified Dental Assistant.

In this light, cumulative grade point average and comprehensive examinations remain imperative determinants of an applicant's CPA board examination performance. The very purpose of this study is therefore is to determine whether cumulative grade point average and comprehensive examination results are positive determinants of CPA board examination performance and provide recommendations to further use the strengths and to counter the weaknesses that are associated with the two determinants.

Methods

Research Design and Sampling

The researcher used a longitudinal-trend type explanatory research, which according to Mendoza (2012), a trend study serves the primary purpose of "looking into the dynamics of a particular attribute of the population over time... with repeated observations of the same variables over long periods of time". Explana-

tory research was used "to find out the relationships between these variables which could explain why certain things happen (Mendoza, 2012)". This was a non-experimental design which may be classified as a case study. The research was considered to be 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.

One hundred percent of the information was used for October CPA licensure examination takers (passed or failed) for a period of five years. The information of these alumni came from the academic records currently being held, at that time by the current fifth year coordinator under the accountancy program. the Profession Regulation Commission copies of board examination performance were obtained from the Dean's office where a written permission was secured.

Data Collection and Instrument

The primary sources of information were the original documents which include Philippine Regulation Commission records of the official deans and academic records of the coordinators of 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. Since this is a case study and it did not involve any respondent, no research instrument was used.

Data Analysis

Pearson correlation of analysis was used to explain the relationships between variables. The strength of relationship determined how cumulative grade point average or CGPA and comprehensive examination ratings would determine board examination performance. Trend analysis for board exam performance ratings for the past five years will be used per subject and overall average ratings.

Ethical Considerations

The consent of the dean, program chairperson and department coordinator of the ac-

countancy 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 Discussions

While there has been a steady increase in the number of passers for HAU for the period of five years; however, in terms of passing percentage there is a decreasing trend because the number of passers has not significantly increase in relation to number of takers.

Table 1. List of CPA Board of CPA October First Takers for the Five Year Period

EASY AND DIFFICULT SUBJECTS FOR FIRST TAKERS			
SUBJECT	NO OF PASSERS	%	DESCRIPTION
AUDITING THEORY	337	63.23%	VERY DIFFICULT
BUSINESS LAW AND TAXATION	338	63.41%	VERY DIFFICULT
PRACTICAL ACCOUNTING PROBLEMS II	370	69.42%	DIFFICULT
PRACTICAL ACCOUNTING PROBLEMS I	375	70.36%	DIFFICULT
AUDITING PROBLEMS	412	77.30%	AVERAGE
THEORY OF ACCOUNTS	414	77.67%	AVERAGE
MANAGEMENT ADVISORY SERVICES	458	85.93%	EASY TO AVERAGE

The following are the description of subjects based on difficulty shown on Table 1. Auditing Theory had the lowest number of passers for the past five years which accounts for 63.23% of the takers followed closely by Business Law and Taxation. These two subjects are

practice subjects which means these are subjects being applied in the practice of accountancy. Management Advisory Services was found to be the easiest subject having 458 out of the 533 takers for the past five years.

Table 2. List Cumulative Grade Point Average of CPA Passers for October First Takers

CUMULATIVE (QUALIFYING) GRADE POINT AVERAGE OF STUDENTS			
GRADE RANGE	PROBABILITY OF PASSING	PASSED	TOTAL
1.554 to 1.000 (SUMMA CUM LAUDE & MOSTLY MAGNA CUM LAUDE)	100.00%	57	57
1.555 to 2.000 (SOME MAGNA CUM LAUDE, CUM LAUDE & CONSISTENT DEAN'S LIST)	66.74%	287	430
2.000 to 2.500 (DEAN'S LIST)	30.43%	14	46

Table 2 describes the number of CPA of passers who were at the same time, Latin Honors for the past five years. All Summa Cum Laude graduates passed the board exams, while 66.74% of Magna Cum Laude graduates passed the CPA board in first take. Some Cum

Laude graduates (30.43%) did not pass the CPA board on their first take. This means Latin Honors (Magna Cum Laude & Cum Laude) do not provide a guarantee that a CPA board exam taker will pass the board exam.

Table 3. Summary of Correlation

CORRELATION	FIRST TAKER CATEGORY	N	COEFFICIENT	DESCRIPTION OF PREDICTOR
CGPA & BOARD EXAM	ALL	533	0.632	Moderate
CGPA & BOARD EXAM	PASSERS	358	0.622	Moderate
CGPA & BOARD EXAM	COND	55	0.344	Weak
CGPA & BOARD EXAM	FAILED	120	0.215	Weak
COMPRE EXAM& BOARD EXAM	ALL	533	0.745	Moderate
COMPRE EXAM& BOARD EXAM	PASSERS	358	0.773	Moderate
COMPRE EXAM& BOARD EXAM	COND	55	0.503	Moderate
COMPRE EXAM& BOARD EXAM	FAILED	120	0.085	Random

Table 3 provides a summary of the correlational analysis between Cumulative Grade Point Average & Board Examination results and Comprehensive Exams & Board Examination. Overall, there is a positive moderate correlation between CGPA & Board Exam and Comprehensive Exam & Board Exam. This means that having good grades in the undergrad and high grades in the comprehensive provide positive moderate correlation. Moderate means there is still room for failure. In short, both CGPA's and comprehensive exams are moderate predictors of the CPA board exams, moreover, it is not a guarantee that a student who graduates with honors will pass the CPA board examinations even if the comprehensive exams were successfully hurdled.

When it comes to percentile ranking, the past three years is steadily increasing which showed signs of improvement. Consistency is the biggest challenge for the coming years brought about by K-12 when BS Accountancy might no longer be a five year degree program. By that time, the school might be meeting already its desired target in terms of CPA Board examination performance. Future researchers can focus on the factors affecting the board examination performance by identifying different variables of the study. Another focus of future researchers is to identify why some honor graduates still fail the CPA board examinations.

Conclusions

The Accountancy program must focus on improving accountancy practice subjects such as taxation and auditing which appeared to be the most difficult among the seven subjects

although today, the number of subjects has been trimmed down to six CPA board examination subjects. Even if the board results are positive both for Fifth Year Qualifying and Comprehensive performance, there is still a room for failure which implies that the program can still be further improved. Reducing the number of sections for fifth year to less than thirty five students per class is another recommendation, since the passing percentage of CPA board examination passers in terms of percentage has been steadily decreasing. Strengthening the preparation subjects among faculty members and hiring more competent, qualified and accredited CPAs who are in the practice of taxation and auditing can help students in becoming well prepared for the two subjects. Taxation and Business Law subjects have been separated into independent board examination subjects. With the past board results, the school can look closely on its current program and provide ways in improving its academic syllabus so that a one hundred passing percentage will be achieved in the near future.

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