

Correlation of the LPU-Batangas BS Accountancy Retention Program and Certified Public Accountant Licensure Examination for AY 2015-2017

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With the intention to develop an intervention program to enhance the CPA board examination passing percentage, the researchers were motivated to conduct this study which examined the retention and performance of the Accountancy program in the areas of academics (average grade), mock board and CPA board examination ratings covering the Academic Years 2015- 2017. This study used the descriptive design; correlation was performed to determine the relationship of each of the two variables, academic performance, and mock board to board exam. Interviews were also conducted to support the findings of the study. Statistical analysis indicates that only academic performance has a moderately positive relationship with the board examination. Generally, the mock board does not show significant relationship with the board examination. However, in the interview, it revealed that it has an important role as it is considered as a good tool for preparation in the actual board examination.

Keywords – *academic performance, analysis of CPA board exam performance*

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INTRODUCTION

The accountancy profession is arguably the most important occupational group in contemporary economy and society [1]. Being a Certified Public Accountant (CPA) is not easy. One has to graduate with a bachelor's degree in Accountancy and pass the CPA board examination in the Philippines. It is said that the CPA licensure examination is one of the most difficult board examinations in the entire career professionalism. It is the reason why Universities and Colleges offering BS Accountancy Program are always monitoring its performance in the licensure examination. According to study [2] performance is a measure to determine the quality and standard of education the school provides to its graduates.

Under the Philippine Accountancy Law (RA 9298, Section 16) [3], it clearly states that “to be qualified as having passed the licensure examination for accountants, a candidate must obtain a general average of seventy-five percent (75%), with no grades lower than sixty-five percent (65%) in any given subject. In the event a candidate obtains the rating of seventy-five percent (75%) and above in at least a majority of subjects as provided, he/she shall receive a conditional credit for the subjects passed; provided, that a candidate shall take an examination in the remaining subjects within two years from the preceding examination”.

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candidate must obtain a general average of seventy-five percent (75%), with no grades

The quality of graduates produced by an institution is measured by their performance in board examinations [4]. Universities and Colleges usually develop intervention and remediation practices to further increase the number of passers in licensure examination ([5], [6]. With this, the College of Business and Accountancy is continuously devising retention policy to improve its licensure examinations performance. Several studies were conducted to gain inputs that will help in the program. To mention, as early as the enrollment procedure, the student applicant is already screened by accepting only those incoming First Year with the high school general average grade of 85%. Re-sectioning takes place every semester after considering the grades in English, Mathematics and Accounting subjects. A qualifying examination is given after completion of third year simulating the actual board methods and standards, following the zero transmutation to determine who will qualify to BS Accountancy Program. The successful passers together with the parents are met and the importance of parents or guardian's support on the studies of the students are discussed. This is to enlighten the parents on the difficulty in passing the licensure examinations. With this action, the College is expecting the parents to help their children to at least manage their time in studying and their household work.

Despite student effort, many are still not succeeding in passing the examination. In the article [7], it says that to pass takes time, patience, determination and self-control. In the research conducted [8], it revealed that there is declining national trend of school performance in the Certified Public Accountant Licensure Examination and found out that large number of examinees did not contribute well to increase the record of passing percentage.

According to Oliva et. al. [9], having not succeeding in passing the examination can cause on the downward trend of CPA licensure examination. This downward trend is can be due to the perception of most people in the accounting sector that it is one of the most difficult or tough government licensure examinations in terms of breadth and coverage Other studies revealed that the difficulty of the CPA Licensure Exam could also be attributable to its contents and coverage [10]. This downward trend in performance can also be due to personal difficulties such as lack of preparation by graduates who took the exam and failure to enroll in a review class due to budgetary constraints [11].

As a resolution, mockboard is being practiced by the university to help the students to perform better in the actual examination. Mockboard is a valuable tool for

students to use as a learning activity to familiarize themselves with question styles and overall board exam performance. With these gaps, it is imperative that innovative and continuous intervention programs be undertaken in order to maintain or improve the performance of students in CPA board examination.

OBJECTIVES OF THE STUDY

This study aimed to determine the correlation of the LPU- Batangas BS Accountancy retention program and the CPA board examination performance for the period 2015-2017. Specifically, this study presented the Accountancy retention program and in terms of academic performance, retention rate, and mock-board examinations; described of the CPA board examinations performance for the past three years; correlate the academic performance and mock-board to board examinations; and propose intervention to improve the passing percentage based on the findings of the study.

MATERIALS AND METHODS

Research Design

The study used the quantitative descriptive research using documentary analysis which involves the collection and analysis of numerical data to explain certain phenomenon [12]. It explored on the available data which covers the results of mock-board exams and the CPA Board examinations. A correlational design was used to measure the causal relationship between variables.

Participants

This study used the data of eighty-one (81) students BS Accountancy students who took both Mock Board Examination and CPA Licensure Examination for the year 2015 to 2017.

Instrument

The data were provided by the College of Business Administration consisting of graduates who passed and failed the Mock Board and Licensure Examinations. The researcher will get at least 305 respondents from the total number of 652 bank employees from the 64 active banks in Batangas City.

Data Analysis

Data gathered were tabulated and analyzed. Frequency count, average, percentage are the statistical tool used to describe the performance of students. Quantitatively, Pearson r correlation coefficient was performed to determine the relationship of each of the variables, academic performance, and mock-board examination to CPA board examinations.

RESULTS AND DISCUSSION

Figure 1: BS Accountancy Academic Performance 2015-2017

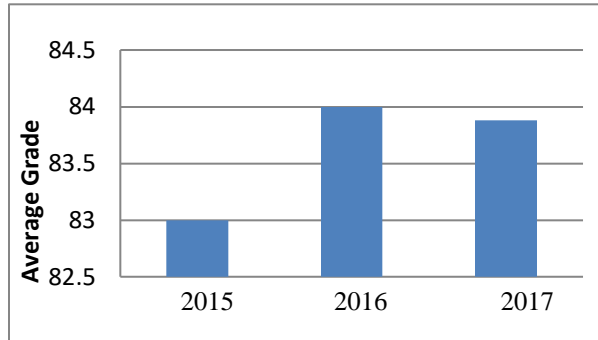


Figure 1 shows the academic performance of graduates based on the average grades of the accounting subjects taken by the 81 students who were subject in the study. The grades range only from 83-84 percent which is considered average and consistent for 3 years. It can be validated here that Accountancy course is one of the most difficult professional courses according to Abrugar [13]. In LPU-Batangas, it is the practice to use different grading system for professional courses. This is to ensure that the final grades obtained by the students will not be over-stated as compared to the board examination grading system.

Table 1

Bachelor of Science in Accountancy Retention Rate

Academic Year	No. of Students Per Batch	No of Graduates	%
2014-2015	112	30	26.79%
2015-2016	108	24	22.22%
2016-2017	103	27	26.21%

Table 1 on the other hand, represents the retention rate of Accountancy students. The retention rate computation is based on the number of students who graduated under the program compared to the number of students who enrolled on the First Semester per batch per school year or academic year. It can be seen that there is an average retention rate of 25.07 percent for the past three (3) years. The retention program of the college can be said to be very strict, considering that only 22 – 26 percent were qualifying to finish the BS Accountancy program. Starting from taking Accounting 101 (Basic Accounting), after the Completion of the course, the retention begins. There will already be re-sectioning process conducted to group the Accountancy students accordingly. This happens until the students reached the 3rd year. Afterwards, qualifying examinations will be taken that will determine finally the students that will continue to BS Accountancy program. However, during the process, there are also some students who volunteered to transfer to another program if they believe that Accountancy is difficult for them. This further implies that Accountancy is a tough course as very few survive. This process of eliminating students in the program infers that the College really upholds to the vision of the University of producing quality graduates. This action supports the study [4] saying that retention policy in the Accountancy program examines the retention standards for the students of Accountancy which are predictive of an examinees success in the Certified Public Accountant Licensure Examination.

Table 2 presented the Mock Board performance of the students. For the three years covered, for 2015 out of 30 students only 5 or 16.67 percent passed, 20.83 percent for 2016 and 18.52 percent for 2017. It has an average of 18.52 percent passing rate. The highest score obtained is 79 percent for 2015 and 69.25 percent is the lowest and the average score is 72.67 percent. For 2016, the average grade is 72.04 percent and 72.56 percent for 2017.

Table 2. Mock Board Performance 2015-2017 Graduates

Year Graduated	Number of Graduates	Exam Results				Highest Score	Lowest Score	Average
		Passed	Percentage	Failed	Percentage			
2015	30	5	16.67%	25	83.33%	79.00	69.25	72.67
2016	24	5	20.83%	25	79.17%	76.90	67.98	72.04
2017	27	5	18.52%	25	81.48%	83.33	66.83	72.56
Total	81	15	18.52%	75	92.59%			

It is also in this year that the highest and the lowest scores in 3 year’s comparisons were obtained in the mock board examinations. The passing rate performance in the

mock-board examinations is consistent with the academic performance. Though the grades registered only average ratings, the increase and decrease in academic average

grades showed the same effect for the mock-board examination results. As noticed further, very few are passing the mock board, per feedback in the interview, the mock board administered by the College is more difficult as compared to the actual board examinations. With this, the student candidate will realize how difficult to pass the board examination which will motivate them to study

harder. This supports the study of Sagarino and Corpuz [14], that one primary reason on why students failed in the actual board examination is over confidence. This refers to the thinking of the students that passing mock board would mean they will also pass in the licensure examination since mock board exam is harder than the actual exam.

Table 3. CPA Board Examination Performance

Year Graduated	Number of Graduates	Number of Takers	Exam Results					
			Passed	Percentage	Failed	Percentage	Conditional	Percentage
2015	30	28	16	57.14%	9	32.14%	3	10.71%
2016	24	24	15	62.50%	7	29.17%	2	8.33%
2017	27	24	8	33.33%	15	62.50%	1	4.17%
Total	81	76	39		31		6	

National Passing Percentage: 2015 October 2015 (41%); 2016 October 2016 (36%); 2017 October 2017 (30.45%)

Table 3 showed the performance of the 81 students under study for the past 3 years. The figures reflected here refer only to the students who took the board examination for the specified year under the list of graduates. From 2015 to 2016 there is increase in the percentage of passers, an increase of 9.38 percent based on the previous year, however, there is sudden decrease of 46.67percent in year 2017 which is alarming.

Comparing the decrease in passing rate of the college to the over-all passing rate, it registered 41percent, 36percent and 30.45percent for year 2015, 2016 and 2017 respectively. From 2016 to 2017 there is percentage decrease of only 16.67percent as compared to the 46.67percent decrease in college performance. Furthermore, if the overall passing rate will be used as benchmark, the college did well in 2016 where there is increase in percentage of passers and yet the national passing rate is 36 percent or decrease of 14.67 percent.

As to scores obtained in the licensure examinations, for year 2015, the highest score is 87.57percent and the lowest is 56.86 percent, for 2016, 88percent & 59.17percent, for 2017, 87.33percent and 50.33percent highest and lowest scores respectively. However, since the computation on performance is based on the first-time takers only, it is also important to acknowledge the performance of the students who passed the board exams for the 2nd and 3rd take. In 2016 batch, where only 15 passed the first time, considering the results May 2018 there now 17 successful passers, for 2015 out of 30, 23 are already passed, and for 2017 takers, there are now 12 CPA's.

Overall, the obtained ratings are still above the national passing rate for the past three years. These results

can be compared in the study Laguador and Refozar [8], saying that Five-Year Declining Performance of Private schools had been registered because they have the most number of examinees as compared to HEIs with one (1) to less than ten (10) examinees in the licensure exam.

Table 4. Profile of the Board and Mock Board Performance 2015-2017

Type of Exam	Statistical Measures				
	Mean	Median	SD	Skewness	Range
Board	75.29	77.44	9.44	-1.018	37.67
Mock Board	72.45	71.83	3.17	1.12	15.35

Table 4 presents the statistical measures on the comparison of mock board examinations and CPA Licensure examinations. The standard deviation of 9.44 and 3.17 for the two examinations shows the distance of each score to the mean average.

This represents the homogeneity of the scores which connotes that the score in mock board examination is closer in values compared to mean as compared to scores in board examinations. The skewness on the other hand presents the symmetry on scores of the two exams. Negative skew means it is skewed left, where the distribution has more values are plotted and the tail is longer on the left side [15].

This denotes that the mean score is lower than the median and mode due to data distribution. As to range there is gap of 37.67 between the highest scores and lowest scores of 88percent and 50.33percent while lower gap in mock board examinations of 15.35.

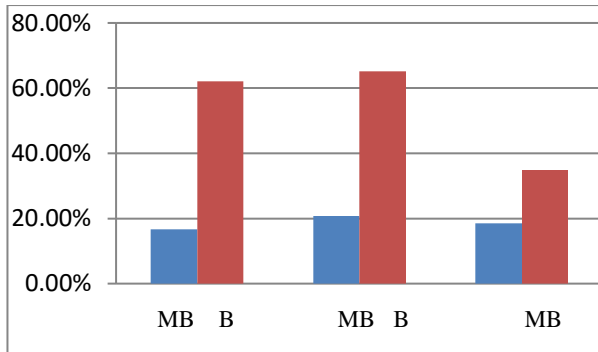


Figure 2. CPA Licensure Examination and Mock Board AY 2015-2017

Figure 2 represents the comparative presentation of the mock board results and in the actual board examinations given for three years (2015, 2016, and 2017). There is little percentage of passers in mock board examinations as compared to actual board. There is ranking conducted and the lower rank from cut-off are subjected to such interventions. The result per subject is reviewed and students are advised on which area that needs intensive study. After the intervention, removal examination is given to test if there is improvement. The college makes sure that the students understand their performance. A very objective advice is given by the Dean and Faculty Adviser to each student.

This action validates the findings of Bergen and Lane [16] saying that examinations does not only provide students the opportunity to demonstrate what they know but also it has the power to enhance what the students know, also it can be said that exams improve learnings.

**Table 5
Pearson Correlation Coefficient of Mock Board and CPA Board Examinations**

Mockboard/ Board	Pearson r coefficient	p-value	Verbal Interpretation
2015	0.762	0.0014	Significant Relationship
2016	0.649	0.0023	Significant Relationship
2017	0.786	0.4487	No Significant Relationship
Over-all	0.693	0.1392	No Significant Relationship

Table 5 presents the correlation of mock-board examination and the actual CPA board. The data shows that generally there is no significant relationship between the two examinations with the p-value of 0.1392 which is greater than 0.05. This means that there is no relationship

between mock board exam and CPA licensure examination, thus passing the mock-board examination does not guarantee the examinee for also passing the CPA Board examination. In the study conducted by Jessee [17] it is said that in evaluating the influence of clinical mock-board to the success rate, it was found out that no single aspect of the mock-board had statistically reflect significant effect on the outcome of the examinations. Another validation is on the study of Sagarino and Corpuz [14], that review and conduct of the mock-board examinations were not done by the same people who prepared the questionnaires for the Board Exam and there can be impartiality if there will be significant relationships.

However, for the years 2015 and 2016, there is significant relationship between mock-board and board examination which is observed that those who passed in the mock board examinations are also passers of board exams. According to students, the mock board exam served as gauge in determining the capability of students in taking the licensure examinations. The results is a reminder to study harder to ensure in passing the actual board.

**Table 6
Pearson Correlation Coefficient of Academic Performance and CPA Board Examinations**

	r-value	p-value	Verbal Interpretation
Academic Performance and Board Exams	0.600	0.003	Significant Relationship

Table 6 shows that the academic performance is found to have a significant moderately positive relationship ($r=.600$) with board examination results ($p=.0030$). this reveals that the better the academic performance, the better is the performance in CPA Board Examination. This means further that the academic performance which was achieved by the students through various factors like teaching style or faculty and instruction, course contents and curriculum has contribution to the students in passing the Board examinations. The retention of the students through the elimination of less qualified students to pursue the BSA Program has also contributions. This result validates the result of the study conducted by Sagarino and Corpus [14], when he found out that there is significant relationship between the academic performance and board examination performance of students.

Based on the interview conducted, the students said that the faculty members are instrumental in the success of the graduates, the quality of instruction rendered by the teachers motivates them to perform well in the class. In a

study conducted by Kirk [18]. It was revealed that the teaching style and teaching behavior, the course contents or structure, the assignments given and the interaction among students have large effect on the students to perform well. Students are becoming more motivated to study if they see the faculty exerts effort to make the students learn.

Another study conducted by Edenfield and Hansen [16] found out that grade point average (GPA) had the most significant correlation with the National Council Licensure Examination scores.

Proposed Intervention Program

Objective

1. To enhance the passing rate in CPA Board Examinations.

Program of Activities

A. Faculty, Instruction & Curriculum Area

1. Regular updating of syllabi and Curriculum review based on PRC requirements in BS Accountancy Program.
2. Provide adequate and updated infrastructure for the students in terms of books and review materials.
3. Closely monitor the students' performance in the review school. The responsibility of the College does not end after graduation but until the student passed the Board Exam and gainfully employed.
4. The faculty members need to be updated on the latest trends or changes or modifications in the board subjects. Regular loading of the subject to the faculty may help bring expertise to each faculty and focus on their specialization.
5. Strictly implement the admission and retention program to ensure the college will have competent and qualified students in the BSA Program.

B. Review Program

1. Continuously tie-up with the reputable review center for easy access in monitoring the performance of the students on their review. They may also help the college in providing materials that can be used by the faculty in the conduct of in-house review during the last semester in the Program and mock-board examinations.
2. Tap good lecturers/reviewers who are expert or practitioner to ensure more ideas and tips can be given to students to pass the board exams.

CONCLUSION AND RECOMMENDATION

Based on the findings of the study, the College has a clear retention program in terms of academic performance, with average retention rate of 25.07% for the past three and years and mean of 72.45 for mock-board examinations. The

results of CPA board examinations for 2015-2017 showed good performance by attaining above national passing rate consistently. There is significant moderately positive relationship between academic performance and CPA Board examinations however mock board exam is a good training for taking the board. A proposed intervention plan to enhance the passing percentage is prepared.

The researcher recommend that the College may continue the retention program to ensure that only qualified students will be accepted in the BS Accountancy program. This will lessen the percentage of failures that affects the school's performance. Continuous collaboration among reputable reviewers and review centers may be maintained to ensure students are given the best review services to further improve the board rating performance of LPU-Batangas. Mock board examinations may continuously be given although there is no significant relationship. However, it still helps a lot among students in their preparation to take the board. The proposed intervention plan may be adopted to enhance the passing rate. Future researchers may conduct continuous study to assess the effectiveness of the retention program using other variables.

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