



## Home and family factors in relation to graduates' performance in CPA licensure examination

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### Abstract

This paper aims to identify the relationship between the home and family factors and the inconsistency in graduates' CPA Licensure Examination performance from 2016 to 2019. The study draws on Walberg's theory of academic achievement which suggests that the students' psychological traits and their immediate environments influence educational outcomes. A descriptive research design was employed, involving a survey using a standardized checklist. The respondents were the Bachelor of Science in Accountancy graduates who had taken the CPA board exam wherein the list of takers was retrieved from the office of the university registrar and thoroughly verified from the Professional Regulation Commission. A qualitative data, considered as secondary data, were analyzed through documentary analysis, and an in-depth structured interviews were conducted to complement the quantitative data. The findings revealed no significant relationship between home and family factors and graduates' performance in the CPA Licensure Examination. Part of the results likewise indicated that their performance relies on their selves. Thus, the study recommends improving time management, self-management, analytical skills development, and maintaining a strong, consistent drive to pass the CPA exam and become an accountant. Further research is also suggested.

**Keywords:** Home and family factors, CPA board exam performance

### Introduction

The quality of education offered by an institution is often evaluated by the competence of its graduates. Graduates' performance in board exams is also considered a reflection of the institution's educational standards. Likewise, the passing rate in licensure exams is used as a metric to assess the quality of education provided by a particular school. It is commonly stated that the ultimate test of any board program is the success of its graduates in passing the board exams (Perez, as cited in Maghinay, 2024) <sup>[6]</sup>.

The Accountancy profession in the Philippines is one of the regulated fields that produces qualified professionals after passing the rigorous examination administered by the Professional Regulation Commission (PRC), specifically the Board of Accountancy (BOA) (Jalagat, Jr., 2016) <sup>[5]</sup>. Every year, thousands of candidates take the Certified Public Accountant Licensure Examination (CPALE) (Herrero, 2015) <sup>[4]</sup>. However, Dr. John S. Bala, former Vice Chairman of the Board of Accountancy, noted that the CPA exam is

among the most difficult government licensure examinations in the Philippines, as evidenced by its relatively low national passing rates compared to other licensure exams. The passing rate for first-time candidates is only around 20 percent. Additionally, the Commission on Higher Education (CHED), through CMO-03-s2007, cautions that institutions offering BS Accountancy programs with poor graduate performance over 10 consecutive CPA board exams within five years risk a gradual phase-out and eventual closure of their program (Perez, 2015) <sup>[7]</sup>. According to this directive, accountancy schools must carefully track their graduates' overall passing rates, ensuring they do not fall below the national average. Schools with pass rates lower than this threshold face warnings or potential closure. A pass rate below five percent signals the need for immediate program improvement, while a zero percent pass rate could result in the program's shutdown (Del Mundo & Reforzar, as cited in Perez, 2015) <sup>[7]</sup>. Given these circumstances, it is crucial to adopt

innovative and continuous intervention programs to enhance Bachelor of Science in Accountancy graduates' success in the CPA board exam.

Meanwhile, studies show that the difficulty of the CPA board exam is attributed to factors which significantly affect the performance of the CPA board exam candidates. According to Walberg's theory of academic achievement, the students' psychological traits and their immediate environments influence educational outcomes (Rugutt & Chemosit, cited in Maghinay, 2024) [6]. Several researchers found out that the level of difficulty of the CPA board exam could be attributed to its in-depth content. However, other researchers also concluded that there are several factors that might also affect the performance of the students the in the licensure examination for Certified Public Accountant may it be extrinsic or even internal factors such as the innate nature of the student. Recent studies showed that the most relevant factor that might be associated with the performance of the graduates in the CPA board exam is the student factors which are considered as the internal factors. However, this study will take a look on the other side of the story-the home and family factors which belong to the external factors. This includes family financial support to the student, parental involvement in studies, and motivation and encouragement.

Family supports all expenses and parents help a lot in students' studies (Herrero, 2015) [4]. Graetz, as cited in Alos *et al.* (2015) [1] conducted a study on socio-economic status of the parents of students and concluded that the socio-economic background has a great impact on student's academic performance. It has been main source of educational imbalance among students and students' academic success. Additionally, family gives motivation and encouragement to their children and, thus, accountancy graduates perceived that family can be depended upon when problem arises. Family conflicts may also impede the progress of recent accounting graduates from taking the CPA exam (Charron & Lowe, 2009) [3]. Schlee, *et al.* cited in Alos *et al.* (2015) [1] believed that parents' involvement has been defined and measured in multiple ways, including activities that parents engage in at home and at school and positive attitudes parents have towards education. The idea of Teodorovic (2009) [12] conveyed that encouragement of parental involvement appears to play an especially prominent role in student achievement, probably because it taps into parental and home educational resources that have proven to have a considerable influence on student achievement.

**Objectives**

This study looked into the relationship between the home and family factors and the performance of the Bachelor of Science in Accountancy graduates in the CPA board examination from October 2016 to May 2019. Specifically, it sought to provide the following information:

1. To determine the level of extent that the home and family factors could influence the performance of the graduates in the CPA board exam as perceived by the graduates.
2. To identify the level of performance of the accountancy graduates in the CPA board exam when measured by their ratings obtained in each area:

- a. Financial Accounting and Reporting (FAR);
  - b. Advanced Financial Accounting and Reporting (AFAR);
  - c. Management Advisory Services (MAS);
  - d. Auditing;
  - e. Taxation; and
  - f. Regulatory Framework for Business Transactions (RFBT).
3. To ascertain the level of performance of the university in CPA board examination when compared to the national passing percentage.
  4. To determine whether or not there is a significant relationship between the identified student-related factors and the level of performance of the accountancy students in CPA board examination

**Materials and Methods**

This study employed a descriptive-correlational research method and a documentary analysis technique to identify the relationship between the home and family factors and the performance of the graduates in the University in Zamboanga del Norte, focusing on graduates from batch 2016 to 2018 in six consecutive CPA board exams: October 2016, May 2017, October 2017, May 2018, October 2018, and May 2019. The independent variables were also analyzed in relation to the graduates' performance in the Philippine CPA board exam. A descriptive research design was utilized, surveying 28 Bachelor of Science in Accountancy graduates who had taken the CPA board exam using a standardized checklist. Qualitative data, serving as secondary data for the study, were analyzed through documentary analysis. Additionally, in-depth structured interviews were conducted to complement the quantitative findings.

**Results and Discussion**

**Table 1:** Student responses on home and family factors as perceived by the graduates

	<b>Descriptors</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b><math>\bar{x}</math></b>	<b>Description</b>
1.	Has adequate parental support.	20	8	0	0	3.71	Strongly Agree
2.	Provides books and other reading materials.	19	7	2	0	3.61	Strongly Agree
3.	Provides conducive space for study.	18	6	4	0	3.50	Strongly Agree
4.	Extends parental guidance always to their children.	21	6	1	0	3.71	Strongly Agree
5.	Serves as a model to their children.	18	6	4	0	3.50	Strongly Agree
6.	Inspires their children to labor for excellence.	20	7	1	0	3.68	Strongly Agree
7.	Nurtures their children at home.	19	9	0	0	3.68	Strongly Agree
8.	Provides financial support for their children.	21	7	0	0	3.75	Strongly Agree
9.	Motivates their children to work for academic endeavor.	18	8	2	0	3.57	Strongly Agree
10.	Teaches their children to love God above all things.	25	3	0	0	3.89	Strongly Agree
	Mean					3.66	Strongly Agree

Table 1 Potoy, J. A. (2011) [8]. Licensure Examination for Teachers among State Universities and Colleges in

Zamboanga Peninsula, Mindanao, Philippines.

Table 1 shows that the students perceived high influence as they strongly agree that home and family factors contributed to their success in the CPA board exam. These are of great help in their performance in the CPA board examination. In the interview conducted, they likewise revealed that moral support from their family including financial and spiritual ones are very important to the students more especially for those students who are in the review, battling for the licensure examination for Certified Public Accountant. Accordingly, students rely their review costs and all recurring expenses such as rentals and allowance are coming from their families. The absence of the family financial support matters the most. An excerpt on one of the student-respondents is hereby quoted.

“Some factors that could affect the performance of the examinees are financial capacity, and moral support of the family including moral support from the school.”

Accordingly, encouragement and moral support are the most important one for a person who will be sitting for the CPA board examination. CPA board examination is the biggest battle for an accountancy student, yet, encouragement and motivation endowed by the family are of great help in order for them to conquer the battle. Hence, being loved and supported by the family will help them boost their

confidence and spirit. Additionally, financial capacity of the family is also a contributing factor to those who will take the CPA board exam.

On the other hand, Graetz as cited by Alos *et al.* (2015)<sup>[1]</sup> also conducted a study on socio-economic status of the parents of students and concluded that the socio-economic background has a great impact on student’s academic performance. It has been the main source of educational imbalance among students and students’ academic success. Liu and Zheng (2018)<sup>[13]</sup> supported the claim of Alos *et al.* (2015)<sup>[1]</sup> as it was presented in his study that family income shows some relation to learning performance, however, the strength of the relation is limited.

However, contrary to the expectation, repudiated the findings of Herrero (2015)<sup>[4]</sup> and Graetz as cited in Alos *et al.* (2015)<sup>[1]</sup>, and the current study as his findings proved that home and family-related factors are insignificant to the performance of the graduates in the CPA board examination. Accordingly, financial support from family to take the CPA exam was not found to be positively associated with the intention to sit for the exam as soon as eligible. It is further noted that it might be due to the perceived costs for preparation for and taking the exam to be immaterial when compared to the cost of a college education.

**Table 2:** Level of Performance of BSA Graduates in CPA board exam per area

Area/Subject/Course	Passed		Failed		Average grade obtained per area
	f	%	f	%	
*Financial Accounting and Reporting (FAR)	16	57.14	12	42.86	70.18%
*Advanced Financial Accounting and Reporting (AFAR)	15	53.57	13	46.43	68.82%
*Management Advisory Services (MAS)	13	46.43	15	53.57	67.07%
*Auditing	13	46.43	15	53.57	66.79%
*Taxation	6	21.43	22	78.57	60.36%
*Regulatory Framework for Business Transactions (RFBT)	9	32.14	19	67.86	68.04%

Table 2 reveals that among the six CPA board exam subjects, Financial Accounting and Reporting yielded the highest average score obtained by the students. However, this average still falls short of the passing mark, which is 75%, indicating that the institution's overall performance in the CPA board exam was unsatisfactory. Despite this, it is clear that the students excelled most in Financial Accounting and Reporting. This finding is supported by Calma and Correa (2020)<sup>[2]</sup>, who noted in their study that CPA candidates tend to perform well in courses such as Financial Accounting and Reporting and Management Advisory Services. However, the students scored even lower in the remaining five courses, with averages between 60% and 65%. Notably, Taxation was identified as the weakest area. Several studies confirm that Taxation is considered one of the most challenging subjects. Under the new BLECPA, both male and female candidates performed poorly in Taxation and Auditing Theory (Calma & Correa, 2020)<sup>[2]</sup>.

In summary, all of the average grades earned by the graduates were below the passing threshold, underscoring the difficulty of the CPA licensure examination. Tan (2014 & 2015)<sup>[10, 11]</sup> attributed the exam’s level of difficulty to various factors, both internal and external.

During interview with student-respondents, many agreed that the CPA board exam's difficulty stems from its

extensive content and broad coverage. They acknowledged that the CPA board exam is among the most comprehensive in the Philippines in terms of scope. Additionally, the Board of Accountancy (BOA) may also influence the difficulty level of the exam. As one faculty member noted, when the exam questions are prepared by a board member from the academic sector, the results tend to be more reasonable, as compared to when the board member is a practitioner, who often introduces more practical, real-world questions. This distinction between academic and practitioner-focused questions highlights the importance of a curriculum designed to prepare students both for their careers and the board exam.

The old CPA board exam subjects, outlined under the Revised Philippine Accountancy Law of 2004 (Republic Act 9298), included Theory of Accounts, Auditing Theory, Management Services, Auditing Problems, Practical Accounting Problems I, Practical Accounting Problems II, and Business Law and Taxation. These subjects were given equal weight and exam hours, though the number of questions varied by subject. However, following the debriefing after the May 2015 CPA board exams, the BOA implemented long-overdue revisions in response to evolving professional demands and calls for change, particularly from the academic sector.

Key changes in the revised CPA exam include: 1) reducing

the number of subjects from seven to six, 2) combining Auditing Theory and Practice into a single subject, 3) merging Accounting Theory and Practice and redistributing topics from Theory of Accounts, Practical Accounting I, and Practical Accounting II into Financial Accounting and Reporting, and Advanced Financial Accounting and Reporting, 4) separating Business Law and Taxation into two distinct subjects: Taxation and Regulatory Framework for Business Transactions, and 5) renaming Management

Services to Management Accounting Services.

As a result, the revised CPA licensure exam now covers six subjects: Financial Accounting and Reporting, Advanced Financial Accounting and Reporting, Management Accounting Services, Auditing, Taxation, and Regulatory Framework for Business Transactions.

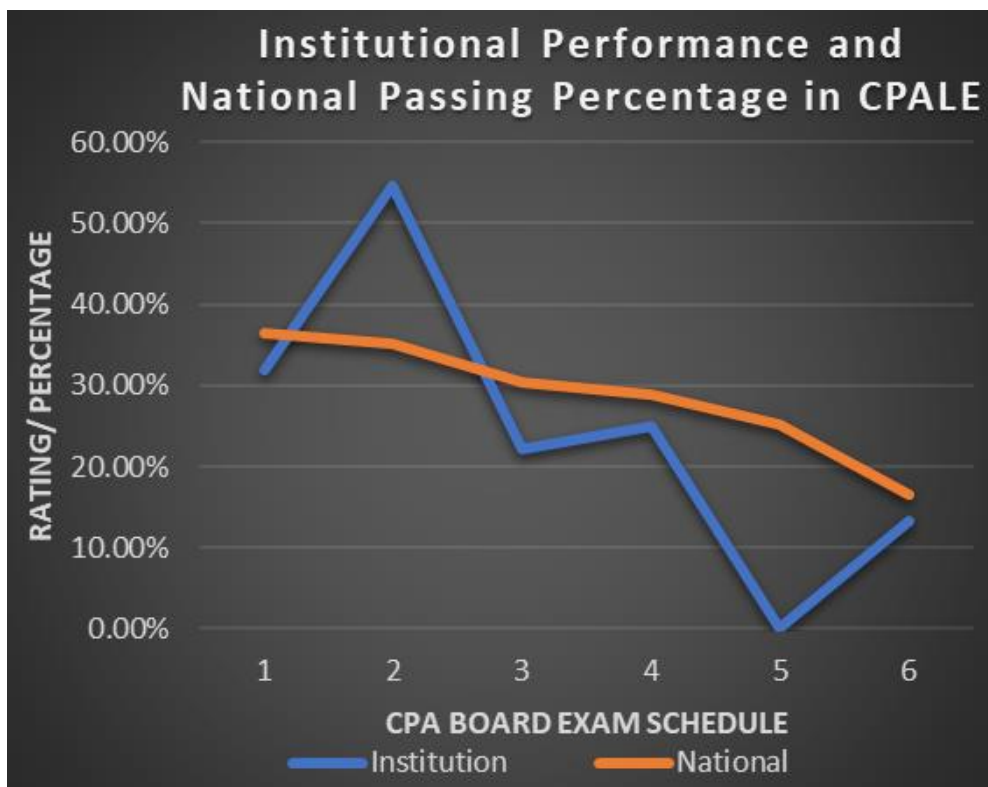
In interviews, the majority of students expressed that the CPA board exam is indeed difficult.

**Table 3:** Institutional Performance and National Passing Percentage in CPA board exam

CPA Board Exam Schedule	Passed		Failed		Conditional		Takers	Passing Percentage	
	First Timer	Repeater	First Timer	Repeater	First Timer	Repeater		Institution	National
Oct. 2016 (1)	6	2	10	5	2	0	25	32.00%	36.48%
May.2017 (2)	1	5	1	4	0	0	11	54.55%	35.14%
Oct. 2017 (3)	4	0	12	1	1	0	18	22.22%	30.45%
May.2018 (4)	0	1	1	2	0	0	4	25.00%	28.92%
Oct. 2018 (5)	0	0	9	0	0	0	9	0.00%	25.19%
May.2019 (6)	1	2	6	6	1	0	16	13.33%	16.47%

It can be clearly inferred from the table 3 above that the 2017 CPA board exam marked the highest student performance, surpassing the national passing rate, while the weakest performance occurred in October 2018, when there were no passers *et al.* The inconsistent performance of students over the six consecutive CPA board exams is also evident, with most results falling below the national passing percentages. However, the graph also illustrates a downward trend in the national passing rate. This decline suggests that either the CPA board exam is becoming more difficult, or the quality of students is deteriorating. Despite this, academic records show that students consistently achieved

very satisfactory results in their academic work. Therefore, the downward trend in the national passing rate could indicate that the CPA board exam is indeed challenging, highlighting the need to further improve the quality of accounting education, especially in relation to licensure exam outcomes. Dr. John S. Bala, the former Vice Chairman of the Board of Accountancy as cited in Tan (2014) <sup>[10]</sup> emphasized, the preparation of accounting students should ensure that their skills are on par with CPAs in other countries, enabling them to take and pass CPA exams internationally. The data mentioned above is represented in the graph below.



**Fig 1:** Institutional Performance and National





**Fig 2:** Number of Passers, Failed, and declared as "Conditional Status"

Figure 2 illustrates the performance of the university’s accountancy graduates in the CPA board exams, focusing on the number of passers, those who failed, and those classified under "conditional" status. From the 2016 to 2018 batches, the institution produced accountants who represented only one-third of all candidates, while 66% failed the CPA board exam. Among the 34% who passed, four were initially granted conditional status—two from the 2016 batch and one each from the 2017 and 2018 batches. These four conditional candidates eventually passed and earned their CPA titles after a second attempt. Of the first-time passers, there were eight from the 2016 batch, three from the 2017

batch, and two from the 2018 batch. The students who failed included both first and second-time takers. A total of 65 students graduated from the institution between 2016 and 2018; however, only 50 of them sat for the CPA board exams. Some took the exam immediately after graduation, while others delayed for about a year due to financial challenges. In addition to these figures, the study utilized documentary analysis to assess the performance of Bachelor of Science in Accountancy graduates in the May 2017, 2018, and 2019 CPA exams, as well as the October 2016, 2017, and 2018 exams.

**Table 4:** BSA Graduates in the CPA exam: Home and Family Factors vs Level of Performance

Independent Variables		Performance Areas					
		FAR	AFAR	MAS	Auditing	Taxation	RFBT
Home and Family Factor	X <sup>2</sup>	0.324	0.08	0.08	0.08	0.679	0.44
	P-value	0.569	0.778	0.778	0.778	0.41	0.507
	Interpretation	NS	NS	NS	NS	NS	NS

- Legend
- FAR - Financial Accounting and Reporting
  - AFAR - Advanced Financial Accounting and Reporting
  - MAS - Management Advisory Services
  - RFBT - Regulatory Framework for Business Transactions
  - X<sup>2</sup> - Chi-Square
  - P-Value - Probability of Acceptance

Table 4 reveals that there is no significant relationship between the home and family factors and the performance of the graduates in the CPA board exam. This suggests that the indicators of the independent variable have no impact on the likelihood of passing the CPA board exam. These results corroborated the study when he rebutted the findings of Herrero (2015)<sup>[4]</sup> and Graetz as cited by Alos *et al.* (2015)<sup>[1]</sup> as he proved that home and family-related factors are insignificant to the performance of the graduates in the CPA board examination. Financial support from family for taking the CPA exam was not found to have a positive correlation with the intention to take the exam as soon as one becomes eligible. This may be because the perceived costs of

preparing for and taking the exam are considered insignificant compared to the cost of a college education. During the interview with one of the CPA board exam passers, she reflected on the independent variable indicators, stating: "Passing the CPALE requires a consistent drive to succeed. It involves constant sacrifices—reading and solving problems, developing critical thinking and analytical skills, and staying up late. There is always pressure to pass, but students must learn to manage that pressure during their review."

**Conclusion**

The results impliedly revealed that their performance relies

on their selves. More importantly, success in accountancy relies heavily on the development of analytical skills and the students' consistent determination to pass the CPA licensure examination and eventually become certified public accountants (Maghinay, 2024) <sup>[6]</sup>. Since accounting is a profession that requires practical application, it must be cultivated independently. Given that accountancy is not introduced early in basic education also, students must learn and master it independently. While the knowledge gained in school is essential, and the concepts learned are applied in practice, real-world situations often vary. This deviation in practical application may explain why the independent variable—the home and family factors in the study do not significantly correlate with the likelihood of passing the CPA board exam. It is recommended to emphasize time management and effective self-management. Instructors can engage students through lectures and activities designed to spark their interest in accounting. A recurring refresher program for students could also be conducted to help them stay focused on the subject and reinforce any forgotten concepts. A student-centered learning approach should be promoted. While instructors can offer their best guidance and families can provide support, a student's success ultimately depends on their own efforts and how well they prepare for the CPA board exam, including going the extra mile. Therefore, this study recommends that students give their utmost effort to be fully prepared and succeed in passing the CPA board exam. The study recommends further to improving time management, self-management, analytical skills development, and maintaining a strong, consistent drive to pass the CPA exam and become an accountant. Further research is also suggested.

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