Accounting FAQ’s & Careers

What is accounting?
Today's CPAs focus on much more than just numbers. They are the information analysts who help businesses and individuals to reach their financial goals. Accountants and CPAs help to ensure that the nation's firms and businesses are run more efficiently, their public records kept more accurately, and their financial records and accounts are properly handled. Specific job duties vary widely in the four major fields of accounting (public, business/industry, government and nonprofit). Public accountants perform a broad range of accounting, auditing, tax, and consulting activities for their clients, who may be corporations, nonprofit organizations, governments, or individuals. Others are consultants who offer advice in such areas as compensation or employee health care benefits, or the design of financial reporting and data processing systems. Some specialize in forensic accounting - investigating and interpreting bankruptcies and other complex financial transactions. Management accountants - also called industrial, corporate, or private accountants - record and analyze the financial information of the companies for which they work. Other responsibilities include budgeting, performance evaluation, asset management and strategic planning.

What is the career outlook for accountants?
Evolving business trends have had a most positive effect on the employment of accountants, especially those who have earned the CPA designation. Mergers and acquisitions, legislative changes and technology innovations are areas that call for the expertise of professionals possessing the ability to analyze information, integrity, objectivity and competence. With the increasing need for management and consulting services, CPAs will continue to see a broad range of new job opportunities, especially those who have a master's degree in accounting or business administration.

Why should I earn my CPA?
While most people use the terms accountant and CPA interchangeably, there is a big difference. The CPA credential carries enormous weight in business and financial circles. They are also considered to be among the most trusted advisors, according to a recent survey conducted by the American Institute of CPAs. This trust is not surprising considering the strict requirements to enter and stay in the profession. Achieving CPA status takes intelligence, ethics, integrity and lifelong commitment. First, candidates must make it through some of the toughest business courses at their college or university. Then they are required to take a professional exam covering business, auditing and general accounting skills. Once they have earned the CPA designation, they remain committed to maintaining and updating their skills as part of a life-long continuing education requirement.

What do I have to do to become a CPA?
To take the CPA exam in most states, you first need to obtain 150-hours of education. Once a candidate has passed the exam, he or she then must meet an experience requirement that broadly requires one year of experience in the practice of public accounting or its equivalent under the direction of a licensee that includes intensive and diversified experience in auditing or accounting as determined by regulation of the board.

Are there any other certifications besides the CPA?
Accountants can also increase their skills (and perhaps their salaries) by getting other certifications such as the Certified Management Accountant (CMA), Certified Information Systems Auditor (CISA), Accredited Business Accountant (ABA) or Certified Fraud Examiner (CFE) designations, among several others. These more specific
certifications can be obtained in addition to or instead of the CPA designation and can provide graduates with an edge in the job market.

**What courses should I take in college?**
An understanding of accounting, business and technology are essential for CPA candidates. Accounting education generally encompasses a number of basic areas, including auditing, taxation, financial accounting and managerial accounting. The behavioral sciences also are an important addition for understanding management practices and behavior. CPA candidates also should develop effective communication, team building and project management skills and possess a knowledge of information systems. To provide for a well-rounded and well-trained CPA, the American Institute of Certified Public Accountants has developed a Core Competency Framework to guide students in their education.

**How open is the CPA field to women?**
The accounting field is an attractive one for women and one where many women, like men, find a variety of options for meeting their professional goals. Today, 56 percent of new accounting graduates are women. Women are drawn to the field for the same reasons men are: It is a field where they can find challenging and interesting work, flexibility and high earning potential.

**How open is the field to minorities?**
Over the last several decades, increasing numbers of minority students have been drawn to the accounting field. Today, minority students make up about 19 percent of new accounting graduates. Playing an active role in the promotion of minorities in the profession are the National Association of Black Accountants and the American Association of Hispanic Certified Public Accountants. Both organizations provide valuable programs and services to expand the number and influence of minority professionals in the fields of accounting and finance.

**Will I need to go to graduate school?**
While you can work in accounting without a graduate degree, many find that it makes good sense to invest in a master’s degree. With the passage of the 150-hour educational requirement in most states, many colleges now also are encouraging accounting students to springboard the additional credit requirements into an advanced degree, whether that be an MBA, a MS in Accounting or some other advanced degree. CPAs with advanced degrees generally find themselves better positioned to advance in their careers and to take advantage of new and emerging opportunities. Their salaries also tend to be significantly higher.

Reference: New Jersey Society of CPAs, [http://www.njscpa.org/index/students/career-path/faqs](http://www.njscpa.org/index/students/career-path/faqs)
Careers in Accounting

Exploring Career Paths
New industries, more sophisticated technologies and expanding opportunities for business add up to better opportunities for CPAs.

Forensic Accounting
Forensic accountants look beyond the face value of accounting records to determine if fraud has been committed. The CPA searches for evidence of criminal conduct or assists in the determination or rebuttal of claimed damages. Forensic accountants may also be called upon to assist lawyers in the litigation process.

Sports & Entertainment
In the multibillion-dollar entertainment industry, CPAs have found a glamorous niche providing financial services to Hollywood studios, production companies and a whole universe of artists and celebrities. Some entertainment CPAs position themselves as business managers. They handle every aspect of their clients’ financial lives, from paying bills, to advising on million-dollar contracts.

Public Accounting
Public accountants may be tasked with protecting the interests of small family-owned businesses to large Fortune 500 companies. They employ an extensive list of skills, including auditing, tax consulting, financial planning and other specialized services.

Tax Advisory Services
With the ever-changing tax laws and the growing complexity of business, tax professionals are involved in everything from preparing tax returns to reorganizing a multinational company’s domestic and foreign operations. They analyze the effects of tax accounting alternatives and study laws and regulations to ensure correct application of new tax measures.

Management Accounting
CPAs working in management accounting are responsible for the accumulation, analysis and reporting of financial and non-financial data in a format and level of detail required by management for making business decisions. Management accountants may make recommendations on business policy, resources allocation, and business operations to improve financial performance.

Auditing
All public companies must have their annual report audited by a CPA. CPAs examine the financial records and assess the internal controls of a company to determine whether the financial reports are prepared using generally accepted accounting principles and to state an opinion as to whether the financial statements are presented fairly.

Personal Financial Planning
As personal financial planners, CPAs provide assistance to individuals and companies in identifying financial objectives and counseling on the risk, liquidity, management and tax characteristics of investments.

Consulting Services
CPAs are often requested by businesses, financial institutions, nonprofit organizations, government agencies and individuals to offer objective advice and technical assistance about a variety of business situations.
IT Services
Exploding growth in Information Technology has created huge opportunities for CPAs with strong computer skills to design and implement advanced systems to fit organizations’ needs.

Government
CPAs in government have the opportunity to evaluate the efficiency of government departments and agencies at the federal, state, and local levels as well as advise decision makers in the use of entity resources.

International Accounting
In today’s global economy, CPAs with an understanding and mastery of international trade laws and regulations, foreign business customs, and multilingual skills are in great demand.

Nonprofit
Many CPAs make a rewarding career out of working for a cause that’s meaningful to them. Nonprofit groups don’t generate large budgets, so they need to maintain a strict financial balance. Whether a CPA works from within the organization or as an outside consultant, he or she can help the organization solve tax problems, set up an internal control system, budget resources, and prepare financial data for fund raising.

Education
CPAs can teach undergraduate and graduate students in business and accounting. A CPA’s teaching options are just as vast as their career choices — accounting, audit, taxation, ethics, and information technology. CPA educators also conduct research, publish articles, consult or act as expert witnesses.

Mergers & Acquisitions/Transaction Advisory Services
CPAs assist buyers of companies with the financial information of the targeted company and assess the financial risk and opportunities.

Environmental Accounting
As businesses take a greater interest in environmental issues, CPAs have been getting involved in everything from environmental compliance audits and systems and procedures audits to handling claims and disputes. Environmental accounting is an opportunity to get into finance, while making a difference in a world facing various ecological threats.

Reference: (1) New Jersey Society of CPAs, http://www.njcpa.org/index/students/career-path/careers; (2) “Career Paths”, American Institute of Certified Public Accountants

*Information compiled by Leigh Barie, COMM ’14, Updated 10/5/2015