



Dear CMA Part 1 Candidate,

Studying for and passing the CMA Exams is a mission that requires dedication and hard work. From our experience at HOCK helping thousands of candidates, we know that planning makes this process much easier. Because the exam is available throughout the year and there is no specific 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." However, you cannot afford to do that. Under the guidelines for the exams, you are required to complete the program within 3 years of your entry into the program. If you do not successfully complete both exam parts within 3 years of entering the certification program, any passed part will expire. To continue in the program, you will be required to pay the CMA entrance fee again and retake the expired part.

We believe that you will find studying easier and less time consuming if you have a solid plan that targets passing the Part 1 Exam within three to four months after you begin studying. Set out below is a 17-week plan, studying 8 to 10 hours per week. **This is simply a guide** based on the expected amount of study time for a person with some financial background who is familiar with the basic exam concepts. You may be able to complete the preparation in less time, or you may need more time.

This Study Plan is organized in Study Units. Each Study Unit has a recommended study time of two or three weeks. In My Studies you will find the PassMap, an interactive step-by-step study guide that you can use along with the Study Plan to track your progress through the study materials.

As you go through your schedule, you may find yourself getting ahead or somewhat behind due to changes in your work or personal commitments. Do not be concerned if that occurs. 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. You can revise your dates and update your PassMap anytime.

While studying, there are sure to be things that are not clear to you and perhaps some that you find incredibly difficult. HOCK provides teacher support for study materials purchased from us. We will even do our best to help with questions from other course providers that may not appear in HOCK study materials. Please feel free to contact us, 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. At certain points, you will need to decide whether the extra time spent learning something 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 look forward to helping you pass the exams.

Sincerely,

A handwritten signature in black ink that reads "Brian J. Hock".

Brian Hock, CMA, CIA
President and CEO

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How to Use Your HOCK Study Materials

The HOCK study materials for the CMA exams consist of a suite of study materials that has been developed for use as an integrated program. This Study Plan will include references to all of the components, and you can apply it to the components you have.

If you follow this Study Plan, you will significantly increase your chances of passing the exam.

The study materials include the following:

- 1) Textbook.
- 2) Questions, including:
 - ExamSuccess containing over 1,000 multiple-choice questions and answer explanations for each exam part, available for use online from any device or as an app that can be used offline on iPhones, iPads, iPod touches, and Android phones and tablets.
 - Practice essay questions, available in ExamSuccess Online, with detailed answers, many of which also have companion instructional videos.
 - Flash cards.
 - Two mock exams.
- 3) Videos including both streaming instructional videos and downloadable audio mp3 recordings containing the soundtracks from the videos.

This Study Plan will guide you by giving you assignments as follows as you progress through the program:

- 1) Reading assignments in your textbook, which include answering the questions in the book.
- 2) Assignments for the video/audio recordings.
- 3) Assignments for multiple-choice questions to be answered in ExamSuccess after each reading assignment.
- 4) Assignments for essay problems to be answered after completing each major Section (A, B, and so forth).

This Study Plan does not contain specific assignments for the flash cards. The flash cards can be used for review in whatever way you wish. They should not be used as a substitute for reading the textbook, however, because they are too brief for that.

Information on use of the mock exams is provided in the Comprehensive Review in the last unit.

How to Use the HOCK Textbook

Your textbook is the core of the HOCK study program. It contains explanations of concepts, examples, and multiple-choice questions within the reading to be answered as you are going through the book. 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 future updates to it in pdf format.

The correct answers to the questions in the book appear at the end of the book, and they are also available on the access page in My Studies next to the textbook as a separate document file for easier reference.

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

Note: We advise students to focus the majority of their study time on reading and learning the material in the book so they will understand the concepts and be able to answer the unfamiliar questions they will face on the exam. Candidates who spend all their study time answering the practice questions learn how to answer those questions, but they may not have the understanding they need to answer the exam questions, which will be very different from the practice questions. The understanding needed to pass the exam comes from studying and learning the material in the book. The purpose of the questions is to practice using the concepts studied in the book to answer questions because that is what you will need to be able to do to pass the exam. But you first must know the concepts.

How to Use the HOCK Flash Cards

Your flash cards are available for downloading in the Flash Cards area of the access page 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 are in PowerPoint format and are compatible with Windows or Mac computers and most mobile devices. They can be used on-screen or they can be printed. Instructions for their use are in My Studies on the access page.

How to Use the HOCK Videos

If your purchase included videos, you will find links to the videos as well as to the associated audios on the access page 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 to supplement 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.**

Each topic in the videos/audios should be used after reading the topic in your textbook. This Study Plan will guide you in which videos/audios to use at each point in your reading.

How to Use ExamSuccess Multiple-Choice Questions

The multiple-choice questions in ExamSuccess should be used to practice using the concepts you have studied in your book. The questions should be used as you progress through the book. Each topic's questions in ExamSuccess should be answered after reading the topic in your textbook. This Study Plan will guide you in which questions to answer at each point in your reading.

Answering practice questions alone, without studying the book, will not prepare you for the exam because the questions on the exam will be very different from the practice questions in ExamSuccess. Only knowing the concepts will prepare you to answer the unfamiliar questions on the exam. Knowing the concepts comes from studying the book.

ExamSuccess contains over a thousand multiple-choice practice questions for each exam part. ExamSuccess is offered in two formats, and candidates with access to ExamSuccess have access to both formats at no additional cost:

- **ExamSuccess Online** can be used from any computer or mobile device that is connected to the Internet, and
- The **HOCK CMA Prep mobile app by Appitur®** can be used offline on iOS and Android mobile devices.

ExamSuccess Online and the HOCK CMA Prep mobile app by Appitur® use exactly the same multiple-choice questions and the questions are organized according to the same Section and Subsection names.

Note: If you use ExamSuccess in both formats, your performance is **not** synced between the two formats.

After completing the reading and the questions in the book for each assigned topic, answer the multiple-choice questions on that topic in ExamSuccess.

Note: It is very important to answer the multiple-choice questions in 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 assigned questions as soon as you complete each block of assigned reading.

Using ExamSuccess Online

ExamSuccess Online is available in My Studies on the access page. To use it, create and complete a Study Session consisting of **all** the multiple-choice 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:

- 1) Select your own mix of questions from the topics in Section [*Section letter and name*].
- 2) 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.

Note: If you have a saved session in progress and click on "Study Session," your saved session will open automatically. If you want to start a new and different session, you will need to end the session in progress. You cannot have two different sessions of the same session in progress at the same time.

As you answer each question in a Study Session, click the "See Answer" button below the question. You will receive immediate feedback for your answer.

- If you answered the question correctly, you will see a green checkmark next to your answer.
- If you answered the question incorrectly, you will see a red "x" next to your answer.

Regardless of whether you answered the question correctly or incorrectly, you will see answer explanations for all four answer choices, the correct answer and the three incorrect answers. Once you have viewed the answers, you cannot change your 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. Questions answered incorrectly will be shown first, followed by questions answered correctly. You can create another Study Session from the same Section and topic after you have ended your current Study Session.

When you have completed the Study Session and graded it, re-study all questions not answered correctly on the first try by creating a new Study Session from those questions not answered correctly on the first try, looking up in the book and re-studying the topics missed, and then answering the incorrectly answered questions again. Keep doing that until you have scored at least 85% correct and preferably over 90% correct before moving on to the next topic.

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.

Using ExamSuccess in the HOCK CMA Prep Mobile App by Appitur®

The HOCK CMA Prep mobile app is available to download from the app store for your mobile device. If you already have access online to ExamSuccess, you do not need to re-purchase the exam parts you already have access to. After downloading the app, log in using your HOCK email address and password in order to access the exam parts you have already purchased. Select the exam part you want to study and then select either "Study" or "Exam."

If you select "Study," under "Study Settings" use the Section Filter to select the Section and then the Subsection Filter to select the Subsection. Then select the number of questions using the slider. The default is the maximum number of questions available. After you select your answer to each question, scroll down to see whether you answered it correctly and to view the answer explanation or explanations. To move to the next question, select "Next." You can skip questions and you can use the "Summary" button at any time to view links to each question and get back to answered or unanswered questions. To close out a session at any time, select "Close." Until you have answered all the questions and selected "Complete," the session will still be open when you return to complete it, and you can go back and add and change answers by using the "Summary" button. After you have answered all the questions in the session, select "Summary" and then "Complete" to record your answers. Your score will be displayed along with the questions and answers.

If you select "Exam," you will be presented with 100 questions drawn from all of the Sections and timed for 3 hours. However, you can also choose to answer fewer than 100 questions, and the timer will be adjusted accordingly. Select "Summary" to complete any unanswered questions and then "Complete" to close out the exam when you have answered all of the questions. Your score will be displayed along with a summary of your performance by Section.

Note: If you purchased the HOCK CMA Complete program with the "You Pass or We Pay" Guarantee, **you must use ExamSuccess Online to fulfill the ExamSuccess portion of the requirements to qualify for the guarantee.** These requirements cannot be met using the mobile App.

Periodic Reviews

In addition to completing each block of questions as you complete each block of reading and in addition to reviewing at the end of each Section, periodically stop and create a Study Session in ExamSuccess of around 40 questions drawn from **all** the topics you have studied to date. Doing that will keep you fresh on the topics you studied earlier so you do not forget the material.

Updates

HOCK is always improving ExamSuccess by adding new questions and improving answer explanations to existing questions.

- Updates made to ExamSuccess Online are reflected immediately in the questions you see online. You do not need to take any action.
- Updates to the HOCK CMA Prep mobile app by Appitur® take place automatically through the App Store. You do not need to take any action.

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 CMA Part 1 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 CMA 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 180 minutes (3 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 Essay Questions

Practice essay questions are provided in ExamSuccess to help you become comfortable with the format of essay questions and with answering essay questions on-screen. **The essay problems should not be used to learn the concepts for the essay portion of the exam**, although they may point out weak areas for your review for the whole exam. The essay questions you will receive on your exam will be different questions from these practice essays and probably will cover completely different topics. Use of your textbook along with the multiple-choice questions in ExamSuccess is the best way to learn the concepts you will need to know for the whole exam, including the essay portion. These practice essay questions will help you learn how to use the concepts to construct a written response answer.

The essay questions for each Section should be used as you complete that Section. This Study Plan will guide you in when to answer the essays for each Section.

The essay questions are available in ExamSuccess Online in the Essay Questions area of the access page in My Studies. Click the button for "Use ExamSuccess Online" and then select an Essay Session. The Essay Session is the fourth item in the list of choices underneath each Section

¹ If you are using the HOCK CMA 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.

heading. You can enter your answers for each Section's essay questions online and then compare your answers with the suggested answers. The answers for all the essay questions in the Section (if more than one) will be presented when you have completed all of the essay questions for the Section. Where a video explanation is available, a button titled "Watch Video Explanation" is above the answer.

Most of the practice essay questions and their answers have been provided by the ICMA. The ICMA, the Institute of Certified Management Accountants (not the IMA), is the entity that is responsible for administering the CMA exams and for certifying candidates who fulfill all the requirements for certification.

The CMA exam does not provide a spreadsheet application for answering essay questions, and the ICMA has stated that none of the essay questions on the exam will require columnar work.³ Accordingly, none of the practice essay questions will require the use of a spreadsheet to answer.

How to Use the Mock Exams

Two mock exams, with answer explanations, are available in ExamSuccess Online. The mock exams contain new questions not used elsewhere in the study materials. The mock exams provide a measure for your exam readiness and are a solid last review before taking the real exam.

Each mock exam contains 100 multiple-choice questions and two essay questions, just as the real exam does. You should set aside four hours to take each one. Answer explanations are provided after you complete the mock exam.

After you have completed the mock exam, look up and re-study the topics on which you missed questions and then answer those questions again. Grading information for the essay portion of the mock exams is not available, though answers to the essays are provided. However, the essay portion of the real exam accounts for 25% of your grade, and you may be able to estimate the contribution to your score from your performance on the essays based on that assumption.

³ However, if the ICMA does ask an essay question on the exam that requires columnar work such as a financial statement, do not spend any time formatting your answer. Just get the information down, and do not worry about whether your columns are straight. You will not have time for formatting.

Other Information

Three additional documents are available for downloading in My Studies. They are:

- **Sample Grading**, an example of how a former exam question was graded by the ICMA, is available in the Essay Questions area of the access page. This example was supplied by the ICMA and will help you to understand what will be expected. **HOCK recommends you download the Sample Grading document and review it before you attempt answering your first essay question.**
- **HOCK's Exam Tips** is a document prepared by HOCK that contains some tips for the multiple-choice portion and the essay portion of the exam and some general strategies for exam day. It is available in the Final Tips area of the access page in My Studies.
- **Test-Taking Strategies** is also available in the Final Tips area of the access page. This document was supplied by the ICMA and contains some suggestions for how to approach the exam.

HOCK recommends you download the *Test-Taking Strategies* and *HOCK's Exam Tips* documents, review them early in your preparation, and make use of them as you prepare.

Textbook and Other Study Materials

The components of the study program other than the textbook are intended to supplement the textbook. Therefore, the other components do not necessarily cover every topic in the Learning Outcome Statements as the textbook does and thus **cannot take the place of the textbook.**

Furthermore, the number of study questions on each topic in your study materials is not intended to imply the prominence of each topic in the real exam. The coverage of each major Section on the exam is given in terms of percentages at the beginning of each Section in the HOCK textbook and is in all of the informational materials from the Institute of Certified Management Accountants.

Alignment with the ICMA's Learning Outcome Statements

We have tried to cover all of the ICMA's Learning Outcome Statements (LOS) in the HOCK textbook. The major Sections have been kept in their sequential order (A through F) as they are ordered in the Learning Outcome Statements. In the books, the topics are identified with the same alpha-numeric identification used for topics in the Learning Outcome Statements so candidates can tie the material in the books to the requirements in the Learning Outcome Statements.

Note: The exam questions will be presented in random order, not in Section order or Learning Outcome Statement order.

Section A, External Financial Reporting Decisions

Section A, *External Financial Reporting Decisions*, constitutes 15% of the exam. It contains three major topics:

- A.1. Financial Statements
 - A.1.5. Integrated Reporting
- A.2. Recognition, Measurement, Valuation and Disclosure

The objective of financial reporting is providing financial and non-financial information about the entity that is useful for decision-making.

- Those using the financial information to make decisions include present and potential equity investors, lenders, and other creditors who need to make decisions about providing resources to the entity. The decisions relate to buying, selling, or holding debt or equity instruments and providing credit. In order to make these decisions, investors, lenders and other creditors need information that will help them assess the amount of, timing of, and prospects for future net cash inflows to the entity.
- Integrated reporting includes non-financial information and concerns an organization's ability to create value over time. The primary purpose of an integrated report is to explain to providers of financial capital how the organization creates value over time. An integrated report also provides information to other stakeholders that are interested in the organization's ability to create value, such as employees, suppliers, business partners, local communities, legislators, regulators, and policy-makers.

Note: The information on *External Financial Reporting Decisions* in your CMA Part 1 textbook covers the ICMA's Learning Outcome Statements. However, the coverage of accounting and external financial reporting is not exhaustive because the CMA exam and thus these study materials assume a prior knowledge of accounting.

A.1. Financial Statements

Financial Statements I

**Textbook
Volume 1:**

- Read the Introduction to CMA Part 1

In **A.1. Financial Statements**, read the following topics and answer the questions in the book for:

- Users of Financial Information
- The Financial Statements
- Differences Between IFRS and U.S. GAAP
- The 5 Accounting Statements
- Notes to the Financial Statements

Answer explanations for the questions are at the end of the volume and are also available in My Studies as a separate document.

Videos/Audios: Watch/listen to:

- The Balance Sheet
- The Income Statement
- The Statement of Cash Flows
- Statement of Comprehensive Income
- Statement of Changes to Owners' Equity
- Limitations of Financial Statements

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Financial Statements - Other Than Statement of Cash Flows

Financial Statements II – Preparation of the Statement of Cash Flows

**Textbook
Volume 1:**

In **A.1. Financial Statements**, read the following topic and answer the questions in the book for:

- Preparation of the Statement of Cash Flows

You will find a supplemental example of the calculation of a statement of cash flows on the CMA Part 1 Textbook page in My Studies. It is in an Excel spreadsheet next to the buttons for downloading the textbook. The balance sheet is on one worksheet, the income statement is on another worksheet, and the statement of cash flows is on a third worksheet within the Excel file. This example is not in the book.

Videos/Audios: Watch/listen to:

- Introduction to SCF
- SCF Preparation Overview
- SCF Indirect Method
- SCF Investing and Financing Activities

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Financial Statements – Statement of Cash Flows

Financial Statements III – Integrated Reporting

**Textbook
Volume 1:**

In **A.1.5 Integrated Reporting**, read the following topics:

- Introduction to Integrated Reporting
- The International <IR> Framework
- Sustainability Accounting Standards Board

Videos/Audios: Watch/listen to:

- Introduction to Integrated Reporting
- The Capitals and Value Creation
- Integrated Reporting Components and Principles

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Financial Statements – Integrated Reporting

A.2. Recognition, Measurement, Valuation and Disclosure

Current Assets

Textbook Volume 1: In **A.2. Recognition, Measurement, Valuation, and Disclosure**, read the following topics and answer the questions in the book for:

- 1) Asset Valuation
- 1a) Cash and Cash Equivalents
- 1b) Accounts Receivable
- 1c) Inventory

Videos/Audios: Watch/listen to:

- Cash
- Valuing Accounts Receivable
- Factoring Receivables
- Recording Inventory
- Inventory Formulas
- Inventory Tracking Methods
- Inventory Count
- Inventory Errors
- Inventory Valuation

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Cash & Cash Equiv., Accounts Receivable, and Inventory

Investments and Long-Term Assets

Textbook Volume 1: In **A.2. Recognition, Measurement, Valuation, and Disclosure**, read the following topics and answer the questions in the book for:

- 1d) Investments
- 1e) Property, Plant, and Equipment
- 1f) Intangible Assets

Videos/Audios: Watch/listen to:

- Introduction and Debt Investments
- Equity Investments without Significant Influence
- Equity Investments with Significant Influence
- Equity Investments with Control
- Recording Fixed Assets
- Depreciation
- Depreciation for Tax Purposes
- Impairment of Fixed Assets
- Disposal of Fixed Assets
- Recording Intangibles
- Impairment of Intangibles

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Investments, PP&E (Fixed Assets), and Intangible and Other Assets

Liabilities and Income Taxes

Textbook Volume 1: In **A.2. Recognition, Measurement, Valuation, and Disclosure**, read the following topic and answer the questions in the book for:

- 2) Valuation of Liabilities (all topics 2a through 2d)

Videos/Audios: Watch/listen to:

- Reclassification of Short-Term Liabilities
- Warranties
- Accounting for Income Taxes
- Disclosures on the Balance Sheet
- Temporary Timing Differences
- Permanent Timing Differences
- Net Operating Losses
- Leases

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Liabilities and Taxes

Equity

Textbook Volume 1: In **A.2. Recognition, Measurement, Valuation, and Disclosure**, read the following topic and answer the questions in the book for:

- 3) Equity Transactions

Videos/Audios: Watch/listen to:

- Common Stock
- Preferred Stock
- Classification of Shares
- Treasury Stock

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Owners' Equity

Revenue Recognition and Income Measurement and US GAAP/IFRS Differences

Textbook Volume 1: In **A.2. Recognition, Measurement, Valuation, and Disclosure**, read the following topics and answer the questions in the book for:

- 4a) Revenue Recognition
- 4b) Income Measurement

Videos/Audios: Watch/listen to:

- Intro to Revenue Recognition
- Steps in Revenue Recognition Process
- Right of Return and Consigned Goods
- Point in Time Contracts
- Over-Time Contracts
- US GAAP and IFRS Differences

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Revenue Recognition

Section A Practice Essay Questions

You will find the online practice essay questions in ExamSuccess Online. Before answering any essay questions, it would be a good idea to download the Sample Grading from the ICMA, available behind the button labeled "Sample Grading Guide" in the Practice area of the access page.

Many of the essay questions also have video answers. If a video answer is available, it is accessible along with the text answer.

Answer all of the essays in the Section A Essay Session in ExamSuccess Online.

Review of Section A

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a multiple-choice question Study Session in ExamSuccess consisting of questions from just that topic or those topics.

In addition to doing that, you should review specifically all the topics in Section A by answering at least 25 multiple-choice questions in ExamSuccess from the entire group of *Section A, External Financial Reporting* questions or by completing the Review Session available in ExamSuccess Online.⁴

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 A. 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.

Note: For candidates who have access to the Videos, final Review Videos are available by Section to assist with your review. The Final Review Video for Section A is on the access page in My Studies in a separate location below the individual Section videos.

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.**

Administrative Task: If this is your first exam, be sure to become a member of the IMA and pay your certification entrance fee. You need to be a member of the IMA and pay the certification entrance fee before you will be able to register for any exam.

You can become an IMA member anytime, but it would be wise to wait to pay the certification entrance fee until you are ready to register for your first exam. The entrance fee is valid for three years, and if you have not passed both exams within three years of paying the fee, you will need to pay the fee again. Thus, it is best to wait until the last possible moment to pay it. (Payment of the entrance fee provides access to a “CMA Support Package” published by the IMA. However, the same study questions that are in the IMA’s Support Package are available in your HOCK study materials.)

Before you will be able to schedule your exam appointment, you will need to register with the ICMA for the exam and receive your authorization number. The IMA processes exam registrations for the ICMA in the online store on its website at www.imanet.org. You can also call the IMA to register. Exam registrations are processed immediately, and an email containing your authorization number is sent out with the subject “CMA Exam Authorization Letter.” More information about how to register for an exam is available on the HOCK website at <http://www.hockinternational.com/cma/cma-exam-registration-fees/>.

After receiving your authorization email from the ICMA, you can schedule your exam appointment with the Prometric testing center on its website at www.prometric.com. However, wait for about an hour after receiving the authorization email before trying to schedule your exam appointment with Prometric to allow time for the IMA’s website to synchronize its information with the Prometric website.

Your exam registration will authorize you to take the exam **any time within the two-month testing window that you select when you register**. The testing windows are January-February, May-June, and September-October.

Depending upon appointment availability at the Prometric testing center you use, you may need as much as 6 weeks lead time to get your desired exam appointment date. The ICMA is not responsible if you are not able to schedule an exam appointment within your authorization period.

However, do not register too soon, or you may find yourself appearing for the exam before you are prepared for it. It is better to wait to register until you are far enough along in your studies to be able to project when you will be ready to take the exam.

More information on scheduling an exam appointment is available in the ICMA’s CMA Candidate Handbook, available through a link on the IMA’s website and also through a link on HOCK’s website at <http://www.hockinternational.com/cma/cma-exam-requirements/>.

Section B, Planning, Budgeting and Forecasting

Section B, *Planning, Budgeting and Forecasting*, constitutes 20% of the exam. It contains six major topics:

- B.1. Strategic Planning
- B.2. Budgeting Concepts
- B.3. Forecasting Techniques
- B.4. Budget Methodologies
- B.5. Annual Profit Plan and Supporting Schedules
- B.6. Top-Level Planning and Analysis

B.1. Strategic Planning

Planning is the first activity that management must undertake when creating yearly budgets and making other critical decisions that will affect the company's future. A company's plan serves as its guide or compass for the activities performed and decisions made throughout the entire organization. The planning process not only defines the company's objectives and goals, it sets the stage for prioritizing how to develop, communicate and carry out accomplishing them.

Strategic Planning is a theoretical discussion of planning. You will need to know the terms and ideas, the different types of plans, and the steps in the strategic planning process.

Textbook
Volume 1: Read the Introduction to **Section B – Planning, Budgeting and Forecasting** and **B.1. Strategic Planning** and answer the questions in the book.

Videos/Audios: Watch/listen to:

- Overview of Strategic Planning
- Mission and Goals
- Analyzing the External Environment
- Analyzing the Internal Environment
- Formulating Strategies
- Developing and Implementing Strategies
- Other Planning Tools

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Strategic Planning

B.2. Budgeting Concepts

Budgeting Concepts is another conceptual and theoretical discussion. You will need to know the advantages of budgets and the uses for budgets as well as the general methods of developing budgets (participative, authoritative, and consultative) and the basic budget development process. Standard costs are introduced in this topic. Setting standard costs is important, as standard costs will be a theme you will encounter throughout your preparation for the Part 1 exam.

Textbook Read the following topic and answer the questions in the book for:

Volume 1:

B.2. Budgeting Concepts

Videos/Audios: Watch/listen to:

Planning to Budgeting

Budgeting Concepts

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

Budgeting Concepts

B.3. Forecasting Techniques

Forecasting Techniques covers methods that can be used to develop budgeted amounts that are based on premises, or assumptions, about the outlook for the environment in which the company's business operates. The topics covered include Regression Analysis, Learning Curves, and Probability and their use in developing forecasts.

- Simple linear regression analysis used in time series trend projection for forecasting and both simple linear regression analysis and multiple linear regression analysis used in causal forecasting are covered.
- Learning curves describe the fact that the more experience people have with something, the more efficient they become in doing that task and the less time it requires. Learning curves are used to develop forecasts and also for developing prices for bids. You will need to know how to calculate the cost of units after learning has taken place and the direct labor time required is reduced.
- Probability is a means of measuring numerically how likely it is that an event will occur. Probability is used in forecasting and budgeting to create an expected value for an element that needs to be forecasted, such as future cash flows. The concept of expected value is important in probability and the term "expected value" has a specific meaning. An expected value is a weighted average of the possible values, weighted according to the probability assigned to each possible value. The probabilities may be historical data, they may be the decision-maker's subjective projections, they may be a combination of both, or they may be based on any other available information.
- The concepts of variance and standard deviation are introduced as a means of measuring the variability that could take place in the actual results for the value being forecasted.

Textbook Volume 1: In **B.3. Forecasting Techniques**, read the following topics and answer the questions in the book for:

- Using Regression Analysis in Forecasting
- Using Learning Curves in Forecasting
- Using Probability Concepts in Forecasting

Videos/Audios: Watch/listen to:

- Forecasting and Regression Analysis
- Learning Curves

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Forecasting Techniques – Regression Analysis
- Forecasting Techniques – Learning Curves
- Forecasting Techniques – Probability

B.4. Budget Methodologies

Budget Methodologies is an introduction to the various kinds of budgeting, including the annual or master budget, static budgets versus flexible budgets, project budgeting, activity-based budgeting, zero-based budgeting versus incremental budgeting, and continuous or rolling budgets.

You will need to be able to calculate what the flexible budget would have been, given a master budget and a certain level of actual activity (either sales or production). In this type of flexible budget question, you will need to remember the following:

- As long as the company produces only one product, the flexible budget amounts for **variable** revenues and costs are the budgeted amounts in the master (static) budget divided by the budgeted volume in the master budget (to calculate the budgeted per unit amounts), then the budgeted per unit amounts are multiplied by the actual volume experienced to calculate the flexible budget variable amounts.
- Total **fixed** costs do not change within the relevant range, and the question will be within that range unless the question tells you differently. Thus, the budgeted fixed costs will be the same in the master budget and in the flexible budget. If only the budgeted fixed cost per unit is given, the **total** budgeted fixed costs for either the master budget or the flexible budget can be calculated by multiplying the budgeted fixed cost per unit in the master budget by the budgeted level of activity in the master budget.

Textbook Volume 1: Read the following topic and answer the questions in the book for:

- B.4. Budget Methodologies

Videos/Audios: Watch/listen to:

- Budget Methodologies

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Budget Methodologies

B.5. Annual Profit Plan and Supporting Schedules

These topics cover the various individual budgets that together make up the master budget, how they are developed, how they work together, and how information from one budget is used in the next budget.

This part of Section B is numerical. You will need to be able to calculate how many units must be purchased or produced during a period to meet budgeted sales. You will also need to be able to calculate the amount of cash planned to be collected or paid during a period.

After the budgets are determined and approved, they should be used throughout the year to measure the actual results as compared to the budgeted results, that is, for variance reporting. Variance reporting is introduced here and covered fully in Section C, *Performance Management*.

Textbook Read the following topics and answer the questions in the book for:

Volume 1:

- B.5. Annual Profit Plan and Supporting Schedules
- Answering Budgeting Exam Questions

Videos/Audios: Watch/listen to:

- Budget Cycle and Budgets Produced
- Preparing Budgets
- Ongoing Budget Reports

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Annual Profit Plan and Supporting Schedules

B.6. Top-Level Planning and Analysis

Top-Level Planning and Analysis discusses how to make use of planning and forecasting techniques to develop pro forma financial statements for use in planning and decision-making. Top-level planning makes extensive use of pro forma financial statements, and this topic discusses what they are and illustrates how to construct them and analyze them for the purpose of making decisions.

Textbook Read B.6. Top-Level Planning and Analysis.

Volume 1:

There are no questions on this topic in the book, but there are several lengthy numerical examples. You should recalculate the numbers in the examples to make sure you understand where they came from.

Videos/Audios: Watch/listen to:

- Top-Level Planning and Analysis

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Top-Level Planning and Analysis

Section B Practice Essay Questions

Answer all of the essays in the Section B Essay Session in ExamSuccess Online.

Review of Section B

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a multiple-choice question Study Session in ExamSuccess consisting of questions from just that topic or those topics.

In addition to doing that, you should review specifically all the topics in Section B by answering at least 25 multiple-choice questions in ExamSuccess from the entire group of *Section B, Planning, Budgeting and Forecasting* questions or by completing the Review Session available in ExamSuccess Online.⁵

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 add to the sheet the items you want to memorize for Section B.

Note: For candidates who have access to the Videos, the Final Review Video for Section B is on the access page in My Studies in a separate location below the individual Section videos.

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 A-B 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.**

Section C, Performance Management

Section C, *Performance Management*, accounts for 20% of the exam, with three main topics:

- C.1. Cost and Variance Measures (Variance Analysis)
- C.2. Responsibility Centers and Reporting Segments
- C.3. Performance Measures

C.1. Cost and Variance Measures

Cost and Variance Measures is a topic that causes trouble for many candidates, especially those who have not studied it previously. Though the topic appears to have a lot of formulas at first glance, it is really not as bad as it seems. The formulas are mostly just variations on two basic formulas that are used for the different variances. You will need to be certain that you can calculate the numerical formulas and that you also know what the variances mean, how they are used and what can cause the variances. The word questions on this topic should be easy if you understand what the variance is telling you.

The topics in the *Cost and Variance Measures* portion of Section C are:

- 1) Cost and Variance Measures
- 2) Variance Analysis Concepts
- 3) Manufacturing Input Variances
- 4) Sales Variances
- 5) Variance Analysis for a Service Company
- 6) Market Variances

Cost and Variance Measures and Variance Analysis Concepts

Cost and Variance Measures provides an introduction to standard costs. You will need to understand the concept of standard costs and their use in controlling production. *Variance Analysis Concepts* introduces variance analysis and goes into flexible budget variances versus static budget variances. You need to know that the sales volume variance is the difference between the flexible budget amount and the static budget amount on an income statement variance report that presents sales variances.

Textbook Read the following topics and answer the questions in the book for:

Volume 1:

- C.1. Cost and Variance Measures
- Variance Analysis Concepts

Videos/Audios:

Watch/listen to:

- Basis for Variance Analysis
- Introduction to Variance Analysis

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Introduction to Variance Analysis and Standard Costs
- Variance Analysis Concepts

Manufacturing Input Variances – Direct Materials and Direct Labor

Manufacturing input variances are concerned with inputs to the manufacturing process. Materials and labor variances focus on those direct inputs and:

- Whether the amount of inputs used per unit manufactured was over or under the standard for the actual level of production,
- Whether the cost per unit of input used was more or less per unit than the standard, and
- What the cost impact was of each type of variance.

Manufacturing input variances compare actual costs to what the costs **should have been for the actual level of production**. Thus, manufacturing input variances are a type of flexible budget variance. However, they are not the same thing as the flexible budget variance on an income statement variance report. Manufacturing input variances split the production flexible budget variance between variance in cost due to the **costs of inputs used** having differed from the standard costs, and variance in cost due to the **quantity of inputs used** having differed from the standard quantity for the actual production.

Manufacturing input variances are used in controlling production. You will need to memorize the two basic variance formulas, the **price variance** formula and the **quantity variance** formula and know when and how to use them.

As you are reading this topic and the topics that follow it, recognize that manufacturing input and factory overhead variances are very different from sales variances. Manufacturing input and factory overhead variances deal with **units produced** and the **cost of units produced**. Sales variances deal with **units sold** and the **revenue from sales** and the **cost of units sold**. The variances based on units produced are not expected to reconcile with variances based on units sold, because the units produced and the units sold will almost never be the same. If you keep this basic difference in mind, it should help clarify the topics for you.

**Textbook
Volume 1:**

In **Manufacturing Input Variances**, read the following topics and answer the questions in the book for:

- The Difference Between Sales Variances and Production Variances
- What Causes Manufacturing Input Variances?
- Direct Materials Variances
- Direct Labor Variances

Videos/Audios:

Watch/listen to:

- Manufacturing Input Variances

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Manufacturing Input Variances-Direct Materials
- Manufacturing Input Variances-Direct Labor

Manufacturing Input Variances – More Than One Material Input or One Labor Class

When more than one direct material input or more than one class of labor is used in producing the product, the price and quantity variances are calculated a little differently and the quantity variance is broken down into two sub-variances: the **mix variance** and the **yield variance**.

- The mix variance shows the portion of the quantity variance that was caused by the actual mix used having been different from the standard mix because more of one ingredient was used and less of another ingredient was used.
- The yield variance shows the portion of the quantity variance that was caused by the total actual amount of all ingredients used having been different from the total standard amount of all ingredients allowed for the actual production.

Textbook
Volume 1: In **Manufacturing Input Variances**, read the following topic and answer the questions in the book for:

More than One Material Input or One Labor Class

Videos/Audios: Watch/listen to:

Multiple Input Variances

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

Manufacturing Input Variances-Multiple Input Classes

Manufacturing Input Variances – Factory Overhead

Factory overhead variances focus on manufacturing overhead, both variable and fixed. The topic of overhead variances appears much more complicated than it is. Factory overhead is applied to units as they are produced on the basis of a predetermined overhead application rate and therefore the amount of overhead applied to each unit is an estimated amount. Factory overhead variances are generally the differences between factory overhead costs actually incurred and factory overhead applied to the units produced.

You will need to learn the formulas for the variable and fixed overhead variances and understand how they are combined in the different methods of analysis, such as two-way, three-way and four-way analysis.

Textbook
Volume 1: In **Manufacturing Input Variances**, read the following topic and answer the questions in the book for:

Factory Overhead Variances

Videos/Audios: Watch/listen to:

Overhead Variances

Overhead Example

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

Manufacturing Input Variances–Overhead

Sales Variances, Variance Analysis for a Service Company, and Market Variances

Sales variances are used to explain the differences between actual and budgeted amounts of revenue, variable costs, and contribution margin caused by differences between actual sales results and planned or budgeted sales results. Sales variances are reported on a variance report that looks like an income statement, and there are several examples in the book.

Sales variances are different from manufacturing input variances because they are related to units **sold**, not units produced. The flexible budget variance on a sales variance report is, for costs of units sold, a combination of the manufacturing input price and quantity variances for the units **sold** during the period. These two production cost causes of a flexible budget variance cannot be separated on a sales variance report, because the planned costs and quantities of inputs for the units sold are not reported on a sales variance report.

The flexible budget variance and the sales volume variance on a sales variance report are calculated using the same basic formulas as the price and quantity variances used to evaluate variances in manufacturing input costs. However, the variances that result do not have the same meanings as the manufacturing input variances. The differences are:

- For the revenue line, the amounts used for “price” in the formulas for sales variances are the actual and planned selling prices per unit. For the variable cost line or lines, the amounts used for “price” in the formulas are the actual and planned variable costs per unit. Furthermore, as mentioned above, the actual and planned variable costs per unit incorporate both the price and quantity variances for the manufacturing inputs used to produce the goods that were sold.
- The “quantity” amounts in sales variances are actual and planned quantities of units **sold** instead of actual and planned quantities of inputs used in production.

A sales variance report can be prepared for a service business, too, and the book has an example of a variance report for a service business and some interpretation of the variances.

The sales quantity variance for the contribution margin can be broken down into a market size variance and a market share variance to discover the cause or causes of the variance in the total quantity sold in terms of market forces. The total level of sales may be different from expected because (a) the market was bigger or smaller than expected (the market size variance) or (b) because the company’s share of the market was bigger or smaller than expected (the market share variance), or both.

Textbook
Volume 1:

Read the following topics and answer the questions in the book for:

- Sales Variances
- Variance Analysis for a Service Company
- Market Variances

Videos/Audios:

Watch/listen to:

- Sales Variances
- Service Companies and Market Variances

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Sales and Market Variances

C.2. Responsibility Centers and Reporting Segments

Responsibility accounting involves assigning revenues and expenses to the various responsibility centers within the organization according to which center is responsible for them. It also involves allocating common costs such as the CEO's salary among all the responsibility centers on some reasonable basis. Responsibility reporting is reporting the actual revenues earned and expenses incurred by each responsibility center. In addition, it includes comparing each responsibility center's actual revenues and expenses with its planned revenues and expenses. The manager or other responsible party should explain the variances to the next higher level in management.

The various responsibility centers within an organization can be classified according to type (cost centers, revenue centers, profit centers and investment centers). You will need to know what these classifications are, how they differ from one another, and how the managers of each classification of centers and the centers are evaluated.

The information in this topic also stresses that a manager should not be evaluated on the basis of something over which he or she has little, if any, control. To enable evaluation based only on items that are controllable by the manager, a variation of a contribution income statement should be used that shows segment manager performance (performance of the manager) versus segment margin (performance of the segment). Costs that are controllable by the manager are separated from costs that are not controllable by the manager.

- Segment manager performance is revenue less costs (both variable and fixed) that are controllable by the manager.
- Segment manager performance less costs that are not controllable by the manager but are traceable to that particular segment equals segment margin, or the performance of the segment.
- Segment margin less uncontrollable and untraceable costs, that is, allocated common costs, equals the segment's operating income. You will need to know the various steps in the contribution income statement that is used.

In the topic of *Transfer Pricing*, you should understand the effect of transfer prices on multinationals' segment profits and the evaluation of responsibility centers and their managers.

Textbook Read the following topic and answer the questions in the book for:
Volume 1: C.2. Responsibility Centers and Reporting Segments

Videos/Audios: Watch/listen to:
 Responsibility Centers
 Contribution Income Statement
 Transfer Pricing

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Responsibility Centers and Reporting Segments

C.3. Performance Measures

As part of *Performance Measurement*, you will need to be familiar with two calculations: Return on Investment (ROI) and Residual Income (RI). You need to be able to calculate both and also understand what they indicate and how to use them.

Textbook Read the following topic and answer the questions in the book for:
Volume 1: C.3. Performance Measures through the end of Section C

Videos/Audios: Watch/listen to:
 Return on Investment and Residual Income
 Multiple Performance Measures

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Performance Measures

Section C Practice Essay Questions

Answer all of the essays in the Section C Essay Session in ExamSuccess Online.

Review of Section C

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a multiple-choice question Study Session in ExamSuccess consisting of questions from just that topic or those topics.

In addition to doing that, you should review specifically all the topics in Section C by answering at least 25 multiple-choice questions from the entire group of *Section C, Performance Management* questions or by completing the Review Session available in ExamSuccess Online.⁶

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 add to the sheet the items you want to memorize for Section C.

Note: For candidates who have access to the Videos, the Final Review Video for Section C is on the access page in My Studies in a separate location below the individual Section videos.

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 A-C 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.**

Section D, Cost Management

Section D, *Cost Management*, is 15% of the exam and has five groupings of topics. How much time you will need to spend on each topic will depend on your background and experience. However, you should try to complete Section D in 30 hours.

- D.1. Measurement Concepts
- D.2. Costing Systems
- D.3. Overhead Costs
- D.4. Supply Chain Management
- D.5. Business Process Improvement

D.1. Measurement Concepts

Measurement Concepts includes classifications of costs (product costs, period costs, fixed, variable, and mixed costs); an introduction to costing systems (cost measurement methods, cost accumulation methods, and methods of allocating overhead); and the meaning and calculation of cost of goods sold and cost of goods manufactured.

Cost measurement systems (standard costing, normal costing, and actual costing) are covered in detail in this topic. Cost accumulation methods (job costing, process costing, and operation costing) are covered in detail in D.2., *Costing Systems*; and methods of allocating overhead are covered in detail in D.3. *Overhead Costs*.

Classification of costs, especially fixed versus variable costs, is a topic that will be important in several areas covered by the exam. You need to be comfortable with the way the different costs behave. Product costs, period costs, prime costs, and conversion costs and what costs are included in each of these cost classifications are also important. The exam will have word questions about these costs, what they consist of and how they behave. If you have this knowledge, you will be able to answer the exam questions easily and quickly.

Measurement concepts also covers variable and absorption costing and costing for joint products and byproducts.

Measurement Concepts**Textbook
Volume 2:**

Read the following topics and answer the questions in the book for:

- Introduction to Section D – Cost Management
- D.1. Measurement Concepts

Videos/Audios:

Watch/listen to:

- Classification of Costs
- Costing Systems

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Classifications of Costs
- Cost Measurement, COGS, and COGM

Variable and Absorption Costing

Variable costing and absorption costing are two different ways of presenting an income statement. Variable costing and absorption costing differ in only one area. Under variable costing, the fixed manufacturing overheads are expensed in the period that they are incurred. Under absorption costing, those same fixed overhead costs are allocated to the units produced during the period they were produced and are expensed as cost of goods sold only when those units are sold. These two methods result in different levels of net income when inventory changes during the period.

- If the inventory level increases during the period, use of absorption costing will result in a higher net income than use of variable costing will because some of the fixed manufacturing overheads incurred during the period remain on the balance sheet in inventory at the end of the period.
- If the inventory level falls during the period, variable costing will result in a higher net income because under the variable method, only fixed factory overheads incurred during the year are included as an expense in the period. In contrast, under absorption costing, some of the fixed factory overhead costs that had been inventoried in previous periods will be expensed in the current period. The result will be cost of goods sold that will be higher than it would be under variable costing, because under absorption costing, cost of goods sold will include some costs incurred during the previous period when those units sold from inventory were produced, in addition to costs incurred during the current period for units sold from the current period's production.

You will need to remember that the above is the only difference between the two methods and be able to calculate the level of income under both methods. You should also be familiar with the presentation of the income statement under both methods.

Absorption costing is **required** for external reporting under both U.S. GAAP and IFRS. Variable costing can be used internally for analysis purposes, but it cannot be used for external financial reporting because it is not in accordance with either U.S. GAAP or IFRS.

Textbook Read the following topic and answer the questions in the book for:
Volume 2: Variable and Absorption Costing

Videos/Audios: Watch/listen to:
 Variable and Absorption Costing

ExamSuccess: Answer **all** the multiple-choice study questions in ExamSuccess:
 Variable and Absorption Costing

Joint Products and Byproducts

When a single process is used in the preliminary stages of production of two or more finished products, the costs of the single process need to be allocated between or among the joint products. Byproducts are the low-value products that occur as a result of producing main products, and their costs need to be allocated, either to the byproducts or to the main products.

The Net Realizable Value method is an important method used to allocate joint product and byproduct costs. Net Realizable Value (NRV) and **Estimated** Net Realizable Value are important

concepts when the Net Realizable Value method is being used, and they cause problems for some candidates.

- If a product **can** be sold at the splitoff point, its Net Realizable Value at the splitoff point is its sales price at the splitoff point.
- If a product **cannot** be sold at the splitoff point, its **Estimated** Net Realizable Value is calculated based on the product's future sales price minus its separable costs, and that is used as its NRV.

In a single allocation of costs, you may have some products for which you will use sales price at splitoff as their NRV and some products for which you will use **Estimated** Net Realizable Value as their NRV.

Textbook Read the following topic and answer the questions in the book for:
Volume 2: Joint Products and Byproducts

Videos/Audios: Watch/listen to:
 Joint Product Costing
 Byproduct Costing

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Joint Products and Byproducts

D.2. Costing Systems

Costing Systems introduces product cost accumulation and accounting for product costs. Methods of cost accumulation include job costing, process costing, and operation costing. The topic opens with a discussion of the flow of manufacturing costs because an understanding of that is basic to understanding costing systems and methods of cost accumulation. Overhead allocation is also covered in this topic.

Process Costing

Process Costing is a topic that is often troublesome for candidates. To make it a little easier, the textbook contains a seven-step process to help you complete a full process-costing question.

In process costing, you need to be able to calculate the equivalent units of production (EUP) for both materials costs and conversion costs. Even if you can't do anything else in process costing, make sure that you can calculate the equivalent units of production, as this will very likely be tested. You also need to understand the difference between the FIFO and the weighted average cost flow assumptions for work-in-process. The only difference is in the treatment of beginning work-in-process inventory (BWIP) and the treatment of the costs in BWIP.

The concept of spoilage, both normal and abnormal, is also covered. You must be able to calculate the number of normally spoiled units and the number of abnormally spoiled units based on the information given. However, if you have trouble with the allocation of costs to the spoiled units, don't be too worried because if this is tested, it will probably be only one, maybe two, questions. In any case, the allocation of costs to the spoiled units is not a heavily or commonly tested item.

Textbook Volume 2: Read the following topics and answer the questions in the book for:
 D.2. Costing Systems (Introduction)
 Process Costing

Videos/Audios: Watch/listen to:
 Process Costing
 Process Costing Example
 Spoilage in Process Costing

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Process Costing

Job Order, Operation, and Life-Cycle Costing

Job order costing is used when the company has specific and identifiable jobs or projects that are worked on during the period. Direct costs and overhead are allocated to individual jobs.

Operation costing is a hybrid, or combination, of job-order costing and process costing.

Life-cycle costing takes a much longer-term view than just the cost of production and is used to allocate to each product all of the research and development, marketing, after-sale service and support costs and any other cost that is associated with the product during its life cycle. Life-cycle costing is used internally only, for analysis purposes. It is not a method of costing that results in amounts being recorded in the company's general ledger.

Textbook Volume 2: Read the following topics and answer the questions in the book for:
 Job-Order Costing
 Operation Costing
 Life-Cycle Costing
 Customer Life-Cycle Costing

Videos/Audios: Watch/listen to:
 Job Order, Operation and Life-Cycle Costing

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Job Order, Operation, and Life-Cycle Costing

D.3. Overhead Costs

For the topic of overhead cost allocation, you will need to make certain that you understand the method of setting standard costs and the allocation of overhead to the individual units. Also, spend some time ensuring that you can quickly identify over- or under-applied overhead for the company and the treatment for this amount.

Traditional Overhead Allocation

- Textbook Volume 2:** In **D.3. Overhead Costs**, read the following topics and answer the questions in the book for:
- Introduction to Accounting for Overhead Costs
 - Traditional (Standard) Allocation Method
- Videos/Audios:** Watch/listen to:
- Accounting for Overhead
 - Overhead Allocation
- ExamSuccess:** Answer **all** of the multiple-choice study questions in ExamSuccess for:
- Traditional Overhead Allocation

Activity-Based Costing

Activity-Based Costing (ABC) is an alternative to the traditional method of allocating overhead to units produced. In the traditional method, the total overhead is allocated on the basis of a single cost driver that is volume-based such as number of units produced, number of direct labor hours used, or number of machine hours used. In Activity-Based Costing, total manufacturing overhead is classified into multiple cost pools according to type of cost, and each cost pool is allocated separately to units or jobs using an individual cost driver based on cause-and-effect criteria for that type of cost.

A numerical ABC question may require you to compare the results of an ABC overhead allocation to the results of a traditional overhead allocation. You will be given instructions about the cost driver to use under the traditional method, and the ABC method is nothing more than applying the traditional method three or four times to the same data using different cost drivers for different cost pools. However, for the ABC part of the question, you may need to classify the types of costs into cost pools and determine the most appropriate cost driver for each cost pool from among those given. You will also need to be certain to understand the idea behind ABC, the related terminology and its benefits.

- Textbook Volume 2:** In **D.3. Overhead Costs**, read the following topic and answer the questions in the book for:
- Activity-Based Costing
- Videos/Audios:** Watch/listen to:
- Activity-Based Costing
- ExamSuccess:** Answer **all** of the multiple-choice study questions in ExamSuccess for:
- Activity-Based Costing

Shared Services Cost Allocation

Shared services cost allocation is used to allocate the costs of departments not involved in production (service and support departments) to non-production departments and/or production departments and individual products. There are several methods of allocating shared services costs when the company has more than one service department. The allocations are largely

mathematical processes and you will need to be able to make the allocations under all the methods. You will also need to understand how these methods treat the costs of services provided to other service departments when the company has more than one service department.

Like variable cost financial statements, allocation of shared services department costs to production departments and individual products is used strictly for internal analysis. For external reporting purposes, costs of shared services departments are period costs and are expensed as they are incurred.

**Textbook
Volume 2:**

In **D.3. Overhead Costs**, read the following topics and answer the questions in the book for:

- Shared Services Cost Allocation
- Allocating Costs of a Single (One) Service or Support Department to Multiple Users
- Allocating Costs of Multiple Shared Service Departments

Videos/Audios:

Watch/listen to:

- Single Shared Service Cost Allocation
- Multiple Shared Services Cost Allocation
- Multiple Shared Services Cost Allocation Example

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Shared Services Cost Allocation

Estimating Fixed and Variable Costs

Sometimes costs are mixed costs or the fixed costs are not segregated from the variable costs in the historical information available. Because of the difference in the way fixed and variable costs behave, it is necessary to be able to segregate costs into their fixed and variable components for forecasting or allocation purposes. *Estimating Fixed and Variable Costs* discusses two ways of doing that: The High-Low Points Method and Regression Analysis.

**Textbook
Volume 2:**

Read the following topic and answer the questions in the book for:

- Estimating Fixed and Variable Costs

Videos/Audios:

There are no videos/audios on the topic of Estimating Fixed and Variable Costs.

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Estimating Fixed and Variable Costs

D.4. Supply Chain Management

Supply chain management is the active management of supply chain activities by the members of a supply chain with the goals of maximizing customer value and achieving a sustainable competitive advantage. The goal of supply chain management is to eliminate waste and streamline operations in order to give customers what they want, when they want it, in the least amount of time and at the lowest possible cost.

Systems such as lean resource management, Just-in-Time (JIT) manufacturing and inventory management, kanban, Theory of Constraints (TOC), and integrated information systems such as Material Requirements Planning (MRP), Manufacturing Resource Planning (MRPII), and Enterprise Resource Planning (ERP) are all methods that are used to achieve the goals of supply chain management.

Capacity level used and its effect on management decisions and the financial statements is also covered in this topic.

Textbook Read the following topic and answer the questions in the book for:

Volume 2:

- D.4 Supply Chain Management

Videos/Audios: Watch/listen to:

- Supply Chain and Lean Resource Management
 Just-In-Time Inventory and MRP
 Theory of Constraints
 Capacity Level and Decision Making

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Supply Chain Management

D.5. Business Process Improvement

Business Process Improvement covers the concepts of the value chain and value chain analysis, business process reengineering, benchmarking, activity-based management, kaizen, quality and the costs of quality, Total Quality Management (TQM), several statistical methods of tracking quality, and accounting process redesign.

Textbook Read the following topic and answer the questions in the book for:

Volume 2:

- D.5 Business Process Improvement

Videos/Audios: Watch/listen to:

- Value Chain Analysis
 Process Analysis
 Quality
 Accounting Process Redesign

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Business Process Improvement

Section D Practice Essay Questions

Answer all of the essays in the Section D Essay Session in ExamSuccess Online.

Review of Section D

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a multiple-choice question Study Session in ExamSuccess consisting of questions from just that topic or those topics.

In addition to doing that, you should review specifically all the topics in Section D by answering at least 25 multiple-choice questions in ExamSuccess from the entire group of *Section D, Cost Management* questions and/or by completing the Review Session available in ExamSuccess Online.⁷

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 add to the sheet the items you want to memorize for Section D.

Note: For candidates who have access to the Videos, the Final Review Video for Section D is on the access page in My Studies in a separate location below the individual Section videos.

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 A-D 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.**

Section E, Internal Controls

Section E, Internal Controls is not a numerical Section. Rather, it is a theoretical Section that relates to internal controls and internal audit. This Section is 15% of the exam.

The Section has two main topics:

- E.1. Governance, Risk, and Compliance and Internal Control
- E.2. Systems Controls and Security Measures

E.1. Governance, Risk, Compliance, and Internal Control

Good corporate governance is basic to internal control, and this Section begins with a discussion of what corporate governance is, why it is important, and how it is related to risk assessment, internal control, and risk management. Principles of good corporate governance and responsibilities of the board of directors, the audit committee, and the chief executive officer are all important to know.

Internal Control covers the basics of internal control as set forth in the COSO document, *Internal Control – Integrated Framework* (revised 2013). Corporate governance is discussed as well as legislative initiatives that impact companies' internal control processes. In particular, the PCAOB's Auditing Standard No. 5 for auditing internal controls is discussed in depth.

You need to make certain that you understand the concept of segregation of duties. You will probably need to know it from both a theoretical standpoint as well as in application. The application questions are difficult to prepare for because there are so many possible situations that can be created. If you get a question that asks who should not do what two jobs or something similar, make a best assessment of the question, answer it and move on. If you think additional time considering it would be useful, you can mark the answer and come back to it later, but do not spend a great deal of time on this type of question.

Textbook
Volume 2:

Read the **Introduction to Section E – Internal Controls**

In **E.1. Governance, Risk, and Compliance**, read the following topics:

- Corporate Governance
- Responsibilities of the Board of Directors
- Audit Committee Requirements, Responsibilities and Authority
- Responsibilities of the Chief Executive officer (CEO)
- Election of Directors

In **Internal Control**, read the following topics and answer the questions in the book for:

- Internal Control Definition
- The Importance of Objectives
- Who is Responsible for Internal Control?
- Components of Internal Control
- What is Effective Internal Control?

Videos/Audios:

Watch/listen to:

- Governance Principles
- Hierarchy of Corporate Governance
- Introduction to Internal Controls
- Components of Internal Control

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Governance, Introduction to Internal Control

Transaction Control Activities and Safeguarding Controls

Textbook
Volume 2:

In **Internal Control**, read the following topics and answer the questions in the book for:

- Transaction Control Objectives
- Types of Transaction Control Activities
- Safeguarding Controls

Videos/Audios:

Watch/listen to:

- Transaction and Safeguarding Controls

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Transaction Controls
- Safeguarding Controls

Legislative Initiatives About Internal Control, External Auditors' Responsibilities and Reports

- Textbook** Read the following topics and answer the questions in the book for:
Volume 2:
- Legislative Initiatives About Internal Control
 - External Auditors' Responsibilities and Reports
- Videos/Audios:** Watch/listen to:
- Foreign Corrupt Practices Act and Sarbanes-Oxley
 - External Audit Opinions
- ExamSuccess:** Answer **all** of the multiple-choice study questions in ExamSuccess for:
- Legislation and External Audit

E.2. Systems Controls and Security Measures

Systems Controls and Security Measures covers internal control issues related to computer systems. This topic discusses the unique control challenges in computer data processing and means of addressing them. Internet security and contingency planning are also included in this topic. You need to be familiar with the specific terminology and issues of information systems.

Introduction to Systems Controls, General Controls

- Textbook** Read the following topics and answer the questions in the book for:
Volume 2:
- E.2. Systems Controls and Security Measures
 - System and Program Development and Change Controls
- Videos/Audios:** Watch/listen to:
- Systems Controls
- ExamSuccess:** Answer **all** of the multiple-choice study questions in ExamSuccess for:
- System General Controls
 - System Application Controls

Internet Security and Cybercrime

- Textbook** Read the following topic and answer the questions in the book for:
Volume 2:
- Internet Security
- Videos/Audios:** Watch/listen to:
- Internet Security
- ExamSuccess:** Answer **all** of the multiple-choice study questions in ExamSuccess for:
- Internet Security and Cybercrime

Business Continuity Planning and System Auditing

Textbook Read the following topics and answer the questions in the book for:

Volume 2:

- Business Continuity Planning
- System Auditing

Videos/Audios: Watch/listen to:

- Computerized Audit Techniques

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Business Continuity and System Auditing

Section E Practice Essay Questions

Answer all of the essays in the Section E Essay Session in ExamSuccess Online.

Review of Section E

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a multiple-choice question Study Session in ExamSuccess consisting of questions from just that topic or those topics.

In addition to doing that, you should review specifically all the topics in Section E by answering at least 25 multiple-choice questions in ExamSuccess from the entire group of *Section E, Internal Controls* questions and/or by completing the Review Session available in ExamSuccess Online.⁸

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 add to the sheet the items you want to memorize for Section E.

Note: For candidates who have access to the Videos, the Final Review Video for Section E is on the access page in My Studies in a separate location below the individual Section videos.

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 A-E Review Session in ExamSuccess Online.

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 must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Section F, Technology and Analytics

Section F, *Technology and Analytics*, represents 15% of the CMA Part 1 exam and has four main topics:

- F.1. Information Systems
- F.2. Data Governance
- F.3. Technology-enabled Finance Transformation
- F.4. Data Analytics

Technology and analytics are important areas for management accountants to be aware of. Future success in financial endeavors will depend on an understanding of the concepts, so this is an important section.

F.1. Information Systems

Information Systems focuses on accounting information systems (AIS), inputs to an AIS, and use of the outputs from an AIS. Data storage, ERP systems, and enterprise performance management systems are also important topics.

**Textbook
Volume 2:**

Read the following topics in the book:

- Introduction to Section F – Technology and Analytics
- F.1. Information Systems

Videos/Audios:

Watch/listen to:

- Information Systems
- Introduction to Transactions Cycles
- Revenue to Cash Cycle
- Purchasing and Expenditures Cycle
- Production Cycle
- Human Resources and Payroll Cycle
- Financing Cycle
- Fixed Assets Cycle
- General Ledger and Reporting Systems
- Databases
- Enterprise Resource Management
- Data Warehouse, Data Mart, and Data Lake

ExamSuccess:

Answer **all** of the multiple-choice study questions in ExamSuccess for:

- Information Systems

F.2. Data Governance

Data governance is similar to corporate governance, but it is specific to data and information technology. It involves all the practices, procedures, processes, methods, technologies, and activities dealing with the overall management and control of an organization's data assets and data flows. The objective of data governance is to maintain reliable and consistent data so that management can properly assess the organization's performance and make decisions.

Textbook Read the following topics in the book:

Volume 2:

F.2. Data Governance

Videos/Audios: Watch/listen to:

Data Governance

Data Life Cycle and Records Management

Cyberattacks

Defenses Against Cyberattacks

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:

Data Governance

F.3. Technology-enabled Finance Transformation

Technology-enabled Finance Transformation includes several topics:

- Systems Development Life Cycle (SDLC) entails controls over the development process of systems.
- Business Process Analysis is used in reengineering or redesigning business processes and developing the information systems needed to support the newly designed process.
- Robotic Process Automation (RPA) is an aspect of artificial intelligence that is used to automate repetitive tasks by interacting with other IT applications to execute business processes automatically.
- Artificial intelligence is used to create intelligent machines that can simulate human intelligence processes using algorithms, which are step-by-step instructions that a computer can execute to perform a task, and applications that can learn from data and self-correct.
- Cloud computing is a way to increase IT capacity and add capability without investing in new infrastructure or licensing new software.
- Blockchains, distributed ledgers, and smart contracts are a group of topics under the rubric of blockchain technology. A blockchain is a peer-to-peer online system used for sending payments in cryptocurrency and for various other purposes.

Textbook Volume 2: Read the following topics in the book:
 F.3. Technology-enabled Finance Transformation

Videos/Audios: Watch/listen to:
 Technology-enabled Finance Transformation
 Artificial Intelligence
 Cloud Computing
 Blockchain and Smart Contracts

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Technology-enabled Finance Transformation

F.4. Data Analytics

Data Analytics involves gathering and analyzing data to produce meaningful information that can be used in decision-making. It includes business intelligence; data mining; analytic tools such as regression analysis, correlation analysis, and sensitivity analysis; and data visualization.

Textbook Volume 2: Read the following topics in the book:
 F.4. Data Analytics

Videos/Audios: Watch/listen to:
 Business Intelligence
 Data Mining
 Regression Analysis
 Sensitivity Analysis
 Visualization

ExamSuccess: Answer **all** of the multiple-choice study questions in ExamSuccess for:
 Data Analytics

Review of Section F

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a multiple-choice question Study Session in ExamSuccess consisting of questions from just that topic or those topics.

In addition to doing that, you should review specifically all the topics in Section F by answering at least 25 multiple-choice questions in ExamSuccess from the entire group of *Section F, Technology and Analytics* questions and/or by completing the Review Session available in ExamSuccess Online.⁹

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 add to the sheet the items you want to memorize for Section E.

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 A-F Review Session in ExamSuccess Online.

⁹ 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.**

Comprehensive Review

If you have chosen to create a study sheet after you have completed all the Sections rather than as you were going through each one, now is the time to do it. You will want to keep it handy during the last couple of weeks before your exam so you can review it again and again.

You should also at least skim through the entire material one more time. While doing this, you won't want to focus on any individual idea or topic or try to memorize the formulas. Simply make certain that you are familiar with all of the topics, both large and small, and refresh your memory as to the key terms and ideas.

After you skim through the materials, you will want to focus on the main topics that are identified in the Section Overviews in this Study Plan.

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. The flash cards are provided in PowerPoint format, and instructions for using them are provided with the flash cards.

During the final week or two before your exam, create several Part 1 Practice Exams in ExamSuccess Online¹⁰ or Exams in the HOCK CMA Prep mobile app by Appitur®. Each practice exam will contain 100 multiple-choice questions selected randomly from the entire question base in approximately the same distribution as the distribution of the questions on the actual exam and will be timed for 3 hours. You can use these sessions to continue to refine your time management and look for any weak areas that you need to study. Be sure to use the questions that you miss as another learning opportunity.

You also have access to two mock exams with new questions in ExamSuccess Online, which you can take after you have completed your review. Like the real exam, the mock exams contain 100 multiple-choice questions and 2 essay scenarios, each with several questions, and you will not get immediate feedback about whether your answer is correct or not. Set aside 4 hours without interruption to complete each mock exam so you can become accustomed to sitting for 4 hours in one place. When you have completed the mock exams, use them 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 two mock exams, you can use the Part 1 Practice Exam to continue reviewing questions from all of the topics in Part 1. 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.

Note: The multiple-choice questions on the real exam will **not** be organized according to Section. The questions will be presented on all the topics randomly.

If you have not done so already, refer to the *HOCK's Exam Tips* document for some tips you can use on exam day.

¹⁰ 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.**