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## DUAL CERTIFICATION: IT CAN BE DONE

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**D**ual certification is an excellent way for accounting students to differentiate themselves in a competitive and dynamic business environment. Acquiring both the CMA<sup>®</sup> (Certified Management Accountant) and CPA (Certified Public Accountant) certifications demonstrates that holders have varied and essential skills and expertise. It further signifies to a prospective employer that the holder is highly ambitious, motivated, and committed to lifelong continuing education.

In fact, the March 2019 IMA Global Salary Survey found that accounting certification in general—particularly dual accounting certification—provides financial rewards. The survey indicated that CMAs in the United States earn 31% higher median total compensation than non-CMAs and that U.S. holders of both the CPA and CMA earn 50% higher median total compensation.

Employers recruiting on campus today look for more than just expertise in auditing, tax, and financial reporting. The CMA certification combined with the CPA credential demonstrates that a candidate has both significant managerial and finance knowledge along with a strong financial accounting background. That's why, in 2007, we proposed a streamlined strategy for undergraduate accounting students to pass both examinations within six months after graduation with their bachelor's degree.

That initial article was followed by three major sequels in 2010, 2015, and 2018, each incorporating significant updates to the CMA and/or CPA examinations. The impetus behind those previous updates was recent or forthcoming changes in either the structure (number or parts on each exam), format (time per part and multiple choice vs. tasked-based simulations), and/or content (topics) on each exam.

By working with the comprehensive nine-step plan (updated anew to reflect the recent changes to both exams), undergraduate accounting students can efficiently prepare for both exams at a time when they're in the best position to do so—while they're still students. As students, they capitalize on the “freshness” of the topical content along with the fact that they're used to taking examinations. In our previous articles, we modified the sequencing, timing, and types of courses we recommended students take to better align with the respective exam changes.

We again limit our focus on dual certification to the CMA and CPA exams for several reasons:

- Both permit candidates to take one section (part) at a time.
- Both are computer-based using Prometric testing sites. Thus, the modes of delivery and assessment are similar.
- Both exams provide for flexible scheduling (see Table 1).
- Neither exam requires the candidate to have qualifying work experience to sit for the exam. Both require qualifying work experience to earn the designation.

## RECENT/FORTHCOMING CHANGES

ICMA<sup>®</sup> (Institute of Certified Management Accountants) establishes the requirements to sit for the CMA exam and earn the designation and administers the CMA exam; its counterpart for the CPA exam is the AICPA (American Institute of Certified Public Accountants). Both organizations work diligently to ensure that their certification requirements are rigorous and relevant. Both examinations are continually reviewed and modified, as needed, to fully reflect the higher expectations and expanding roles that accounting and financial professionals play in today's global business environment. For example, given that technology is rapidly transforming our profession, it isn't surprising that both ICMA and the AICPA have recently incorporated an increased emphasis on IT and data analytics into their respective examinations.

The key changes to the CMA examination represent alignment with IMA's enhanced Management Accounting Competency Framework, published in February 2019. This Framework includes a mapping of the competencies to the subjects covered on the CMA examination. The changes to the exam go into effect on January 1, 2020. The changes to Part 1 include:

- Title change to Financial Planning, Performance, and Analytics. The previous title was Financial Reporting, Planning, Performance, and Control.
- Planning, Budgeting, and Forecasting's weight is reduced from 30% to 20%.
- Cost Management's weight is reduced from 20% to 15%.
- Technology and Analytics, a new topic, is added with a 15% weight.

The changes to Part 2 include:

- Title change to Strategic Financial Management. The previous title was Financial Decision Making.
- Investment Decisions' weight is reduced from 15% to 10%.
- Financial Statement Analysis's weight is reduced from 25% to 20%.
- Increased weight on Professional Ethics from 10% to 15% and on Decision Analysis from 20% to 25%.

The major changes to the CPA examination, as noted in the AICPA *Uniform CPA Examination Blueprints*, essentially reflect recent Financial Accounting Standards Board (FASB), Governmental Accounting Standards Board (GASB), and Internal Revenue Service (IRS) releases to various topic areas tested on the applicable section(s) of the exam. The major changes that went into effect as of January 1, 2019, include:

- Financial Accounting and Reporting (FAR) incorporates the major changes in lease standards and includes GASB 84 relating to fiduciary activities of state and local governments.
- Regulation (REG) incorporates applicable taxation changes as a result of the Tax Cuts and Jobs Act (TCJA).

The following changes went into effect as of July 1, 2019:

- In Auditing and Attestation (AUD), the area of Performing Further Procedures and Obtaining Evidence has been updated and expanded to include audit data analytics.
- Business Environment and Concepts (BEC) expanded coverage of data analytics in the area of Information Technology.

(Note: Recall that Part 1 of the CMA exam is adding Technology and Analytics effective January 1, 2020.)

**TABLE 1: TESTING PERIODS**

<b>CMA</b>	<b>CPA</b>
All parts are offered daily except Sundays and holidays.*	Exam is available five days a week.
Both parts are offered in three testing windows: <ul style="list-style-type: none"> <li>• January-February</li> <li>• May-June</li> <li>• September-October</li> </ul>	Each year contains four testing windows: <ul style="list-style-type: none"> <li>• January-March 10</li> <li>• April-June 10</li> <li>• July-September 10</li> <li>• October-December 10</li> </ul>
One or both parts may be taken in any window in any order.	One or more parts may be taken during any window in any order.
Prometric testing center is used.	Prometric testing center is used.

\*Days off vary by region.

## EDUCATIONAL REQUIREMENTS

Although the CPA exam is uniform across all licensing jurisdictions, each state board mandates the specific education requirements for a candidate to be eligible to sit for the exam. All licensing jurisdictions have adopted the 150-credit-hour requirement (the equivalent of a master's degree) to ultimately obtain the CPA license. But in most licensing jurisdictions, the CPA candidate must complete a bachelor's degree (with the requisite number of accounting and business-related credits) to take the CPA exam. Thus, the CPA candidate can't sit for the CPA exam while he or she is an undergraduate student. The candidate's licensure doesn't take place until 150 hours are completed and one year of qualifying work experience is obtained. It's important to note that working under a CPA in private industry now counts as qualifying CPA work experience (and CMA experience); no longer must the work be in the attestation (audit) area.

The CMA is a global designation that's administered by ICMA, which establishes the requirements to sit for the exam and earn this certification. Passing the CMA exam and obtaining qualified work experience doesn't lead to licensure in a state. CMA candidates don't have to complete their bachelor's degree to be eligible to take the exam. Accordingly, CMA candidates can sit for the CMA exam while they're still undergraduate students, provided they're registered for at least six credits per semester during the academic year. Globally, more than 30% of CMA candidates are students. ICMA doesn't specify any number of accounting or business-related credits to take the CMA exam, but the candidate must complete a bachelor's degree, in any area, from an accredited college or university within seven years of passing. Two years of qualifying work experience is also required.

Our updated nine-step streamlined approach capitalizes on the fact that students can take the CMA exam while they're still in school and then sit for the CPA exam immediately after they graduate. By strategically scheduling and sequencing coursework to align with the topics tested on the exam parts, students can prepare for both exams more efficiently and benefit from the content overlap between the CMA and CPA exams.

## EXAM CONTENT, STRUCTURE, AND FORMAT

Table 2 summarizes the current content areas tested on each exam, incorporating the changes discussed earlier to the CPA exam that became effective in January 2019 and July 2019 and the forthcoming changes to the CMA exam in January 2020. To earn both designations, a candidate must pass a total of six parts (see Table 3 for the structure and format of these exams).

**TABLE 2: A COMPARISON OF CMA AND CPA EXAM CONTENT AREAS****CMA EXAM**

Effective January 1, 2020

**Part 1: Financial Planning, Performance, and Analytics**

External Financial Reporting Decisions (15%)
Planning, Budgeting, and Forecasting (20%) – <b>was 30%</b>
Performance Management (20%)
Cost Management (15%) – <b>was 20%</b>
Internal Controls (15%)
Technology and Analytics (15%) (New)

**Part 2: Strategic Financial Management**

Financial Statement Analysis (20%) – <b>was 25%</b>
Corporate Finance (20%)
Decision Analysis (25%) – <b>was 20%</b>
Risk Management (10%)
Investment Decisions (10%) – <b>was 15%</b>
Professional Ethics (15%) – <b>was 10%</b>

**CPA EXAM** (listed alphabetically by section)

Effective July 1, 2019

**Auditing and Attestation (AUD)**

Ethics, Professional Responsibilities, General Principles (15%-25%)
Assessing Risk and Developing a Planned Response (20%-30%)
Performing Further Procedures and Obtaining Evidence (30%-40%)
Forming Conclusions and Reporting (15%-25%)

**Business Environment and Concepts (BEC)**

Corporate Governance (17%-27%)
Economic Concepts and Analysis (17%-27%)
Financial Management (11%-21%)
Information Technology (15%-25%)
Operations Management (15%-25%)

**Financial Accounting and Reporting (FAR)**

Conceptual Framework, Standard-Setting, and Financial Reporting (25%-35%)
Select Financial Statement Accounts (30%-40%)
Select Transactions (20%-30%)
State and Local Governments (5%-15%)

**Regulation (REG)**

Ethics, Professional Responsibilities, Federal Tax Procedures (10%-20%)
Business Law (10%-20%)
Federal Taxation of Property Transactions (12%-22%)
Federal Taxation of Individuals (15%-25%)
Federal Taxation of Entities (28%-38%)

**TABLE 3: STRUCTURE AND FORMAT OF THE EXAMS**

Exam Part	Question Format	Allotted Time
<b>CMA</b>		
Part 1	100 multiple choice, 2 essays	4 hours
Part 2	100 multiple choice, 2 essays	4 hours
<b>CPA</b>		
AUD	72 multiple choice, 8 task-based simulations (TBS)	4 hours
BEC	62 multiple choice, 4 TBS, 3 written communication essays	4 hours
FAR	66 multiple choice, 8 TBS	4 hours
REG	76 multiple choice, 8 TBS	4 hours

**THE NINE-STEP APPROACH**

We recommend our nine-step plan to students who are serious about obtaining professional certifications but who may or may not end up pursuing a career in public accounting. Our recommendations are based on the assumptions detailed below and are applied to a student

candidate who's an undergraduate accounting major attending a college or university that has a two-semester academic year. Accordingly, the student candidate will:

- Take one exam part at a time to keep the workload manageable and increase the chance for success on that part.
- Use some form of CMA and CPA review preparation program and materials (such as a review course, software, etc.) in addition to coursework.
- Take additional finance credits and/or minor in finance.
- Take a separate business analytics course and an additional IT course, if available.
- Complete the CMA exam while still a student.

Table 4 demonstrates the alignment in content areas between the CMA and CPA examinations. The table allows a candidate to readily follow our recommended strategy for sequencing coursework and related CMA and CPA exam parts. It's important to note the significant overlap in content areas (but not necessarily breadth and depth of topical coverage within these areas) on Parts 1 and 2 of the CMA exam and the BEC, AUD, and FAR sections of the CPA exam.

**TABLE 4: OVERLAP OF TOPICS BETWEEN THE CMA AND CPA EXAMS**

<b>CMA Part 1</b>	<b>Where It Appears in CPA Exam</b>
External Financial Reporting Decisions (15%)	FAR and REG (Tax Implications)
Planning, Budgeting, and Forecasting (20%)	BEC
Performance Management (20%)	BEC
Cost Management (15%)	BEC
Internal Controls (15%)	AUD
Technology and Analytics (15%)	BEC and AUD
<b>CMA Part 2</b>	
<b>Where It Appears in CPA Exam</b>	
Financial Statement Analysis (20%)	FAR and AUD (Analytical Review)
Corporate Finance (20%)	BEC
Decision Analysis (25%)	BEC
Risk Management (10%)	BEC and possibly AUD (Audit Risk)
Investment Decisions (10%)	BEC
Professional Ethics (15%)	AUD and REG

NOTE: The alignment in content doesn't indicate the degree of overlap in specific topical coverage nor the breadth or depth of the topics covered.

The CMA exam has long used Bloom's taxonomy. The levels tested on the CMA exam are Level A, introductory knowledge and comprehension; Level B, application and analysis; and Level C, synthesis and evaluation. Level C topic areas may also contain requirements at Levels A and B. All content areas in Parts 1 and 2 of the CMA exam are tested up to the C level.

Bloom's taxonomy was slightly tweaked, and the CPA exam adopted it to better capture the higher-level thinking that is needed for entry-level accounting professionals. The "Blueprints" to the Uniform CPA exam use Bloom's revised taxonomy to assess four skill levels on each section of the exam: remembering and understanding, application, analysis, and evaluation. Each section of the exam tests the first three skill levels at varying degrees; only the AUD section tests at the evaluation level.

A student who pursues a minor in finance or takes additional credits beyond the traditional required corporate finance course will be better prepared for both exams because advanced-level finance courses typically incorporate case analyses, which require the use of higher-order thinking skills such as application, analysis, synthesis, and evaluation. Since most undergraduate accounting curricula include some free electives, taking additional coursework in finance, business analytics, and IT is feasible. These additional credits will count toward the 150-credit-hour requirement for CPA licensure.

Our updated plan is outlined below and summarized in Table 5.

**TABLE 5: THE NINE-STEP PLAN FOR PREPARING FOR THE CMA AND CPA EXAMS WHILE STILL AN UNDERGRADUATE**

Step	Time Period	Preparation Strategy	Exam Parts and Timing
1	<b>JUNIOR YEAR</b> (September to May-June)	<ul style="list-style-type: none"> <li>Over the course of the junior year, complete intermediate accounting, information systems (IT), corporate finance, operations management courses, finance elective, and business ethics courses.</li> </ul>	
2	<b>JUNIOR YEAR</b> (May-June)	<ul style="list-style-type: none"> <li>Use CMA review program materials to study for <b>CMA Part 2</b>.</li> </ul>	<b>CMA Part 2</b> End of May or June
3	<b>SENIOR YEAR</b> (September-December)	<ul style="list-style-type: none"> <li>Complete cost/managerial accounting course.</li> <li>If available, complete undergraduate business capstone course and/or case course in finance.</li> <li>Complete auditing course and possibly take first tax course.</li> <li>Complete business analytics course and additional IT course if available.</li> <li>Use CMA review program materials to study for <b>CMA Part 1</b>.</li> </ul>	
4	<b>SENIOR YEAR</b> (Winter break) (December-January)	<ul style="list-style-type: none"> <li>Use CMA review program materials and intensively prepare for <b>CMA Part 1</b>.</li> </ul>	<b>CMA Part 1</b> Late January or early February*
5	<b>SENIOR YEAR</b> (January-May)	<ul style="list-style-type: none"> <li>Complete tax course(s), business law, and advanced accounting courses.</li> </ul>	
6	<b>GRADUATE WITH UNDERGRADUATE DEGREE</b> (May)	<ul style="list-style-type: none"> <li>Take 1-2 weeks off after graduation in May.</li> </ul>	
7	<b>POST-UNDERGRADUATE</b> (June)	<ul style="list-style-type: none"> <li>Use CPA review program material to prepare for <b>BEC</b> and <b>REG</b> sections of CPA exam.</li> </ul>	
8	<b>POST-UNDERGRADUATE</b> (July-August)	<ul style="list-style-type: none"> <li>Finish preparation for <b>BEC</b> section.</li> <li>Start and finish preparation for <b>REG</b> section.</li> </ul>	<b>CPA: BEC</b> in early July <b>CPA: REG</b> in late August
9	<b>POST-UNDERGRADUATE</b> (October-November)	<ul style="list-style-type: none"> <li>Use CPA review program materials for <b>AUD</b> and <b>FAR</b>.</li> <li>Study intensively in September, October, and early November.</li> </ul>	<b>CPA: AUD</b> in late October <b>CPA: FAR</b> in late November**

\*After Step 4, if successful, the candidate has completed the CMA exam prior to graduation.

\*\*After Step 9, if successful, the candidate has completed the CPA exam.

**SYMBOLS:**

**CMA:** Certified Management Accountant  
**CMA Part 1:** Financial Planning, Performance, and Analytics  
**CMA Part 2:** Strategic Financial Management

**CPA:** Certified Public Accountant  
**AUD:** Auditing and Attestation (CPA exam)  
**BEC:** Business Environment and Concepts (CPA exam)  
**FAR:** Financial Accounting and Reporting (CPA exam)  
**REG:** Regulation (CPA exam)

1. During junior year, the student completes the intermediate accounting sequence (usually two courses), corporate finance, an information systems/IT course, operations management, business ethics, and, if possible, a relevant finance elective. We expect that most accounting majors will have completed coursework in economics and quantitative methods (statistics) by the end of their junior year. The CMA exam assumes that a candidate has knowledge in business economics, time value of money concepts, statistics, and probability. (Note: The BEC section of the CPA exam specifically tests economics and time value of money concepts.) The complete coursework covers a majority of the topics tested on Part 2 of the CMA exam and is invaluable in preparing for this part of the exam.
2. In May and June, after the junior year is complete, the student uses the CMA review program materials to prepare intensively for Part 2 of the CMA exam, "Strategic Financial Management." The student takes this part of the exam in late May or June then recharges in the months of July and August. We advise starting with Part 2 since this will provide the student with more time to take coursework in business analytics and IT, if available.
3. During the first semester of the student's senior year, the student completes cost/advanced managerial accounting, auditing, an additional IT or business analytics course, and the undergraduate business capstone course, if available. Typically, capstone courses are case-oriented and require application and integration skills (Level C) to examine budgeting, forecasting, performance, and control issues, which are invaluable in preparing for Part 1 of the CMA exam, "Financial Planning, Performance, and Analytics." If such a capstone course isn't required or available, the student should look for a case course in finance (elective). At this point the student will have completed three years of college in an accounting program and

should have a solid foundation in most of the topics tested on Part 1 of the CMA exam.

4. Over the winter break (January), the student uses the CMA review program materials to study for Part 1 of the CMA exam and plans to sit for this section in late January or early February of the spring semester. We recommend this timing because it's early in the spring semester and most likely before major course assignments are due. If the student is participating in an internship in the spring semester, we suggest that he or she request that it begin in late January. If the student is successful up to this point, he or she will have completed the CMA exam prior to graduation in May or June. This is quite an accomplishment and should serve as further motivation to aggressively pursue the CPA exam once the student graduates. It's also a tremendous confidence builder—the student now knows that he or she can pass a rigorous professional examination!

Note: Obviously, the total amount of study time needed to pass these two parts will vary per candidate. Based on our prescribed timing and sequencing of coursework, most of the topics covered in the required and recommended courses are quickly reviewed and reinforced in a timely manner with the CMA review program materials. As a result, we expect the total study time to be less than it would otherwise be if the student took these two parts after graduation.

5. During the second semester of the student's senior year, the student schedules tax, business law, and advanced financial accounting courses. If this isn't possible, he or she should take the advanced and/or tax course in the first semester of the senior year. Ideally, the student should take two tax courses: individual taxation and business entity taxation. If available, one tax course could be taken per semester. Although it isn't common, a second auditing course (e.g., IT auditing) also would be useful.
6. After graduation in May (with his or her degree and CMA exam completed), the student candidate immediately applies for the CPA examination, parts BEC and REG, and then relaxes for one to two weeks.
7. In June, the candidate uses the CPA review program materials to prepare for the Business Environment and Concepts (BEC) section of the CPA exam. Because the candidate recently studied for the CMA exam, the preparation time for BEC is considerably shortened since financial management, information technology, and operations management (representing 41%–71% of the BEC section) were already covered and tested in the CMA exam. And, by completing business law in the senior year, much of corporate governance is likely covered. The candidate schedules the BEC section in early July.
8. For the remainder of July and early August, the candidate uses the CPA review program material for the Regulation (REG) section. If he or she completed the business law and tax course(s) in the senior year as we advised, 75%–90% of the content tested on the REG section will be relatively fresh in the candidate's mind, reducing the amount of study time needed. The candidate schedules the REG section at the end of August.
9. While steps 1 through 8 were challenging, the real test of the candidate's dedication, motivation, and commitment is now at hand, particularly if the individual is starting his or her career in the fall after graduation. To capitalize on the fact that the candidate completed the auditing and advanced financial accounting courses in the senior year, he or she uses September and early October to prepare for the Auditing and Attestation (AUD) and Financial Accounting and Reporting (FAR) sections of the CPA exam simultaneously. The candidate gains synergy when studying for AUD and FAR together since audit issues such as analytical procedures, which involve ratio analysis and a thorough understanding of financial statement preparation in accordance with U.S. Generally Accepted Accounting Principles (GAAP), are tested in both sections. And with the emphasis on external financial reporting, technology, and analytics in Part 1 of the CMA exam, the candidate will have reviewed and been tested on many of the intermediate accounting topics tested in FAR. Also, many of the analytics, financial ratios, and professional ethics covered in AUD were tested on both Part 1 and Part 2 of the CMA exam.

The candidate schedules AUD in late October and FAR in late November (or early December). This strategy affords him or her an additional month to review the material in the FAR section. This timing is also desirable because it's before calendar year-end corporate closings and the public accounting "busy season." If successful, the May accounting graduate will complete both exams by late November, six months after graduation.

## STAND OUT ONE STEP AT A TIME

Candidates following this nine-step plan will take one exam section at a time (two while a student and four shortly after graduation), thereby capitalizing on the timing of their coursework, test-taking ability, and professional exam experience. All this should improve the chances for success on both the CMA and CPA exams. Nevertheless, we recognize that this nine-step plan is extremely ambitious and may not appeal to all accounting students even though it's a viable choice for those who are highly motivated and dedicated. It may also appeal to students who plan to go straight to graduate school to earn their 150 credit hours. Students majoring in accounting and taking additional coursework in finance are ideal candidates.


To promote and encourage students to take the CMA examination, IMA established the CMA Scholarship in 2012. It's designed for high-achieving students who attend an accredited college or university. Each academic institution can nominate 10 students per academic year, and all 10 students nominated by a professor will earn the scholarship.

The CMA Scholarship ([imanet.org/CMAScholarship](http://imanet.org/CMAScholarship)) includes the following:

- Entrance fee to the CMA program and registration fees covering both parts of the exam (additional fees apply for re-examinations);
- Access (for U.S. students) to Wiley CMAexcel online test bank for both exam parts for up to two years; and
- Up to three years of IMA membership while pursuing the certification.

Students must activate their scholarship within two weeks of notification from IMA. IMA accepts applications year-round, with most scholarships awarded April through June. This time frame fits perfectly with our recommendation to take Part 2 of the CMA exam in May or June after the student's junior year.

Nominating students for the CMA Scholarship is an investment that has a triple future "payoff" or return. First, improved success rates on professional accounting exams are direct assessment measures for undergraduate accounting programs with outcome-based assurance of learning criteria. Second, students are more likely to endorse accounting programs where they received such encouragement and goodwill. Third, those students who successfully follow our plan will have passed the CMA exam before they start their employment or graduate studies, making them more valuable to their employer, which leads to a higher demand for the institution's accounting graduates.



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