
Performance of Southern Luzon State University – BS Accountancy in the Board Licensure Examination: A Basis of Proposed Intervention Program

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ABSTRACT

The study looked into factors that affected the performance of Bachelor of Science in Accountancy (BSA) Program at Southern Luzon State University (SLSU) in the Board Licensure Examination for Certified Public Accountant (CPA) to determine the intervention program necessary to improve the passing rate. Descriptive-correlational design was used wherein four hundred nineteen BSA graduates who took the board examinations from May 2014 to October 2018 were surveyed using a validated researcher-made questionnaire. Documentary analysis was utilized for evaluating the data obtained from Professional Regulation Commission (PRC). Results revealed that the institutional passing rate generally failed to surpass the national passing rate; repeaters performed well than first time takers; May examinations schedule is higher than the average of October examinations; and that the examinees were generally weak in Taxation subject. Results also showed that student factors: high school academic rating, OLSAT non-verbal ability, College GWA, college scholarship and attitude towards accounting influence the performance in the board examination. Statistical analysis indicated that school factors: faculty competency and school's facilities and resources have significant relationship with BLECPA. Lack of confidence due to unfamiliar topics/questions encountered during the review and actual board examination was the number one hindering factor experienced by the examinees. Results of the evaluation made by the respondent-passers and non-passers on the factors affecting the licensure examination showed that they differed significantly in their assessment on the respondents' attitude towards accounting, faculty competency and school's facilities and resources.

1. Introduction

The accountancy board examination is prominent for being one of the toughest examinations that a student may ever take (Pattaguan, 2018; Oliva, et. al, 2017; Tan, 2015; Perez, 2015; Herrero, 2015; Tan, 2014; Sagarino and Corpuz, 2011; Abrugar, 2009; Bala, 2008). It is stressed within the study of (Lianza) 2016 that Philippine Board Licensure Examination for Certified Public Accountant (CPA) is regarded as one of the few complex, challenging and enduring professional examinations equally in terms of coverage and breadth of assessing one's knowledge of practical concepts and applications. The true measure of any board program is passing the ultimate test, the board exams (Castillo, 2018; Buenaobra and Medallion, 2013). But to attain the title "CPA", a complete preparation and persistence is needed to pass the difficult board examination. The attainment of the license is not easy; with this the degree holders who aim to be licensed attend review schools after graduation to prepare themselves for the board examination. Even though examinees come prepared, many fail to achieve passing marks in the exam. Such difficulty is attributable to the Accountancy program being an altogether challenging course. It encompasses a vast array of topics. Though it involves math, unlike most popular belief, the essentials are oftentimes very basic, accounting however is very analytical in nature. It is also very heavy on grammar. There may be little difference

between on and of grammatically, but in accounting, the treatment is night and day where prepositions such as to and from would be crucial to mix up.

Given this punitive image of the journey becoming a CPA many would opt to not take the accounting course. However, there are still those people who would courageously take the course and would eagerly want to become a CPA someday, recognizing the global demand of the profession. With the growing and continuous demand for business expansions and amalgamations, a remunerative position is guaranteed for every CPA here and abroad. Every company, big or small, handles a certain amount of money and it is part of the accountant's responsibility to manage the financial functions of the business. Simply, there is always a need for accountants in a business or organization for company's financial operations. Accounting professionals are significant help to managers in understanding threats and opportunities presented. They are hired to aid business owners and investors to make good decisions and optimize the use of their resources. The changing time has indeed affected the CPA's role in the business world today. The new Accounting has changed CPA's role from being a person behind the piled-up yellow papers recording historical financial records into a front-liner that participates in the decision-making for the company. Businesses require an assortment of extremely technical accounting services necessitating knowledgeable accountants to deal with expanded government protocols, as business procedures and practices become more complicated with the implementation of new tax rules and regulations and adoption of new accounting standards on reports and statements. The practice of accountancy truly plays a very essential part in the world that is advancing towards international market economies with portfolio of investments and activities intersecting borders. (Castillo, 2017).

According to Republic Act No. 9298 (RA 9298) commonly known as the "Philippine Accountancy Act of 2004" or simply the Philippine Accountancy Act, the need for accountants is well recognized by the State for nation building and development. With this it shall develop and nurture competent, virtuous, productive and well-rounded professional accountants through its regulatory measures and programs which include the CPA Licensure Examination. The said board examination measures the mastery of an accountant with regard to relevant topics. Commission on Higher Education on the other hand, lists accountancy program as one of the priority courses in the country until 2018 as the accounting profession enables one to contribute to the country's economic development. Given this demand of the profession, it is expected that universities offering the accountancy program must equip accountancy majors with sufficient knowledge and teaching them the skills that they are going to utilize that will guarantee them a seat in the corporate world with a job related to accountancy. The question is "Who produces these accounting professionals. No less than the academic institutions in the country. School performance thus comes into play.

Universities play a key-role in developing students' potential. The attribute of education of an academic institution is centered on different performance indicators which include among others the percentage of graduates, degrees conferred, accreditation and academic advancement of students. Jalagat (2016) submits that the total effectiveness of a school or program is mirrored through the ability of the Accountancy program students to pass the licensure examination, the capability of its graduates to successfully obtain employment and with their competence in advancing their career as professional accountants. The result of the CPA Licensure examination is an important indicator of school performance. It is used for a number of purposes such as academic program accreditation, application for centers of development and excellence, autonomy and deregulation status. Schools generally use the national passing percentage as a reference whether they perform well or not in the board examination (Tan, 2014). Apparently schools whose passing percentage surpass the national passing rate celebrate their satisfactory performance and persist to do better, while whose passing rate is lower than the national passing percentage admonish and aspire to do better next time. Poor performance of the graduates in ten CPA Board examinations within a period of five years could lead to a gradual phase-out and eventual closure of the school's accountancy program in accordance with the Commission on Higher Education (CHED CMO-03-s2007) policies and procedures. Schools shall be given a warning or shall not be allowed to offer accountancy program should the overall rating pitch lower than the national passing rate and consequently, they had to comprehensively monitor the passing performance of the graduates. It is in this foundation this research is based. It is apparently appropriate for an institution with professionals and educators to contribute time and resources to further enhance and advance programs having licensure examinations with a positive and high demand for graduates in the business and government sectors. Furthermore, the school must persist its efforts and assistance to strengthen such programs. The performance of each program with licensure examinations must be considered in identifying its priorities.

Southern Luzon State University (SLSU) is committed with its mission of providing quality education to its students who are said to be lifelong learners' through the implementation of Outcomes-Based education. SLSU is one of the educational institutions which aim to provide quality education and to produce globally competitive graduates in different fields. Bachelor of Science in Accountancy, under the College of Business Administration (CBA) presently College of Administration, Business, Hospitality and Accountancy (CABHA), is one of the programs of SLSU which undergoes board examinations.

The average passing rate of SLSU in the Accountancy Board Licensure Examination for the five-year period 2014 to 2018 is 27% or 2 or 3 examinees out of 10. This result only demonstrates that not all graduates of the Accountancy program were ready for the board. Some honor graduates even failed. It is imperative thereby that forward-thinking and perpetual intervention programs be undertaken to increase or improve the SLSU accountancy graduates' performance in the Board Licensure Examination for Certified Public Accountant (BLECPA). This intervention program must be based from the results of studies; therefore, this research is conducted to derive findings that will provide as the basis for the program.

2. Literature Review

Factors Affecting the Performance in CPA Licensure Examination

There are myriad of reasons associated with the performance in the Board licensure for CPAs, the majority of which are the college academic rating or achievement as measured in GWA or GPA; the college entrance examination and faculty competencies as mirrored in their instructional skills. In the study conducted by Guanzon and Marpa (2014); and Pascual and Navalta (2011), admission test rating can be linked with respondents' licensure examination; hence it was suggested that institutions should provide an entrance test that has a predictive validity with board exam to screen and control the passing rate. In the same way that entrance examination score of incoming students is one of the critical factors in the determination of performance of SLSU graduates in various Board examinations as mentioned by Daya, et. al (2015).

In the study of Tan (2014), among the parameters mentioned, the academic performance of the college student substantially correlates with the performance in BLECPA. While it is not to be considered a conclusive fact as stated by Tan (2014), the result of the study demonstrated that honor graduates have better chance of passing the licensure examination for CPA. This concurs with the statement of Abellera (2012) and has been validated and supported by several researchers in their studies correlating academic performance and the performance in the board exam as stated in Bongalonta, et.al, 2018 and Alanzi, 2015; This presupposes that the more the graduates of the Accountancy Program academically perform well the more probability they will pass the CPA Board Examination.

Pattaguan (2018) states that study habit is the most important factor and must be consistent in passing the board licensure examination. According to the respondents in the study, Accounting subjects need a thorough understanding of concepts. A good focus in studying and reviewing will definitely help; and effective methods can be relied heavily along with hard work and ability. It has been tested and proven that learning styles influence the academic performance of the students. This indicates that study techniques play an important role in the learning process to ensure better results. On the other hand, Sagarino and Corpuz (2011) highlighted that some personal aspects particularly during the review stage were contributively the hindering factors affecting the respondents' performance. Lack of focus and failure to undergo intensive review due to various extracurricular activities were some of the culprits why one would not succeed in the first take.

In studies that address students' attitude towards accounting, authors determine the factors that may trigger the perception of students towards accounting particularly the course and the professors. Chawla, et. al (2013) believe that it is the responsibility of the teachers to develop the positive attitude of students towards the accounting course, while Aquino (2011) sees the importance of school to evaluate some considerations that may lead to the improvement of study habits and attitude and ultimately the academic success of the students. The study of Aquino intends to compare achievers' and non-achievers' study habits and attitudes in order to design a fitting intervention program integrating corrective measures and strategies. As a result, confluent educational theory was introduced, which apparently has been proposed by other authors. This principle advances systematic and holistic approach and utilizing confluent learning strategies that will empower personal and social-emotional needs of the students.

Several studies were already made by universities and colleges to ascertain techniques and strategies on how to improve CPA performance rating focusing on internal factors such as faculty, facilities, and retention and admission policies. Faculty plays a crucial role in the transformation of the students. It cannot be refuted however, as claimed by Jalagat (2016) that although students play the major part in the preparation for their licensure examination, the teachers on the other hand are the crucial

character for the students' development in the classroom. Teachers play the role of being steward of learning to the students as they make the shift of knowledge attainable. According to a researcher as reiterated in Jalagat (2016) the system of realizing the objectives of tertiary education is dependent on the competency of college educators. Educators must know what are the effective means and techniques to accomplish the desired goal and objectives. This will include acquiring educational values and advancing their professional qualification through seminars, trainings and conferences that will level up their capabilities and performance.

Pattaguan (2018) states that BS in Accountancy Curriculum is a contributory factor in not only passing the licensure examination but also in topping the board exams. The respondents referred their university curriculum as sufficient and systematic. The curriculum equipped them with necessary foundation in the actual board examination. The integration of Review covering all the board-related subjects in the program of studies is also instrumental in the outstanding preparation for the Licensure examination as it provided reinforcement of learnings taken before the final year in college. Lianza (2016) mentions that development of effective curriculum and Instruction should complement with the kind of graduates a university is producing. These graduates should be academically and mentally prepared to step into the real world after four or five years studying theories and concepts.

Colleges and universities offering the BSA program have a rigorous admission policy set by the Commission on Higher Education. Jalagat (2016) and Limjap (2002) state that one of the considerations in achieving success in examination is through the rigid implementation of the schools' admission along with the enforcement of well-defined and comprehensive retention policies as these heavily affect the graduates' performance in the CPA board examination. Unsatisfactory academic performance can be remedied by a retention policy adopted by the program, which has been widely used in higher institutions especially in courses with licensure examinations. Despite the fact that retention policy is extensively implemented in schools in the country, successful performance in BLECPA is not instantaneously guaranteed.

3. Methodology

The study was conducted using the web-based online survey tool Google Forms to collect the data from the respondents using a validated-researcher made survey questionnaire. Some of the questions were taken from the study of Tan (2014), Tan (2015), Del Mundo and Refozar (2013) and Sagarino and Corfuz (2011). It was participated by 419 graduates composing of 116 passers and 178 non-passers. Quantitative research design was employed in determining the respondents' academic profile, predictors of the board examination performance and the hindering factors encountered by the respondents during the review stage. Conversely, qualitative method was utilized in identifying the strategies to be adopted and polices to be drafted in order to increase the passing percentage in BLECPA. Correlational research design was also used in exploring the degree to which the respondent's academic profile and factors associated to students and school, impact the licensure examination performance. Documentary analysis was also used in this study in establishing the performance of SLSU BSA graduates in the Board Examinations for CPA taken from the PRC official records who took the Exams from May 2104 to October 2018. The analysis is advanced further by taking the ratings per subject per examination date to probe which board subjects examinees were generally weak at.

4. Results and Discussion

The study aimed to assess the performance of SLSU students in the Board Licensure examination for Certified Public Accountants and specifically the level of performance per subject for the period May 2014 to October 2018. It also intended to find significant relationships between the licensure examination performance and the following: the academic profile of the respondents; student and school-related factors; and the teaching profile of the BS Accountancy faculty. In addition to that, the hindering factors encountered by the respondents during the review stage and actual board examination were sought. Further, significant differences between the response of the passers and non-passers were also tested. Moreover, an intervention program was formulated for BS Accountancy program of SLSU to increase or to improve the passing percentage in BLECPA.

4.1 Performance in BLECPA for the period May 2014 – October 2018

The average passing rate of the school for the five-year period is 27.62% while the national passing rate is 33.29%. 19.32% successfully achieved their goal of becoming CPA in their first take of the examination, while 26.23% passed the board with two or more takes. Upon comparing the average of May and October examinations, the grand mean of school rating for May is higher compared to that of October schedule. Practical Accounting 1 garnered the highest score rating while Business Law

and Taxation got the lowest rating from the average of May 2014 to October 2015 examinations. AP, P2, AT and BLT showed a very weak performance while P1, MAS and TOA resulted to weak performance. For May 2016 to October 2018 examinations, with the new set of prescribed subjects, MAS obtained the highest rating while Taxation got the lowest score. The overall rating for the subjects MAS and RFBT were found to be weak while the rest of the subjects showed very weak performance.

4.2 Academic Profile of the Respondents

The High school rating of first takers ranges from 91.50 - 93.99; while repeaters and non-passers belong to the 89 – 91.49 range. Majority of the respondents had an average performance in the College Entrance OLSAT in verbal ability for both comprehension and reasoning; while their level of competence in terms of non-verbal ability for both figural reasoning and quantitative reasoning were above average. Most of the respondents' College Admission Test score ranges from 70 – 84%. The College General Weighted Average of those who passed the board in their first attempt arrays from 1.46 – 1.75 while majority of the repeater passers and non-passers' grade ranges from 1.80 – 2.0. More than half of the total respondents were able to secure scholarship or financial aid from different government agencies and private individuals and organizations. Majority of the respondents' chose Review Center No. 3 with percentage distribution of 42%.

4.3 Factors affecting the performance in Licensure Examination

Majority of the respondents had a generally good study habits. For most of the passers it is imperative to understand the concept first before answering the problems while it is important for the non-passers to submit their assignments and projects on time. Most of them did not spend their free time studying in the library. First takers had generally a very good review preparation before the board exams. They embraced the strategy of studying smarter and focus more on the subjects they find challenging. Repeaters on the other hand, consulted the textbooks whenever they encounter difficult problems while non passers found it important to employ different techniques while reviewing before the examination. Respondents generally had high favorable attitude towards accounting. They find Accounting as important as any other subject but least enjoy the challenge presented to them by Accounting.

Majority of the first takers also appreciate that faculty shows genuine interest when dealing with the students, while repeaters and non-passers acknowledge that faculty inspired and motivated their interest in accounting. Most of them however were in agreement that faculty were not able to accomplish the entire topic in the syllabus.

Most of the respondents recognized that subjects taught are consistent with the course description; however found the Curriculum does not provide enough practical experience related to the course for which the students are being prepared. Some of them find it ineffective that review subjects are integrated in the curriculum.

Majority of the respondents admitted that retention policy prompts the students to be more serious in passing the subjects specially the board related ones. Some of the first takers believe that the retention policy was not clearly defined and strictly implemented as this statement obtained the lowest mean for them; while some repeaters and passers were in agreement that policy being implemented in the program does not help in increasing the passing percentage of the school as this garnered the lowest mean for them.

Most of the respondents agreed that school does not provide fast internet access which they need for their learning and studies as reflected by the weighted mean of 2.10 with verbal interpretation of somewhat implemented. They acknowledged the provision that library contains sufficient holdings of necessary volumes of books and copyright of latest editions to be present however limited.

The number one hindering factor that respondents have experienced while reviewing before the board and during the actual examination was that they encountered unfamiliar questions or topics that caused them a lower confidence level. Personal factors like lack of focus and failure to cope with the review discussions easily were some of the pressing problems of the examinees prior and during the examination. The least of their concern was the lack of sufficient family support both financially and emotionally.

4.4 Significant Relationships and significant differences

The results indicate that among the academic profile of the respondents, high school rating, college entrance OLSAT non-verbal ability, college General Weighted Average and college Scholarship have significant relationship with the performance in the board licensure examination. High school rating and College OLSAT non-verbal ability have both weak positive relationships with BLECPA performance; while GWA and scholarship has strong positive relationship and very low relationship

respectively. Respondents' performance in the board examination is not dependent on the students' study habit and review preparations but dependent on their attitude towards accounting, however with very low correlation.

Among the school-related factors, faculty competency and school facilities and resources significantly relate with the performance in the licensure examination in accountancy with very low correlation and weak positive correlation established correspondingly. It was also revealed that there is no significant relationship between the BLECPA performance and the accounting teachers' educational qualification, academic rank, seminars/trainings attended, teaching experience and subjects taught.

Passers and non-passers differed significantly in their assessment in only three areas of factors affecting the licensure examination. These areas include respondents' attitude towards accounting, faculty competency and the schools' facilities and resources.

5. Conclusion

The school's passing percentage from May 2014 to October 2018 was not impressive. Repeaters performed well than first time takers as the former have already mastered the concepts and applications, which however does not hold true for most of the studies wherein majority of the first takers or fresh graduates passed the exam in their initial take as they have fresh memories of their acquired learning. The examinees are generally weak in Taxation subject which means that respondents have poor grasp both on the concept and practical applications they have learned about tax. Between the two scholastic abilities, respondents performed better in non-verbal than in verbal measures which means that they are more comfortable in dealing with numbers and figures than being constructive thinker and vocabulary-oriented. Some of them really find Accounting a very difficult subject that caused them to appreciate less the challenge presented by Accounting. It is a challenge for the faculty members to accomplish all the topics contained in the syllabus, hence it is a predicament of whether to lecture less or to lecture slower that may affect both the bright and struggling students. Some topics such as latest tax laws, pronouncements and standards were neglected in the undergraduate studies; not included in the BSA curriculum nor discussed in the actual CPA review but given in the CPA board examination. Respondents considered this as number one hindering factor they have experienced before and during the examination that resulted to a lower confidence level.

To improve the performance of the BS Accountancy graduates of SLSU, an intervention program is proposed where objectives are developed and guidelines formulated in conducting activities and strategies to direct the persons involved. It is important however that to have a desired impact, as mentioned by Garcia and Al Safadi (2014), the following must be addressed: involvement of all the stakeholders; presence of clearly defined objectives and strategies; and strict facilitation, implementation, monitoring and evaluation by qualified and dedicated individuals who support the Accountancy program's goals and objectives.

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