CPA Exam Cheat Sheet 2026

The night-before summary, built like the exam.

— Scored questions	— Time limit	Minimum 75 on each sec… Passing score
— Exam fee	AICPA (content and scor… Governing body	— Pass rate

Structure & scoring

- 4 sections, 16 hours: three 4-hour Cores (AUD · FAR · REG) + ONE 4-hour Discipline of your choice (BAR · ISC · TCP)
- Pass = 75 on a 0-99 scale — NOT a percentage correct, NOT curved
- Weighting: 50% MCQ / 50% TBS everywhere except ISC (60/40) — simulations are half your score
- AICPA writes and scores · NASBA (CPAES) processes applications and reports scores · your state board owns eligibility and the license
- Eligibility must be declared BEFORE applying; education/experience rules vary by jurisdiction · pass rates published quarterly

AUD anchors

- Audit risk = inherent × control × detection — detection is the auditor's lever (inverse to assessed risk)
- Opinion grid: material misstatement -> qualified; material + pervasive -> adverse · scope limit -> qualified; pervasive limit -> disclaimer
- Going concern + adequate disclosure = unmodified + emphasis paragraph
- Evidence: direct external confirmation > external-held-by-client > internal · originals > copies
- Engagement letter opens · management rep letter closes (refusal = scope limitation) · working papers belong to the auditor
- COSO: control environment is the foundation · analytics required at planning + final review
- Independence: ANY direct financial interest impairs — no materiality floor · PCAOB = issuers, ASB = nonissuers
- Service ladder: compilation (no assurance) -> review (limited: inquiry + analytics) -> audit (reasonable)

FAR anchors

- Revenue: contract -> obligations -> price -> allocate -> recognize as satisfied
- Rising costs: LIFO = lowest inventory & income · FIFO = reverse
- Market rate > coupon = discount (amortization raises interest expense)
- Ownership ladder: 50% consolidate
- Finance lease = amortization + interest (front-loaded) · operating = one straight-line cost
- Contingency: probable + estimable = accrue · possible = disclose · gains never accrued early
- Fair value: L1 identical-active quote · L2 observable-similar · L3 unobservable
- Treasury stock cuts equity, never income · change in estimate = prospective, error = restate
- Governmental funds = modified accrual/current resources · NFP = two net-asset classes (with/without donor restrictions)
- Basic EPS = (income - preferred dividends) ÷ weighted-average shares

REG anchors

- Contract = assent + consideration · UCC goods >= $500 need a writing (4 exceptions)

Source: AICPA (content and scoring) with NASBA and state Boards of Accountancy · Last verified August 7, 2026

- Apparent authority survives private revocation until third parties get notice
- 1933 Act = new issues · 1934 Act = secondary trading + SEC
- LLC members risk only investment (absent guarantee/veil-piercing) · LP needs >=1 general partner + state filing
- Exclusions: muni interest, physical-injury damages (punitives taxable) · tax benefit rule governs recoveries
- NOLs: indefinite carryforward, 80% of taxable income cap · inherited property = automatic long-term
- Penalties: accuracy 20% · civil fraud 75% · trust-fund liability hits responsible + willful persons personally
- Preparers may not use/disclose return info without specific consent

Discipline choice

- BAR <- extends FAR (reporting/advisory) · ISC <- near AUD (systems/SOC) · TCP <- extends REG (tax careers)
- Pair the Discipline right after its related Core · license is identical whichever you choose

Night before

- Re-run the AUD opinion grid and FAR ownership ladder — highest-frequency, most-confusable tables
- Remember: TBS = half the score (ISC: 40%) — pace the exam accordingly
- Logistics and credit-window rules are your board's — confirm from its site, not third-hand numbers

Official sources

- AICPA — CPA Exam — AICPA & CIMA: https://www.aicpa-cima.com/resources/toolkit/cpa-exam
- AICPA — CPA Exam scoring and pass rates — AICPA & CIMA: https://www.aicpa-cima.com/resources/article/learn-more-about-cpa-exam-scoring-and-pass-rates
- National Association of State Boards of Accountancy (NASBA) — CPA Exam — NASBA: https://nasba.org/exams/cpaexam/

Free practice questions for this exam: www.everyexamprep.com/practice/exams/finance/cpa-exam