



Financial Management Association
One Washington Square
Accounting & Finance Dept, BT 850
San Jose, CA 95192
www.cob.sjsu.edu/fma

Spring 2009 Professional Development Meeting Minutes

Speaker: Stalla CFA / Becker CPA Review

March 18, 2009

4:30 PM – 5:30 PM

Held at BBC Room # 204

1. Announcements:
 - a. NHS Social on 3/19 from 6:00-8:00 at the University Room (For NHS members)
 - b. Membership Social on 4/11 from 5:00-7:00 at Lower Level of the Student Union (For all members)
 - Bowling
 - Pizza
 - Networking
 - And more!
2. Speaker Introduction: Mr. John McGowan is the CA Regional Manager for the CFA review and has spent the last thirteen years helping students reach their goals, often speaking at universities to do so. Ms. Danielle LaFors is the Regional Marketing Manager for Northern CA.
3. Interesting and significant figures who hold either a CPA or CFA:
 - a. Kenny G.- Grammy winning saxophonist
 - b. The Iceman- Ultimate Fighter Champion
 - c. Chris MoneyMaker- Professional poker player
 - d. Philip H. Knight- Former CEO of Nike
 - e. The guy who first invented gum
 - f. The Chairman of Brandes Investment Parters holds his CFA and is worth \$2 billion
4. CPA career opportunities
 - a. Tax
 - b. Audit → The most common area for new college graduates to start.
 - c. Consulting
 - d. Financial Planning
 - e. IT Services
 - f. Forensics
 - g. International Accounting
 - h. Environmental
 - i. The array of accounting careers varies from being in the FBI to track drug smuggles, being a software expert, or environmental consultant, to being an expert witness paid to testify at complex trials.
5. CPA compensation: Chart is in thousands. Salaries do not reflect overtime or bonuses. Small firms have revenue up to \$25 million. Medium firms have revenue between \$25 and \$250 million. Large firms have revenue over \$250 million.

Firm size →	Small	Medium	Large
Sr. Manager	\$76-98	\$82-120	\$92-141
Manager	62-76	69-87	75-99
Senior	48-63	53-72	60-79
1-3 years	42-49	46-56	52-62
Up to 1 year	38-44	39-48	45-55



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If you do not get your CPA within first 2 years of your accounting career, there will not be much area for improvement and promotion.

6. Careers in finance
 - a. Investment management
 - b. Investment banking
 - c. Commercial banking
 - d. Corporate finance
 - e. Financial planning
 - f. Real estate
 - g. Insurance
 - h. A large percentage of CEO's are charter holders (CFA).
 - i. If you want to have your own business, it would be good to have a CFA because your customers will know that working with you gives them exposure to someone who has relevant and up-to-date knowledge.

7. CFA charter holder positions
 - a. Portfolio manager
 - b. Financial consultant
 - c. Investment banker
 - d. Risk manager
 - e. Financial advisor/banker
 - f. Buy side trader

8. CFA global enrollment growth
 - a. Traditionally, growth was mostly in the U.S. and England.
 - b. Now, the largest area of growth is in the Far East (i.e. China, Indonesia).
 - c. The CFA is internationally recognized.

9. CFA charter compensation
 - a. U.S. reported median compensation ranging from \$156,000 to \$456,000.
 - b. Portfolio managers of equities receive the highest median compensation.
 - 5 to 10 years: \$398,000.
 - 10+ years: \$500,000.
 - c. Investment bankers and sell-side research analysts are next in median compensation.
 - d. Overall, the compensation is highest in U.S. and U.K. but is growing in the Far East.
 - e. The CFA is a U.S. designation but is recognized worldwide.

10. CPA exam: 4 parts
 - a. Financial Accounting and Reporting: 4 hours
 - Focuses on financial statements, government, and not-for-profit.
 - Pension plans
 - Cash flows
 - Leases
 - Bonds/securities
 - b. Audit and Attestation: 4.5 hours
 - Involves planning, internal control, obtaining evidence and applying procedures, reviewing the engagement, and preparing reports.
 - Compilations
 - Fraud



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- Audit sampling
- Subsequent events
- c. Regulation: 3 hours
 - Corporate and individual taxation
 - Secured transactions
 - Bankruptcy
 - Ethics
 - Contracts
- d. BEC: Business Environmental and Concepts → The most failed part because exam takers assume it is the easiest so they do not study as much for it.
 - Business structure, economic concepts, financial management, information technology, cost/management accounting
 - Foreign currency implications
 - Financial modeling
 - Disaster recovery and business continuity
 - IT

11. CPA exam format

- a. 3 testlets followed by 2 simulations
- b. You cannot go back once you have completed one section.
- c. You have about one minute and 45 seconds per question.
- d. 25% of people who walk in for a CPA exam walk out due to stage fright.
- e. Becker prepares you, providing you with up to 5,000 practice questions.
- f. The 1st three testlets are worth 70 points multiple choice.
- g. The 2 simulations are worth 30 points (specifically 20 points for simulations and 10 points for written communication).
- h. A passing score is 75 so you want to aim for as high as 80 or 90.

12. The chartered financial analyst (CFA) program

- a. Self-study, graduate-level
- b. 3-year program
- c. 3 levels of exams
- d. Result: CFA charter is much more in depth than the CPA, but the return on investment is much higher.
- e. You can take CFA in your final year of college.
- f. It is a great competitive advantage.
- g. There are close to 200,000 enrolled.
- h. The CFA changes every year.
- i. It is a practitioners' exam in which people in the field are surveyed to make sure the exam is current.

13. CFA levels

- a. Level 1:
 - Question type: 240 multiple choice
 - Exam length: 6 hours, 2 self-contained sections and you get a lunch break
 - Administration: 2 times a year → June and December
 - General theme: Investment tools
- b. Level 2:
 - Question type: 120 item set questions, which are case scenarios in which you must give advice on how to manage a portfolio.
 - Exam length: 6 hours, 2 self-contained sections and you get a lunch break



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- Administration: Only once a year → June
- General theme: Valuation
- c. Level 3: ← Pass rates are the highest for this level
 - Question type: Essay and 60 item set questions
 - Exam length: 6 hours, 2 self-contained sections and you get a lunch break
 - Administration: Only once a year → June (Like Level 2)
 - General theme: Portfolio management

14. Exam Planning

- a. There is an 18 month rolling window.
 - Once you are outside 18 months, you start losing parts of the exam you passed.
 - The last month of every quarter is blackout month.
- b. You can sit for the exam Monday through Saturday.
 - You schedule it (either online or by telephone).
 - The fall sittings fill up fast because of all the students graduating in spring.
- c. Start studying 4 to 6 months prior to exam (~18 weeks).
 - Start studying in December 2008 for the June 2009 exam.
 - Start studying in May 2009 for the December 2009 exam.

15. Requirements

- a. CFA exam sitting requirements
 - Have your bachelor's degree OR
 - Be in at least the final year of your undergraduate degree.
- b. CPA exam sitting requirements
 - Bachelor's degree with a minimum of 120 semester units
 - 24 accounting units and 24 business units
- c. CA requirements to become a licensed CPA
 - Pass all 4 sections of exam within an 18-month period, then take either Pathway 1 or 2:
 - Pathway 1
 1. 120 semester units (or 180 quarter units) of coursework
 2. 2 years experience
 3. This is the more commonly taken path because it is the easiest
 - Pathway 2
 1. 150 semester units (or 225 quarter units) of coursework
 2. 1 year experience
 3. This is the path you should take because then your firm will be able to send you to other states where your CPA is still valid.
- d. Achieving your CFA charter
 - Enroll in CFA program
 - Pass all 3 levels

16. Upcoming changes

- a. Pathway 1 is most likely going away in CA soon so it would be wise to take Pathway 2 regardless.
- b. 2009-2010 CPA Exam is going to include IFRS (International Financial Reporting Standards) content changes.
- c. CPA changes will also be made to the BEC portion, the simulations, as well as the written communication portion.

17. What Stalla offers:



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- a. Three distinct course formats
 - Live
 - Online
 - Self-study
- b. Upcoming all-day events
 - April 11th: Free simulations for CPA
 - April 2nd: CFA workshop in San Francisco
- c. For more information, go to:
 - Becker CPA.com
 - Stalla.com
 - AICPA.org
 - CFainstitute.org

Minutes submitted by:
Desirae Ubaldo
March 23, 2009