



Dear CIA Part 3 Candidate,

Studying for and passing the CIA Exams is a mission that requires dedication and hard work. From our experience at HOCK with thousands of candidates, we know that planning makes this process much easier. Because the exam is available on an ongoing basis and there is no date by which you need to be prepared, studying can seem endless without a proper plan. We know it is easy to “put things off until tomorrow.”

We believe that you will find studying easier and less time consuming if you have a solid plan that targets passing the Part 3 exam within three months after you begin studying. Set out below is a 12-week plan, studying 8 to 10 hours per week. This is a guide based on the expected amount of study time for a person with some auditing background and who is familiar with the basic exam concepts.

As you go through your schedule, you may find yourself getting ahead or somewhat behind due to changes in your work or personal commitments. This does not matter. Each person should study at his or her own pace and feel comfortable with the study process and time required to prepare for the exams.

While studying, there are sure to be topics that are not clear to you and perhaps some that you find incredibly difficult. When encountering these topics, you can always contact HOCK and we will help you as much as possible. Also, keep in mind that you do not need to have 100% knowledge of 100% of the exam content in order to pass. Sometimes, you will need to decide whether the extra time spent learning a specific concept is worth the extra knowledge gained. When in doubt about what to do, contact us and we will guide you.

I wish you great success in your studies and I look forward to helping you pass the exams.

Sincerely,

A handwritten signature in black ink that reads "Brian J. Hock". The signature is written in a cursive, slightly slanted style.

Brian Hock, CIA, CMA
President and CEO

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The CIA Part 3 exam, **Business Knowledge for Internal Auditors**, covers four topics:

- 1) Business Acumen (35%)
- 2) Information Security (25%)
- 3) Information Technology (20%)
- 4) Financial Management (20%)

It should take approximately twelve weeks to study for Part 3, including ten weeks of study and two weeks of review.

Note: While Part 3 covers a wide variety of topics, most are tested at the **basic level**, which means that you only need to know the terminology and fundamentals and will not be tested at great depth.

Our basic study methodology is the same for each unit:

- 1) Carefully read through the textbook to learn and understand the concepts.
- 2) If you have the videos, watch the corresponding videos for each topic after completing the reading.
- 3) After reading/watching each topic, you should answer **all** of the study questions in ExamSuccess for that topic. At first, it will take you longer than it should for each question, but for the exam you should take no more than a minute and fifteen seconds on each question. Continued practice will improve your test-taking skills and you will get faster as you become more familiar with the process and how questions are asked. We include detailed explanations so you can understand why each answer is right or wrong.
- 4) Develop an 80%+ proficiency level within each Section. Your goal is to improve your knowledge, not just memorization. You should have enough understanding of the subject matter to be able to explain it to someone else.

How to Use the HOCK Textbook

Your textbook is the core of the HOCK study program. You will find a pdf version of the textbook in My Studies, which you may print as you wish. If your purchase included a printed copy of the textbook, you also have online access in My Studies to the same book and to all future updates to it in pdf format.

If an update to the textbook you purchased is published, the revised textbook will be posted in My Studies for you to download.

How to Use the HOCK Flash Cards

The flash cards are available to download in My Studies. How you choose to use the flash cards is entirely up to you. They are not included in the assignments in this Study Plan. The flash cards cannot replace the textbook because they contain abbreviated information from the textbook. However, you might use them, for example, to drill on formulas you need to memorize or to review concepts.

The flash cards can be used on-screen using any PowerPoint-compatible software.

How to Use the HOCK Videos

If your purchase included the videos, you will find links to the videos as well as to the associated audios in My Studies for each exam part you purchased. The audios are the soundtracks from the videos. The videos must be used online because they are supplied as streaming videos, but the audios are in mp3 format and you can download them and listen to them on a computer or mobile device.

The videos and audios are intended for use as a supplement to the textbook. **Not all topics covered on the exam are covered in the videos and audios, so they cannot take the place of reading and studying your textbook.**

The videos/audios should be used following the reading.

How to Use ExamSuccess

ExamSuccess Online, found in My Studies, can be used online from virtually any computer or mobile device that accesses the Internet, without needing to install anything. After completing the reading and the questions in the book for each assigned topic, answer the questions on that topic in ExamSuccess.

Note: It is very important to use ExamSuccess **as you are progressing** through the book. Do not wait until you have read the whole book to start answering questions in ExamSuccess. ExamSuccess gives you an opportunity to put into practice the concepts you have been reading about. Practice is very important for learning, and you should answer the pertinent questions as soon as you complete each block of assigned reading.

Create and complete a Study Session consisting of **all** the questions available on the topic you are studying.

Select the Section, then click on the link "Study Session" under that Section. On the next page, you will see two choices of Study Sessions to create:

- Select your own mix of questions from the topics in Section [*section letter and name*].
- Select questions from Section [*section letter and name*] containing any of the following terms.

The default is no. 1, "Select your own mix of questions from the topics in Section [*section letter and name*]." HOCK recommends the use of the default initially, because that choice enables you to narrow the selection of questions to the single topic that you have been reading and studying.

To request questions from a specific topic or topics, fill in the number of questions you want to see from one (or more) topics. HOCK recommends when you create a Study Session that you request the maximum number of questions available, because that ensures you will see all the questions in the question database for that topic. Scroll down to the "Start Session" button and click it.

You do not need to answer all of the questions in the Study Session at one sitting. You can click "Save" to close a session without grading it. Later, clicking on the Section link will re-open the session so you can work on it some more. You can have only one Study Session per Section saved and in progress at a time.

As you answer each question in a Study Session, you can receive immediate feedback for your answer by clicking the "See Answer" button below the question. If you answered the question correctly, you will see a green checkmark and the answer explanation for the correct answer. If you answered the question incorrectly, you will see a red "x" and answer explanations for both your incorrect answer choice and the correct answer choice.

To close out and grade a Study Session, click the "End Session" button. You will see your score and a review of all the questions in the Study Session along with answer explanations. You can create another Study Session from the same Section and topic after you have ended your current Study Session.

You should review the answer explanations for any questions you answered incorrectly and make sure you understand why your incorrect answers were wrong. Look up any concepts that you do not understand and review the books and/or videos to re-study the weak topics.

Note: When you use the option to select your own mix of questions (the first option), questions are selected and shown in the following order: 1) unseen questions, 2) questions not yet answered correctly, and finally 3) questions answered correctly.

The number of questions answered correctly and the total number of questions in the topic is shown to the right of the topic, for example "12 correct out of 20."

Therefore, after you have answered **all** the questions in a given topic (thus you have seen them all) and have ended the session, you can create a new Study Session from questions not answered correctly by requesting another Study Session on the same topic consisting of the number of questions not answered correctly. Using the example of "12 correct out of 20," a Study Session created consisting of 8 questions will present you with questions you have not yet answered correctly.

Make sure you complete **all** of the questions for each topic before moving on to study the next topic.

As you complete each full Section (A, B, and so forth), a review in ExamSuccess should be part of your overall review of the Section. Review Sessions are available for each Section and for multiple Sections cumulatively.

Final Review

When you have completed your preparation, take several practice exams in ExamSuccess as part of your overall review:

- If you are using ExamSuccess Online, use the CIA Part 3 Practice Exam that you will find at the end of the Section listings on the ExamSuccess Online home page.
- If you are using the HOCK CIA Prep mobile app by Appitur[®], choose Exam on the setup screen.

In both formats, the Exam will consist of 100 multiple-choice questions drawn from the same question database as the Study Sessions are drawn from, and you will be timed for 120 minutes (2 hours).¹ The question topics will be in the same proportion as the actual exam questions will be. You may create and complete as many Exams as you wish, and the questions will be different each time, though always selected randomly from the database of questions.²

How to Use the Mock Exam

The mock exam contains new questions not used elsewhere in the study materials and provides a measure for your exam readiness and are a solid last review before taking the real exam.

After you completed your mock exam, look up and re-study the topics on which you missed questions and then answer those questions again.

¹ If you are using the HOCK CIA Prep App by Appitur[®], you can choose to take a shorter exam with questions drawn from all the Sections.

² If you have the HOCK "You Pass or We Pay" Guarantee, to be eligible you must 1) Watch 95% of the videos, 2) Answer 90% of the MCQs correctly, and 3) Pass one mock exam with a 70% score (first attempt only) *or* two whole-Part review sessions with an 80% score (multiple attempts allowed). You must use ExamSuccess Online for the question requirements.

Unit 1: Section I – Organizational Issues

Section I, which is 35% of the Part 3 exam, covers a variety of topics related to Organizational Objectives and Organizational Structure, as well as the IT-related topic of Data Analytics. Plan to study this unit for about two weeks.

The topics in Section I include:

- 1) **Strategic Planning Process.** Organizational success starts with having a long-term strategy for developing and growing the organization through superior performance and competitive advantage.
- 2) **Common Performance Measures.** A company needs to measure performance and reward outstanding performance in a way that motivates its managers to achieve the company's strategic objectives and operational goals.
- 3) **Organizational behavior.** Several subtopics are discussed here, including motivation theories, group dynamics, human resource processes, the implications of different leadership styles, organizational politics, performance, and organizational theory.
- 4) **Management skills and leadership styles.** Through exercising leadership skills, an individual can direct and coordinate a group's work to achieve a goal.
- 5) **Control implications of different organizational structures.** A company's organizational structure greatly impacts its risk and control environment and therefore also influences the success of the company's controls.
- 6) **Risk and control implications of common business practices.** The way that a business operates impacts its exposure to risk and the controls necessary to mitigate that risk. This topic examines that impact on many specific business departments/areas.
- 7) **Project management techniques.** When projects are very large and complex, the manager needs a system for keeping track of all the information and coordinating the various activities to complete the entire project on time.
- 8) **Data Analytics.** Businesses have an increasing amount of data, which is meaningless without a way to collect, analyze, and utilize it for the benefit of the company. Data analytics enables auditors to do more in less time and with fewer human resources.

Note: Only **topics 2 and 6** are tested at the **proficiency level**; the rest of the topics are tested at the **basic level**.

For this study unit, read through the book and watch the videos in *Section I* for *Topic 1 – Organizational Objectives, Behavior, and Performance*, and *Topic 2 – Organizational Structure and Business Processes*, **stopping before 3. Data Analytics**.

ExamSuccess

After completing the reading/videos, create and complete a Study Session in Exam-Success for each of the related topics in *Section I – Business Acumen*, which are the topics that start with the numbers 1 and 2. It will be easier if you do the questions topic by topic as you proceed through the textbook/videos rather than wait to do them all at the end.

Review

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.³

HOCK recommends that you create a study sheet consisting of the items you will need to memorize for the exam. You can wait until you are finished studying and do that as part of your overall review, or you can create it Section by Section as part of your Section reviews. If you have chosen to create it Section by Section, now is the time to create it for Section I up to the topic of *Data Analytics*. Creating the study sheet is in itself a learning experience, and for that reason we do not do it for you. It will be much more meaningful to you if you make the study sheet yourself and then review it than it would be to review one that has been made for you.

³ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 2: Section I – Business Acumen and Section II – Information Security

This unit covers the final topic in Section I, *Data Analytics*, and all of *Section II – Information Security*. It should only take about a week to cover these topics.

Section I

Data analytics is the process of **gathering and analyzing data in a way that produces meaningful information to aid in decision-making**. As businesses become more technologically sophisticated, their capacity to collect data increases. However, the stockpiling of data is meaningless without a method of efficiently collecting, analyzing, and utilizing it for the benefit of the company.

Section II

Section II is 25% of the exam and covers a variety of topics related to Information Security:

- Types of common physical security controls
- Forms of user authentication and authorization controls
- Purpose and use of various information security protocols
- Data privacy laws and their impact on data security policies and practices
- Emerging technologies and their impact on security
- Existing and emerging cybersecurity risks
- Cybersecurity and information security-related policies

While many of these topics may be unfamiliar, remember that all of Section II is tested only at a **basic level**.

ExamSuccess

After completing the reading/videos for each topic, create and complete a Study Session in ExamSuccess for *Section I – 3C. Applications of Data Analytics in Internal Auditing* and each of the topics in *Section II – Information Security*. It will be easier if you do the questions topic by topic as you proceed through the textbook/videos rather than wait to do them all at the end.

Review of Sections I & II

If you have had particular difficulty with a topic or topics in these Sections, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.⁴

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Data Analytics and Section II.

⁴ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 3: Section III

Section III covers Information Technology (IT) and is tested at the **basic level**. The main topics in this section include:

- Core activities in the systems development lifecycle
- The importance of change controls
- Basic database terms
- Basic Internet terms
- Characteristics of software systems
- IT infrastructure network concepts
- Operational roles within IT
- Purpose and application of IT control frameworks
- Disaster recovery

Specific terminology used on the CIA exam may differ from the vocabulary at any specific company. Although you should internalize these terms for the exams, you are not at all obligated to change your vocabulary at work.

Note: Section III is only 20% of the CIA Part 3 exam, so be sure to familiarize yourself with the concepts, but do not spend too much time on any one topic. Take about one week to study this Section.

ExamSuccess

After completing the reading/videos for each topic, create and complete a Study Session in ExamSuccess for the same topic in *Section III – Information Technology*. It will be easier if you do the questions topic by topic as you proceed through the textbook/videos.

Review of Section III

If you have had particular difficulty with a topic or topics in Section III, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.⁵

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section III.

Additional Periodic Review

HOCK recommends that you periodically review all of the topics you have studied to date by using the Random MCQs from Sections I-III Review Session in ExamSuccess Online.

⁵ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 4: Section IV – Financing Accounting and Finance

Section IV is broken down into two primary areas: **Financial Accounting and Finance**, and **Managerial Accounting**.

- 1) **Financial Accounting and Finance.** Financial accounting provides the means for management and external users to judge the general health and well-being of a company. This information is provided in a set of financial statements that presents the company's financial position in the balance sheet and financial performance in the statement of income (income statement). The other two financial statements that we will look at are the statement of cash flows and the statement of changes in equity.
- 2) **Managerial Accounting.** Managerial accounting differs from financial accounting in that managerial accounting is designed and intended to be used internally by the company's managers instead of shareholders, creditors, financial analyst, and other external users. This section discusses the basic managerial accounting principles that internal auditors should be familiar with when they evaluate a company's managerial function.

Note: While Section IV covers a lot of content, keep in mind that it is tested at the **basic level** and that it is only 20% of the exam. You just need to understand the terminology and fundamentals of the topics, and not get too bogged down in the details.

For this study unit, read through the book and watch the videos for *Financial Accounting and Finance*, stopping at *Managerial Accounting*. It will take about three weeks to cover all of the financial accounting topics.

ExamSuccess

After completing the reading/videos for each topic, create and complete a Study Session in ExamSuccess for each of the topics in *Section IV – Financial Management*, which are the topics that start with the number 1. It will be easier if you do the questions topic by topic as you proceed through the textbook/videos rather than wait to do them all at the end.

Review of Financial Accounting and Finance

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section IV-1.⁶

Additional Periodic Review

HOCK recommends that you periodically review all of the topics you have studied to date by using the Random MCQs from Sections I-III Review Session in ExamSuccess Online.

⁶ Remember that if you have the HOCK "You Pass or We Pay" Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 5: Section IV – Managerial Accounting

For this study unit, read through the book and watch the videos for *Managerial Accounting*. It will take about three weeks to cover all of the managerial accounting topics. Congratulations, this is your final section before starting the comprehensive review!

ExamSuccess

After completing the reading/videos for each topic, create and complete a Study Session in ExamSuccess for each of the topics in *Section IV – Managerial Accounting*, which are the topics that start with the number 2. It will be easier if you do the questions topic by topic as you proceed through the textbook/videos rather than wait to do them all at the end.

Review of Section IV

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.⁷

In addition, you should review all the topics in Section IV by completing the Review Session available in ExamSuccess Online. Given the number of topics covered in this Section, we recommend at least two such review sessions, or more if you find you still have some weak areas.

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section IV-2.

Additional Periodic Review

HOCK recommends that you periodically review all of the topics you have studied to date by using the Random MCQs from Sections I-IV Review Session in ExamSuccess Online.

⁷ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 6: Comprehensive Review

For weeks eleven and twelve, prior to your exam and after you have completed studying, you will want to skim through the entire material at least one more time. Do not focus on any individual idea or topic or try to memorize the formulas. Instead, make certain that you are familiar with all of the topics, both large and small, and refresh your memory of key terms and ideas.

If you have the flash cards and have not been using them up to this point, now is a good time to use them. The flash cards do not cover every detail in the materials, but they do address the main topics, definitions and formulas that are most likely to be tested. Use the flash cards whenever you can, even if it is for only a few minutes.

During the final week or two before your exam, create several Part 3 Practice Exams in ExamSuccess Online.⁸ Each of these practice exams will contain 100 questions selected randomly from the entire question base in approximately the same distribution as the questions will be on the real exam. For example, if a particular section accounts for 25% of questions on the real exam, 25% of the questions on the simulation exam will also come from that section. The simulation exams will be timed for 2 hours, so set aside this much time for taking each test. You need to become accustomed to sitting for 2 hours in one place and answering questions on the computer.

You also have access to a mock exam with new questions in ExamSuccess Online, which you can take after you have completed your review. Like the real exam, the mock exam contains 100 multiple-choice questions, and you will not get immediate feedback about whether your answer is correct or not. Set aside 2 hours without interruption to complete the mock exam so you can become accustomed to sitting for 2 hours in one place. When you have completed the mock exam, use it as another study tool. Look up in your book the topics where missed questions, and then try answering those questions again.

After you have completed the mock exam, you can use the Part 3 Practice Exams to continue reviewing questions from all of the topics in Part 3. Keep in mind that you don't need to do this too many times, and eventually the questions will become familiar because the questions are drawn randomly from the whole question database.

As always, if you have any questions at all, contact the HOCK team and we will be happy to help you.

⁸ Remember that if you have the HOCK "You Pass or We Pay" Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you pass one mock exam with a 70% score (first attempt only) or two whole-Part review sessions with an 80% score (multiple attempts allowed). **ExamSuccess Online must be used to fulfill this requirement.**