

## THE C.P.A. LAW REVIEW COURSE

Lee B. Lloyd

Twice yearly the campus of our school is invaded by strange hosts of knowledge hungry adults. These are men and women who for five weeks during the fall and spring lay down their work-a-day lives and become students again for a brief period. These are the public accountants who aspire to become Certified Public Accountants. For many of them, preparing to take the C.P.A. examination is an entirely new experience--they are full of hope and ambition. For some, it is a repeat performance--sometimes an oft-repeated performance. In these, the spark of hope may be dimmed somewhat. They all come to us for help, and we cannot in good conscience deny them the best help that our abilities will permit. One of the extra compensations we so often hear of as related to teaching is being able to give help to students such as these. Their appreciation is sincere, and their success or failure in the examination they take becomes our success or failure. It has been truthfully said that education is the only known commodity of which the consumer does not demand his full measure. It is indeed a unique experience to meet with an adult group which does expect a full measure, or more than that, demands its money's worth.

What is the reason for all of this, and why do they come to us for help?

The C.P.A. designation is still a relatively new designation as part of the general tendency toward professionalizing in our society. The avowed purpose of certification is to assure competence in the practice of public accountancy in the public interest. The uniform C.P.A. examination prepared by the American Institute of Accountants is designed to assist the State Boards of Accountancy in judging the fitness of candidates for certification. As stated in the AIA booklet, Information for C.P.A. Candidates, the examination "is restricted to the measurement of technical competence, which includes technical knowledge, skill in the application of such knowledge, and the exercise of sound judgment." The C.P.A. examination tests the proficiency of the candidate in the four areas of Accounting Practice, Auditing, Accounting Theory, and Commercial Law. The Commercial Law portion is included to measure the extent of the candidate's knowledge of "business organization and operation, including a knowledge of the principle laws concerning such organization and operation."

The University of Alabama was one of the first institutions of higher learning to inaugurate a formalized program of intensive study courses to assist candidates preparing for the C.P.A. Examinations. The program is unique in that it was one of the first--and is still one of only a few such programs--where a person can take part or all of the

course; that is, he may prepare for any or all of the four subject-matter areas included in the C.P.A. Examinations.

During the first ten-year span in which the C.P.A. Review Courses were given, more than 300 practitioners, from 19 different states, registered for the courses. In a recent survey, questionnaires were mailed to 186 of these "students." Out of the 136 replying to the questionnaire, 120, or 88% of those replying, had passed the Commercial Law part of the examination at one time or another (one on his 13th try), although only 105, or 77% of those replying ultimately qualified for certification. Of the 31 answering the questionnaire who have not yet been certified, only four have given up. The remaining 27 are still continuing their efforts. Of the 136 replying, 68, or 50% passed the Law portion on the first sitting. The survey indicated that normally no more than four or five sittings are necessary to pass the law portion, which appears to give slightly less difficulty than the other subject-matter areas of the examination.

Although a statistical study such as this is always interesting, its efficacy is somewhat open to question because of the many variables involved but not ascertained, such as the varying backgrounds of the candidates, varying abilities, varying motivations in taking the review courses or in sitting for the examinations.

The Review in Commercial Law lasts one week. It includes 34 hours of "classroom" work during which the instructor somehow must review or instill for the first time basic considerations involved in some dozen or so legal subjects. The problem here is how best to utilize that time to the greatest advantage of a group with backgrounds varying from that of persons with degrees in law to persons who have had absolutely no formal education in law. Occasionally, a candidate has not even had a basic business law course at any level.

The first consideration in attempting to solve this problem is the time limitation involved. The instructor will be unable to make polished legal experts out of the students, so that should not be attempted. Little time can be spent on technical niceties. All considerations must be subservient to one overriding primary objective--to enable the candidate, somehow, to make a passing grade on the forthcoming C.P.A. Examination. In order to attain that objective the course must be, to that extent, a "rifle-shot" course.

The next obvious consideration is to decide what subjects or parts of subjects should be reviewed within that limited time in order to afford maximum help to the candidate. Clairvoyance will help here. Without that trait, the instructor's next best source is to look to past patterns of subject-matter treatment in the examinations. An analysis of the past patterns of questions, with regard to subjects included, is here presented in terms of what, for lack of a better term, we shall call a "probability" chart:

Number of Questions and Degree of Probability  
in Legal Subjects Classified

	<u>Almost sure</u>	<u>Probably</u>	<u>Maybe</u>	<u>Possibly</u>
Contracts	1		2	3
NIL	1		2	
Sales	1		2	
Agency	1			2
Partnerships	1			2
Corporations	1			2
Bailments & Carriers, Surety- ship Insurance, Bankruptcy, Administrative Law		1 each		
Wills, Trusts, Property, Security				1

From this chart it may be noted that according to the pattern of past questions, the normal C.P.A. Examination is almost sure to include at least one question on Contracts, maybe two, and possibly as many as three questions may be so classified. The candidate can be almost sure of being asked one question each on the subjects of Negotiable Instruments and Sales, and maybe two on these subjects. He can be almost assured of one question each on the subjects of Agency, Partnerships and Corporations, with possibly a second question in each of these subjects. The other subjects listed on the chart have been slightly less popular as sources of questions.

Within each general subject-matter area, the instructor should next look to frequencies in terms of specific topics. Generally, the questions previously asked have been quite widely distributed over various topics within each subject-matter area. Occasionally, however, the instructor will find that certain phases or topics of a subject appear to be favored. Good questions can be built around them, therefore these topics have frequently been used as the source of questions. These topics then become "musts" within each subject. In fairness to the Institute it should also be noted that the topics frequently repeated as bases of questions are normally among those which a competent instructor might well consider fundamental to the subject anyway.

Having arrived at these conclusions with respect to where the emphasis of the course should be in terms of past examinations, the

instructor has something of a substantive yardstick by which he can allocate his time in accordance with importance of the subject and the topics included therein. His next problem is to interpret this substantive yardstick in terms of the basic objective--to give the candidate concrete help toward passing the examination.

The first area of important and practical concern pertains to form in answering questions. This basic problem is nothing new to the professional teacher, and it is by no means unique to C.P.A. candidates, but it is deserving of attention. Time must be taken to remind the candidate of his responsibilities with respect to grammar, punctuation, neatness, completeness of answer, care in reading questions and answering all parts, and such matters. The candidate should also be reminded of the psychological disadvantage to which he subjects himself if he fails to present his answers in acceptable form. It may be well to point out also that the candidate has all to gain and nothing to lose by attempting to answer a question in preference to leaving it unanswered. An intelligent guess, though incorrect in whole or in part, will yield more points than will a blank sheet of paper. For the same reason, if the candidate is going to err as to the length of his answer, he should not err on the side of brevity. The candidate should be encouraged to develop an analytical approach, to present his conclusions clearly, to state the rules of law supporting such conclusions concisely, and to apply such rules properly to facts given.

In many states, the candidate can have his examination papers returned to him when he has been unsuccessful. Such candidates should be encouraged to bring these papers with them and should have the advantage of the instructor's critique both as to form and substance.

Although the mechanics of properly preparing an answer are of vital importance, the teacher's ultimate concern is principally that of reviewing, or assisting in the understanding of the substantive law of these chosen subjects, which have been isolated to some degree.

We all abhor over-simplification and the "short-cut" or "gimmick" method of learning. However, in fulfilling an undertaking such as the one under consideration, the instructor would be remiss in meeting his responsibilities if he had been able to devise such a "short-cut" but failed to impart it. The writer's view in this connection may be summarized as follows:

Detailed rules of law cannot be "force-fed" the student; he must learn for himself if he is to learn at all. This learning process is much simplified if what he learns makes sense and fits normally and reasonably into some larger, more general pattern of human behavior or social concept.

This division of responsibility then is clear: the instructor has the responsibility of presenting the law as a mosaic; the student

must accept the responsibility of fitting the parts into this mosaic. If the student understands how a particular legal principle, or a set of legal principles, fits into a larger legal concept, his learning process is made immeasurably easier. The difference, therefore, between memorizing and learning lies in knowing why a particular law is as it is. In short, the instructor must present any legal principle, wherever possible, as constituting a simple and normal conclusion based upon some historical concept or some theory of social evolution, ethical behavior, or business operation.

For example, the modern distinction between Law and Equity is understandable only on the basis of its historical development. Likewise, the highly technical and somewhat mechanical rules of the Uniform Negotiable Instrument Act will be simplified tremendously for the student who understands first the practicable desirability of facilitating the free flow of negotiable instruments in commercial channels. The same is true of the various negotiable documents of title. The intricacies of corporation law makes sense only when considered in the light of the separate entity concept.

Textwriters have been fairly successful in applying the above principle. That is, they normally at least attempt to create a nucleus in the introduction of a subject around which the body of the subject can be constructed. A far more difficult problem is that of integration. There is a tendency to treat each subject as an integrated whole in itself, when in fact they are entirely interdependent and interrelated. The instructor must somehow keep the student ever aware of this fact.

Although the standard academic course offerings provide sufficient challenge to keep the instructor alert, a group of adults looking to the attainment of a specific goal as the result of short-term classroom instruction tests the mettle of the most competent among us, and raises new horizons in this business of teaching.