

CPA EXAM STUDY KIT

CPA Exam Study Guide Framework

Olivia Anderson · True North Accounting & Business Solutions · Study notes for educational use. Always confirm details against the current AICPA Blueprints and authoritative standards.

A map of the whole exam, built from the AICPA's Uniform CPA Examination Blueprints effective January 2026. Use it to plan what to study, how much time each area deserves and how to split the work in a study group.

How the Exam Is Built

You pass **four sections**, each four hours long:

- **Three core sections** that everyone takes: AUD, FAR and REG
- **One discipline section** you choose: BAR, ISC or TCP

The weights below come straight from the blueprints. A higher weight means more of the exam comes from that area, so it deserves more of your study time.

SECTION	TYPE	CONTENT AREAS AND WEIGHTS
AUD	Core	I 15–25% · II 25–35% · III 30–40% · IV 10–20%
FAR	Core	I 30–40% · II 30–40% · III 25–35%
REG	Core	I 10–20% · II 15–25% · III 5–15% · IV 22–32% · V 23–33%
BAR	Discipline	I 40–50% · II 35–45% · III 10–20%
ISC	Discipline	I 35–45% · II 35–45% · III 15–25%
TCP	Discipline	I 30–40% · II 30–40% · III 10–20% · IV 10–20%

Auditing and Attestation (AUD)

Area I: Ethics, Professional Responsibilities and General Principles (15–25%)

- A. Ethics, independence and professional responsibilities
- B. Professional skepticism and professional judgment

- C. Nature and scope
- D. Terms of engagement
- E. Requirements for engagement documentation
 - F. Communication with management and those charged with governance
 - G. Audit and assurance quality

Area II: Assessing Risk and Developing a Planned Response (25–35%)

- A. Planning an engagement
- B. Understanding an entity and its environment
- C. Understanding an entity's control environment and business processes, including IT systems
- D. Materiality
- E. Assessing and responding to risks of material misstatement, whether due to fraud or error
 - F. Planning for and using the work of others
 - G. Specific areas of engagement risk

Area III: Performing Further Procedures and Obtaining Evidence (30–40%)

- A. Use of data and information
- B. Sufficient appropriate evidence
- C. Sampling techniques
- D. Procedures to obtain sufficient appropriate evidence
- E. Specific matters that require special consideration
 - F. Misstatements and internal control deficiencies
 - G. Written representations
 - H. Subsequent events and subsequently discovered facts

Area IV: Forming Conclusions and Reporting (10–20%)

- A. Reporting on audit engagements
- B. Reporting on attestation engagements
- C. Accounting and review service engagements
- D. Reporting on compliance
- E. Other reporting considerations

KEY AUTHORITATIVE SOURCES

- AICPA Code of Professional Conduct
- AICPA Statements on Auditing Standards (AU-C), attestation standards (AT-C) and SSARS (AR-C)

- AICPA Statements on Quality Management Standards (SQMS 1 and 2)
 - PCAOB auditing standards
 - GAO Government Auditing Standards (the Yellow Book) and the Uniform Guidance for single audits
 - SEC and DOL independence rules
 - COSO Internal Control — Integrated Framework
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Financial Accounting and Reporting (FAR)

Area I: Financial Reporting (30–40%)

- A. General-purpose financial reporting: for-profit business entities
- B. General-purpose financial reporting: nongovernmental not-for-profit entities
- C. State and local government concepts
- D. Public company reporting topics
- E. Special purpose frameworks
 - F. Financial statement ratios and performance metrics

Area II: Select Balance Sheet Accounts (30–40%)

- A. Cash and cash equivalents
- B. Trade receivables
- C. Inventory
- D. Property, plant and equipment
- E. Investments
 - F. Intangible assets
 - G. Payables and accrued liabilities
 - H. Debt (financial liabilities)

Area III: Select Transactions (25–35%)

- A. Accounting changes and error corrections
- B. Contingencies and commitments
- C. Revenue recognition
- D. Accounting for income taxes
- E. Fair value measurements
 - F. Lessee accounting

- G. Subsequent events

Watch out: Business combinations, consolidations, derivatives and hedging, share-based compensation, internally developed software and goodwill impairment are tested in **BAR**, not FAR, under the current blueprints.

KEY AUTHORITATIVE SOURCES

- FASB Accounting Standards Codification and Concepts Statements
- GASB standards (for state and local government concepts)
- SEC Regulation S-X and Regulation S-K

Taxation and Regulation (REG)

Area I: Ethics, Professional Responsibilities and Federal Tax Procedures (10–20%)

- A. Ethics and responsibilities in tax practice (Circular 230, AICPA Statements on Standards for Tax Services)
- B. Licensing and disciplinary systems
- C. Federal tax procedures
- D. Legal duties and responsibilities

Area II: Business Law (15–25%)

- A. Agency
- B. Contracts
- C. Debtor-creditor relationships
- D. Federal laws and regulations (employment tax, qualified health plans, bankruptcy, worker classification and anti-bribery)
- E. Business structure

Area III: Federal Taxation of Property Transactions (5–15%)

- A. Basis of assets
- B. Cost recovery (depreciation and amortization)

Area IV: Federal Taxation of Individuals (22–32%)

- A. Gross income (inclusions and exclusions)
- B. Reporting of items from pass-through entities

- C. Adjustments and deductions to arrive at adjusted gross income and taxable income
- D. Loss limitations
- E. Filing status
- F. Computation of tax and credits

Area V: Federal Taxation of Entities, Including Tax Preparation (23–33%)

- A. Differences between book and tax income
- B. C corporations
- C. S corporations
- D. Partnerships
- E. Limited liability companies
- F. Tax-exempt organizations

KEY AUTHORITATIVE SOURCES

- Internal Revenue Code and Treasury Regulations
- Treasury Department Circular 230
- AICPA Statements on Standards for Tax Services
- Uniform Commercial Code and federal statutes listed in the blueprint

Business Analysis and Reporting (BAR)

Choose BAR if you like financial reporting, analysis and data. It pairs well with an audit or advisory career.

Area I: Business Analysis (40–50%)

- A. Current period and historical analysis, including the use of data
- B. Prospective analysis, including the use of data

Area II: Technical Accounting and Reporting (35–45%)

- A. Indefinite-lived intangible assets, including goodwill
- B. Internally developed software
- C. Revenue recognition
- D. Stock compensation (share-based payments)
- E. Research and development costs
- F. Business combinations

- G. Consolidated financial statements
- H. Derivatives and hedge accounting

Area III: State and Local Governments (10–20%)

- A. Format and content of the annual comprehensive financial report
- B. Deriving government-wide financial statements and reconciliation requirements
- C. Typical items and specific types of transactions and events

Information Systems and Controls (ISC)

Choose ISC if you are interested in IT audit, cybersecurity and SOC reporting.

Area I: Information Systems and Data Management (35–45%)

- A. Information systems
- B. Data management

Area II: Security, Confidentiality and Privacy (35–45%)

- A. Regulations, standards and frameworks
- B. Security
- C. Confidentiality and privacy
- D. Incident response

Area III: Considerations for System and Organization Controls (SOC)

Engagements (15–25%)

- A. Planning and performing a SOC engagement
- B. Reporting on a SOC engagement

Tax Compliance and Planning (TCP)

Choose TCP if you are heading into tax. It builds directly on REG.

Area I: Tax Compliance and Planning for Individuals and Personal Financial Planning (30–40%)

- A. Gross income, adjusted gross income, taxable income and estimated taxes
- B. Passive activity and at-risk loss limitations
- C. Gift taxation compliance and planning
- D. Personal financial planning

Area II: Entity Tax Compliance (30–40%)

- A. C corporations
- B. S corporations
- C. Partnerships
- D. Trusts
- E. Tax-exempt organizations

Area III: Entity Tax Planning (10–20%)

- A. Formation and liquidation of business entities
- B. Tax planning for C corporations
- C. Tax planning for S corporations
- D. Tax planning for partnerships

Area IV: Property Transactions, Disposition of Assets (10–20%)

- A. Nontaxable disposition of assets
- B. Amount and character of gains and losses and the netting process
- C. Related party transactions, including imputed interest

How to Use This Framework

For a Study Group

1. **Divide by section.** Give each member one section to lead: AUD, FAR, REG or the discipline you choose.
2. **Break it down by area.** Each leader creates materials for every area in their section.
3. **For each topic, create:**
 - Summary notes, two to three pages at most

- A list of the authoritative references
 - Five to ten practice questions with explanations
 - Memory aids
 - Real-world examples
4. **Meet weekly.** Each person teaches their topics to the group.
 5. **Cross-reference.** Note where topics overlap, such as inventory in both AUD and FAR.

Sample Schedule

WEEKS	SECTION	ASSIGNMENTS
1–4	AUD	Person A: Areas I and II · Person B: Area III · Person C: Area IV
5–8	FAR	Person A: Area I · Person B: Area II · Person C: Area III
9–12	REG	Rotate assignments
13–16	Discipline	Everyone works together

Next Steps

1. **Get the authoritative sources.** Your university library likely provides the FASB Codification and AICPA Professional Standards. The Internal Revenue Code and Treasury Regulations are free online.
2. **Prioritize by weight.** Spend the most time on the highest-weighted areas.
3. **Track your progress.** Check off topics as you finish them. The Study Club Tracker in this kit is built for this.
4. **Share one folder.** Keep everyone's materials in one shared drive.
5. **Review regularly.** Quiz each other on finished topics.

Remember

- You're building focused study notes, not a full review course.
- Depth beats breadth. Understand the key topics well before chasing every detail.
- Use official sources, not memory or secondhand summaries.
- Teaching others is one of the best ways to learn.
- Practice questions are essential. Understanding a concept isn't enough until you can apply it.