

The CMA Exam

Study Tips and Test-Taking Strategies

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For more information on the Institute of Management Accountants or IMA's Annual Student Leadership Conference, visit
www.imastudents.org



Accounting Careers – Management Accounting Orientation

More than 90% of finance function professionals in the U.S. work inside organizations, ***building quality financial practices into the organization through decision support, planning and control over the organization's value-creating operations.***

Source: ***U.S. Bureau of Labor Statistics, 2006***

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The Importance of Certification

“Regardless of specialty, accountants and auditors who have earned professional recognition through certification or licensure should have the best job prospects.”

Source: *U.S. Bureau of Labor Statistics, 2006*



Expanded Career Options and Greater Earning Potential

- Certified accounting professionals earn 25% more than accountants without certification

Source: *IMA's 19th Annual Salary Survey, June 2008*



CMA Certification

The appropriate
“gold standard”
for accountants working
inside organizations



CMA Exam Overview

- Part 1: Business Analysis
 - *3 hours, 110 multiple choice questions*
- Part 2: Management Accounting and Reporting
 - *4 hours, 140 multiple choice questions*
- Part 3: Strategic Management
 - *3 hours, 110 multiple choice questions*
- Part 4: Business Applications
 - *3 hours, 4-7 essay response questions*



CMA Exam Overview (continued)

- Exam parts 1, 2 and 3 can be taken *in any order*
- Part 4 can only be taken once parts 1, 2 and 3 have been passed



CMA Exam Question Format

Four types of question formats

- Complete sentence with a question mark at end
- Incomplete sentence, with possible conclusions to choose from
- “Except” or “not” format
- “Most/least/best” format



Difficulty Level of Questions

Different cognitive skill levels tested

- Level A: knowledge and comprehension
 - *The “basics” or fundamentals*
- Level B: knowledge, comprehension, application and analysis
 - *“Intermediate” level*
- Level C: knowledge, comprehension, application, analysis, synthesis and evaluation
 - *“Advanced” or “Mastery” level*



Part 1 CMA – Business Analysis

Business Economics (25%)	Level B
Global Business (20%)	Level B
Internal Controls (15%)	Level A
Quantitative Methods (15%)	Level B
Financial Statement Analysis (25%)	Level B

Note:

- Sections assigned “B” level may include A-level questions
- Sections assigned “A” or “B” level will not include C-level questions



Part 2 CMA - Management Accounting & Reporting

Budget Preparation (15%)	Level C
Cost Management (25%)	Level C
Information Management (15%)	Level A
Performance Measurement (20%)	Level C
External Financial Reporting (25%)	Level B

Note:

- Sections assigned “C” level may include A- and B-level questions
- Sections assigned “B” level may include A-level questions
- Sections assigned “A” or “B” level will not include C-level questions



Part 3 CMA – Strategic Management

Strategic Planning (15%)	Level B
Strategic Marketing (15%)	Level A
Corporate Finance (25%)	Level B
Decision Analysis (25%)	Level C
Investment Decisions (20%)	Level C

Note:

- Sections assigned “C” level may include A- and B-level questions
- Sections assigned “B” level may include A-level questions
- Sections assigned “A” or “B” level will not include C-level questions



Part 4 CMA – Business Applications (Level C)

All topics from Parts 1, 2 and 3 plus:

- Organization Management
- Organization Communication
- Behavioral Issues
- Ethical Considerations



Study Tips

- Establish a regular study schedule
- Pace yourself – don't cram
- Create your own flashcards with formulas or terms
- Use online CMA LS practice tests
- Be sure to *completely* understand all concepts



What to Expect at the Testing Center

- Arrive early
- Bring 2 forms of id
 - 1 with picture, both with signature
- Bring ICMA authorization letter
- Calculator policy
 - simple 6-function model, *or*
 - HP 10 BII or Texas Instruments BA II+
- Scrap paper & pencils will be provided
- CMA exam tutorial
 - 15 minutes, does not count toward exam time



Exam Strategy

To pass the exam, you need:

- Knowledge
- Confidence
- Effective Time Management



Exam Strategy

- Answer a question in your mind before looking at answer options
- Pay close attention to wording of each question
 - Look for words like “except,” “least” and “most”
- Three-Pass Technique
 - 1) Read questions and answer non-computational ones; mark others
 - 2) Answer computational questions, mark questions that you’re unsure about
 - 3) Review marked questions



Exam Strategy (continued)

- Answer all questions
 - No penalty for incorrect responses
- Biggest risk: Spending too much time on one question
- Maintain a positive mental outlook!
- Use all of your time
 - Review, correct, go back to more difficult questions



When the Exam is Over

- For Exam Parts 1, 2 and 3: Immediate Scoring
- For Part 4 Exam: Manually corrected; score available 6 weeks after end of testing month
- Scaled score, with 700 maximum points
 - Passing score = 500 points or higher



What If You Don't Pass?

- Remember that this is a very rigorous exam!
- Pass Rates as of 6/30/08:
 - Part 1: 50%
 - Part 2: 55%
 - Part 3: 57%
 - Part 4: 59%
- You will receive a Detail of Performance Report
 - Shows topics that need improvement
- Three attempts allowed during a 12-month period



Links to Helpful Study Tip Articles

Part 1 tips:

http://www.imanet.org/migs/exam_tips.asp

Part 2 tips and Dealing with Difficult Questions:

<http://www.imanet.org//newsletter/cma/607/6.asp>

Part 3 tips and Advice on Changing Answers:

<http://www.imanet.org/newsletter/cma/807/3.asp>

Time Management and Degree of Difficulty:

<http://www.imanet.org/newsletter/cma/407/5.asp>

The Exam Process: What Can I Expect?

http://www.imanet.org/newsletter/cma/study_tip.asp

Preparing for Part 4 and Coping with Test Anxiety:

http://www.imanet.org/newsletter/cma/cma_study_tips_6.asp



Take the Challenge -- Become a CMA!

www.imanet.org/certification

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Questions?

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