



Dear CMA Part 2 Candidate,

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

We believe that you will find studying easier and less time consuming if you have a solid plan that targets passing the Part 2 Exam within six months after you begin studying. Set out below is a 24 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 accounting background who is familiar with the basic exam concepts.

The Part 2 Study Plan is longer than the other parts because of the volume of material that is covered. The Part 2 Exam is longer at 4 hours and 140 questions, rather than 3 hours and 110 questions like the Parts 1 and 3 Exams.

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

While studying, there are sure to be topics that are not clear to you and perhaps some that you find incredibly difficult. When encountering these topics, you can always contact HOCK and we will help you as much as possible. Also, keep in mind that you do not need to have 100% knowledge of 100% of the exam content in order to pass. 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.

Finally, your preparation for the comprehensive CMA Part 4 exam will be easier if you have good notes to review. So if you are a person who likes to take notes as you are studying, keep the Part 4 exam in mind and take good notes that you will be able to use later for review.

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". The signature is written in a cursive style with a large, stylized initial "B".

Brian Hock, CMA, CIA

President and CEO

Revised February 2010



CMA Part 2 Study Plan Unit 1: 2 Weeks Section A – Budget Preparation

This section is made up of two main parts. The first is the conceptual and theoretical discussion of budgeting. You will need to know the terms, ideas and order that the budgets are prepared in, as well as the use for different types of budgets (strategic budgets, capital budgets, etc.).

The second part of the section is numerical. You will need to be able to calculate how many units must be purchased or produced during the period and what the flexible budget would have been, given a master budget and certain level of production. In this type of flexible budget question, you will need to remember to calculate the total fixed costs by multiplying the master budget level of production by the master budget cost per unit. The total fixed costs do not change within the relevant range and the question will be within that range. You also need to be able to calculate the amount of cash collected or paid during the period.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section A*. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section A* Class Recordings follow the textbook and cover Planning, Budgeting, and Standard Costs, and also include Budgeting Questions.



CMA Part 2 Study Plan Unit 1: 2 Weeks Section A – Budget Preparation

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 specific exam. The processing of your membership application will take some time, so you should do that right away.

The certification fee may be paid along with your membership application, or it may be paid when you register for your first exam. Your certification entrance fee will give you access to the IMA's CMA Support Package and to other preparation resources from the IMA, so there are advantages to paying it before you begin studying. On the other hand, some people may prefer to wait to pay the certification entrance fee until they register for their first exam, because the certification entrance fee is valid for four years. If you have not passed all four exams within four years of paying the fee, you must pay the fee again. So you should consider the advantages of paying the certification entrance fee in advance and getting access to the resources versus waiting until you register for your first exam and having a little more time to complete all your exams without having to pay the fee again.

Before you will be able to schedule your exam appointment, you will need to register with the ICMA for the exam and wait to receive your authorization number. You should keep the necessary lead-time in mind when you register for the exam. The ICMA states that they process exam registrations within 3 to 4 business days, and then send the authorization number out by the U.S. Postal Service. Therefore, it could take 1-2 weeks for persons in the U.S. to receive their authorization number after registering, and much longer for persons outside the U.S. After you have registered, you can also send an email to the IMA at ima@imanet.org and ask them to send your authorization number to you by email so that you can get it sooner.

Your exam registration will authorize you to take the exam within the next two-month authorization window. Registrations for Part 2 received on or after February 16th, June 16th, or October 16th will be registered for the following testing window.

The ICMA recommends that you schedule your exam appointment at least 4 weeks before your desired date to insure your first choice of date, time, and location.

Because you will need 1-2 weeks for your registration to be processed and then 4 weeks to schedule your exam appointment, you should register 5-6 weeks before you expect to take the exam. If you register during a testing window for that testing window, even though before the cutoff date, you may not be able to schedule your exam appointment before the end of the window. Therefore, we recommend that you register before the testing window begins. However, do not register too soon, or you may find yourself appearing for the exam before you are prepared for it.



CMA Part 2 Study Plan Unit 2: 3 weeks Section B – Cost Management

This is a large section and so these three weeks are broken up into smaller sections below. How much time you spend on each smaller part depends on your background and experience. However, you should try to complete this Section in no more than 3 weeks.

Classifications of Costs

The topic of the different types of costs (especially fixed and variable) is one that will continue through some of the other topics in this Section and Exam. You need to be comfortable with the behaviors of the different costs as well as terms such as product cost, period cost, prime cost, conversion cost, and what is included in each of these. There will be word questions about these costs, what they are made up of and how they behave. If you have this knowledge, these questions will be easily and quickly done.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Cost Terminology & Classifications* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The file *01 – Cost Classifications* from the Section B Class Recordings covers this topic.

Manufacturing Overhead Allocation and Accounting for Factory Overhead

Overhead allocation is the first large numerical topic of this exam, and you will need to make certain that you understand the way of setting the standard costs and the allocation of the overheads to the individual units. Also, spend some time ensuring that you can quickly identify the over- or under-applied overhead for the company and the treatment for this amount.

By understanding these two general topics, the rest of the Section will be easier for you because they will show up again in other areas.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *General Overhead Allocation* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *02 – Manufacturing OH Allocation*, *03 – Accounting for Overhead* and *04 – OH Allocation Questions* from the Section B Class Recordings cover these topics.



CMA Part 2 Study Plan Unit 2: 3 weeks Section B – Cost Management

Activity Based Costing

Activity Based Costing (ABC) is a subject that in reality can take a long time to discuss and implement. However, on the exam, ABC is tested in a slightly smaller scope. A numerical ABC question will possibly require you to compare ABC to the traditional method of overhead allocation. You will be given instructions about how to allocate under the traditional method, and the ABC method is nothing more than applying the traditional method three or four times to the same data. You will also need to be certain to understand the idea behind ABC, the related terminology and the benefits.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Activity Based Costing* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The file *05 – Activity Based Costing* from the Section B Class Recordings covers this topic.



CMA Part 2 Study Plan Unit 2: 3 weeks Section B – Cost Management

Process Costing

Process costing is a topic that often becomes troublesome for people. We have tried to remedy this by including in the materials a seven-step process to help you complete a full process-costing question. We also provide two diagrams for the two methods used in process costing (FIFO and the weighted average methods), along with complete examples for both methods.

In process costing, you need to be able to calculate the equivalent units produced (EUPs) for both conversion costs and materials. Even if you can't do anything else in process costing, make sure that you can calculate the equivalent units produced, as this will very likely be tested. You also need to understand the difference between the FIFO and the weighted average methods, remembering that the only difference is in the treatment of beginning WIP.

This section also introduces the concept of spoilage, both normal and abnormal. You must be able to calculate the number of normally spoiled units and the number of abnormally spoiled units. 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.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Process Costing* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *06 – Processing Costing Introduction* through *12 – Process Costing Spoilage* from the Section B Class Recordings cover these topics.



CMA Part 2 Study Plan Unit 2: 3 weeks Section B – Cost Management

Job Order Costing, Other Costing Systems

Job order costing is used when there are specific and identifiable jobs or projects that are worked on during the period. Other costing methods covered include operation costing, backflush costing, and life-cycle costing.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Other Costing Systems* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The file *13 – Job-Order and Life-Cycle Costing* from the Section B Class Recordings covers this topic.

Service Cost Allocation

Service department cost allocation is a largely mathematical process and you will need to be able to make the allocations under all three methods, and also understand how these methods treat the costs of services provided to other service departments.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Service Cost Allocation* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The file *14 – Service Cost Allocation* from the Section B Class Recordings covers this topic.



CMA Part 2 Study Plan

Unit 2: 3 weeks

Section B – Cost Management

Joint Products and By-Products

These topics are smaller topics but you will need to understand their key elements.

An important concept in this section that gives some people trouble is the ideas of Net Realizable Value and Estimated Net Realizable Value. When the Net Realizable Value method is used to allocate costs between or among joint products, if a product can be sold at the splitoff point, its sales price at the splitoff point **is** its Net Realizable Value. 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 cost allocation, you may have some products for which you will use their sales price at splitoff as their NRV and some products for which you will use their Estimated Net Realizable Value as their NRV.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Joint and By-Products* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The file *15 – Joint and By-Products* from the Section B Class Recordings covers this topic.



CMA Part 2 Study Plan Unit 2: 3 weeks Section B – Cost Management

Variable and Absorption Costing

Though this topic does not take up a lot of pages in the material, it is an important one. It includes two ways of presenting an income statement, but they differ in only one area. Under variable costing, the fixed manufacturing overheads are expensed in the period that they are incurred. Under absorption costing, these same costs are allocated to the units that are produced during the period. These two methods give different levels of net income when inventory changes during the period.

If the inventory levels increase during the period, the absorption method will give a higher income because some of the period's fixed manufacturing overheads are on the balance sheet in inventory. If the inventory level falls during the period, the variable method gives 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 the absorption method, some of the fixed factory overhead costs that had been inventoried in previous years will now be expensed in the current period; and this amount will be greater than the fixed factory overheads that will be on the balance sheet as inventory at year end, since the inventory level has dropped during the period.

You will need to remember that this is the only difference 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.

Finally, you will need to know that the absorption method is required under US GAAP.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Variable and Absorption Costing* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *16 – Variable and Absorption Costing*, and *17 – Variable and Absorption Costing - Questions* from the Section B Class Recordings cover these topics.

Review

If you have had particular difficulty with a topic or more than one topic in this section, review that topic by creating a Study Session in ExamSuccess consisting of questions from just that topic or those topics.

Review all of the topics by creating at least one Study Session consisting of 50 questions from the entire group of Section B – Cost Management questions.



CMA Part 2 Study Plan Unit 3: 1 week Section C – Information Management

This is a topic in which the length of the material is not indicative of its coverage on the exam. This section is 15% of the exam and some of the topics and questions are basic computer and computer system questions that you will not need to study for to get correct. Experience of many candidates also shows that within this section there may be a few questions that are very unusual that you will not even be sure that you understand. Do not worry about these on the exam. If you do not understand what a question is about, guess and move to the next one.

To study for this section, you should read the materials, do the questions in the book and then work with the flashcards. There are a lot of terms and ideas to memorize and the flashcards will help with that. You may not be able to memorize all of the needed terms during this week, but you still have several weeks before the exam.

ExamSuccess

The field of Information Management changes very quickly, and some of the questions in ExamSuccess are more up to date than others. However, even the more current questions from previous CMA exams will probably not be asked on your exam, since they have been retired. Because of this, the ExamSuccess questions are less valuable as a study tool than are the questions in some of the other categories. You should go through the questions at least once, but do not be concerned if you do not do very well on them. Your textbook will prepare you better for the questions you will face on the exam than will the questions in ExamSuccess.

Class Recordings

There are no Class Recordings for Section C because Section C is not taught in the classroom due to its technical nature. The textbook contains everything that you need to prepare for this Section.



CMA Part 2 Study Plan Unit 4: 2 weeks Section D – Performance Management

This section has three main topics within it: variance analysis, quality and responsibility accounting and performance measurement.

Variance Analysis

Variance analysis is a section that causes trouble for many people, especially those who have not studied it previously. Though this is a topic that seems to have a lot of formulas at first glance, it is really not that bad. The formulas are mostly just variations on two 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, but only if you understand what the variance is really telling you.

ExamSuccess

After completing the reading on the topics of Variance Analysis, Standard Costs, and Variances in general (before beginning the section on Individual Variances), create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Control Concepts and Principles* and *Variances - General* subcategories. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *01 - Introduction* and *02 - Variance Analysis-Introduction* from the Section D Class Recordings cover these topics.

Direct Materials Variances, Direct Labor Variances, and Variances when More than One Material Input or One Labor Class are used

ExamSuccess

After completing the reading on the topics of Direct Materials Variances, Direct Labor Variances, and More than One Material Input or Labor Class, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Variances - Material and Labor* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *03 - The Individual Variances* through *08 - Mix and Yield Example and Questions* from the Section D Class Recordings cover these topics.



CMA Part 2 Study Plan Unit 4: 2 weeks Section D – Performance Management

Factory Overhead Variances

Overhead variances are also covered on the exam, as well as the two-way, three-way and four-way methods of analyzing overhead variances. This appears much more complicated than it is and you will simply need to memorize the formulas for these items, including how they are combined in the different ways of analysis.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Variable and Absorption Costing* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *09 – Overhead Variances*, and *10 – 2, 3 and 4-way Overhead Analysis & Questions* from the Section D Class Recordings cover these topics.

Sales Variances, Market Variances

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Other* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *11 – Sales Variances* through *17 – Responsibility Centers* from the Section D Class Recordings cover these topics.



CMA Part 2 Study Plan Unit 4: 2 weeks Section D – Performance Management

Productivity Measures, Quality, Responsibility Centers and Responsibility Accounting

Responsibility accounting includes the different types of centers (cost, revenue, profit and investment) and you will need to know what these are, how they are different from each other and how they are evaluated. This section also discusses the costs that are controllable by a manager and separates them from those that are not. In short, a manager should not be evaluated based on something over which he or she has little, if any, control.

The contribution income statement takes the costs that are incurred and splits them into those costs that are controllable and those that are not. By subtracting the controllable costs (both variable and fixed), we get segment manager performance. The further subtraction of noncontrollable, traceable fixed costs gives us segment margin. You will need to know the different steps in this income statement.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Responsibility Accounting* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *13 – Productivity Measures* through *18 – Contribution Income Statement* from the Section D Class Recordings cover these topics.

Performance Measurement, Transfer Pricing, Performance Feedback

As part of performance measurement, you will need to be familiar with a few calculations: return on investment, residual income, economic value added and market value added. You need to be able to calculate these items and also understand what they indicate and how to use them.

Transfer pricing issues are important because transfer pricing impacts individual responsibility center performance.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Performance Measurement and Transfer Pricing* subcategories. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The files *19 – Performance Measurement* through *26 – Performance Feedback* from the Section D Class Recordings cover these topics.



CMA Part 2 Study Plan Unit 5: 1 week Section E – External Financial Reporting

Section E: Accounting Fundamentals

This is the first of a number of weeks that are devoted to the topics in Section E. Before starting this section, it is important to remember that Section E represents only 25% of the exam. Therefore, even though there are a lot of topics covered in Section E, no individual topic will be tested with a lot of questions. This means that if there is a topic, or a subtopic, that you do not feel comfortable with, it is not worth spending a lot of time trying to figure it out. It is unlikely that there will be more than a question or two about that topic (if any at all) and your time would be better spent studying another topic.

Having said that, we will start our study of Section E with some accounting fundamentals. An introduction to financial accounting is presented, and some basic assumptions and accounting principles are covered. Financial statements and elements of financial statements are discussed. The discussion then moves to U.S. accounting regulations that regulate the reporting of financial information to users outside the company, U.S. Generally Accepted Accounting Principles (GAAP), the accounting standard setting process, and the GAAP hierarchy (what constitutes GAAP, what does not constitute GAAP and what has priority). Statements of Financial Accounting Concepts, which are the foundation, or framework, for all GAAP, are also a part of this section. The final topic in this section is the limitations of financial statements.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Accounting Fundamentals* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

Class Recordings for this topic will be posted the next time these topics are covered in the classroom.



CMA Part 2 Study Plan
Unit 6: 1 week
Section E – External Financial Reporting

Section E: Cash, Receivables and Other Short-Term Assets

The main subtopics in the topic of cash, receivables and other short-term assets are:

- What is included in the definition of cash and what is not included in the definition, and
- How to record receivables under the gross and net methods,
- How to calculate the allowance for bad debts and bad debt expense under the percentage of sales and percentage of receivables methods,
- Calculating the cash received from the sale of receivables, and
- How unrealized gains and losses are calculated and reported for trading and available-for-sale marketable securities.

Though financial instruments and derivatives are included in this material, you do not need to know anything other than the main ideas and concepts, and you do not need to know how to account for these items.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Cash* and *Accounts Receivable* subcategories. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Short Term Assets* Class Recordings follow the textbook.



CMA Part 2 Study Plan
Unit 7: 1 week
Section E – External Financial Reporting

Inventory

In inventory, the main topics that you need to be familiar with are:

- What is and is not included in inventory – goods in transit, goods on consignment, etc.
- How the calculations for cost of goods sold, ending inventory and gross profit are made under the FIFO, LIFO and weighted average methods,
- Understand the difference between the perpetual and periodic methods of valuation,
- Calculate ending inventory under dollar value LIFO,
- Calculate the effects of errors in inventory,
- Calculate the value of inventory under the lower of cost or market, and
- Estimate ending inventory using the gross and retail methods.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Inventory* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Inventory* Class Recordings follow the textbook.



CMA Part 2 Study Plan Unit 8: 1 week Section E – External Financial Reporting

Fixed Assets

In fixed assets, the main topics that you need to be familiar with are:

- Valuing the fixed asset at acquisition for the different methods of acquisition,
- Calculate the capitalization of interest for internally constructed assets,
- Calculate depreciation expense under the different methods of depreciation,
- Account for subsequent expenditures,
- Account for the disposal of fixed assets,
- Calculate the gain or loss on the exchange of fixed assets and the carrying value of the fixed asset received in the exchange, and
- Determine if a fixed asset is impaired and what its carrying value should be if it is impaired.

ExamSuccess

After completing the reading on the topic of Plant, Property and Equipment, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Fixed Assets* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Fixed Assets* Class Recordings follow the textbook.

Intangible Assets

In intangible assets, the main topics that you need to be familiar with are:

- Identify the different intangible assets and know what costs may be capitalized for each of them, and
- Determine the proper treatment of costs associated with computer software.

ExamSuccess

After completing the reading on the topic of Intangible and Other Assets, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Intangibles* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

Class Recordings for this topic will be posted the next time these topics are covered in the classroom.



CMA Part 2 Study Plan
Unit 9: 1 week
Section E – External Financial Reporting

Bonds

In bonds, the main topics that you need to be familiar with are:

- Calculate the selling price of the bond,
- Record the issuance of the bond, recognizing the discount or premium,
- Know how to amortize the discount or premium under the effective interest method,
- Account for the investment in bonds for the purchaser of the bonds,
- Account for the issuance of bonds between interest dates,
- Account for bond issuance costs,
- Account for the early retirement of bonds and calculate the gain or loss,
- Account for the conversion of bonds into common shares, and
- Identify the different classifications of bonds.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Bonds* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Bonds* Class Recordings follow the textbook.



CMA Part 2 Study Plan
Unit 10: 1 week
Section E – External Financial Reporting

Leases, Pensions, Accounting for Income Taxes, and Other Liabilities

The coverage of leases, pensions and deferred taxes on the exam is not deep. You will need to be able to define them, describe their characteristics, understand the accounting issues that are important, and describe the impact they have on a company's financial statements. You do not need to know the accounting rules for transactions, but you will need to understand the basic concepts.

Other liabilities will make up the biggest part of this section. Topics covered are current liabilities, accounts payable, notes payable, unearned revenue, and estimated liabilities such as warranty expense, premiums and coupons, and contingent liabilities. Accounting for the modification of terms of a debt and for the early repayment of debt are also covered.

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the Other Liabilities subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Liabilities* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Liabilities* Class Recordings follow the textbook.



CMA Part 2 Study Plan
Unit 11: 1 week
Section E – External Financial Reporting

Owners' Equity

In owners' equity, the main topics that you need to be familiar with are:

- Know the accounting for the issuance of common stock,
- Account for all types of common stock dividends,
- Account for cumulative and noncumulative preferred dividends,
- Account for treasury stock transactions under both the par value and cost methods,
- Account for compensatory stock option plans, and
- Know the terms stock appreciation rights, employee stock ownership plans and employee stock purchase plans.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Owners' Equity* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Owners' Equity* Class Recordings follow the textbook.



CMA Part 2 Study Plan Unit 12: 1 week Section E – External Financial Reporting

The Income Statement: Revenue Recognition

In this section, the main topics that you need to be familiar with are:

Be able to

- Calculate the amount of revenue/profit to recognize for goods in transit, unearned revenue, the installment method, the cost recovery method, the deposit method, consignment sales and royalties, and
- Calculate the profit to recognize each period for long-term contracts under the completed contract and percentage of completion methods.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Revenue Recognition* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The Class Recordings for Revenue Recognition are grouped with the Income Statement Items in the next topic.

The Income Statement: Other Income Statement Items

In this section, the main topics that you need to be familiar with are:

Be able to

- Calculate and disclose the gain or loss from discontinued operations,
- Calculate and disclose the gain or loss from extraordinary events,
- Calculate and disclose the gain or loss from accounting changes, and
- Account for the correction of errors and changes in estimates.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Income Statement* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Revenue and the IS* Class Recordings cover both Revenue Recognition and Other Income Statement Items.



CMA Part 2 Study Plan
Unit 12: 1 week
Section E – External Financial Reporting

The Income Statement: Earnings Per Share

In this section, the main topics that you need to be familiar with are:

Be able to

- Calculate basic earnings per share, and
- Calculate diluted earnings per share.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Earnings Per Share* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Earnings Per Share* Class Recordings follow the textbook.



CMA Part 2 Study Plan
Unit 13: 1 week
Section E – External Financial Reporting

The Statement of Cash Flows

In the Statement of Cash Flows, the main topics that you need to be familiar with are:

- The classification of different activities,
- What noncash investing and financing activities are and how they are presented,
- How to calculate the individual lines under the direct and indirect methods,
- The adjustments that are made to net income under the indirect method, and
- The issues related to the calculation of cash received from investing and financing activities.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Statement of Cash Flows* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Statement of Cash Flows* Class Recordings follow the textbook.

Accounting for Foreign Operations and Foreign Currency Transactions

In Accounting for Foreign Operations and Foreign Currency Transactions, the main topics that you need to be familiar with are:

- Know the treatment of the gain or loss from the translation and/or remeasurement of foreign financial statements, and
- Calculate the gain or loss on transactions denominated in a foreign currency.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Foreign Currency* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Foreign Currency Issues* Class Recordings follow the textbook.



CMA Part 2 Study Plan
Unit 14: 1 week
Section E – External Financial Reporting

Accounting for Investments, Business Combinations, Consolidations, and Other Topics

In this section, the main topics that you need to be familiar with are:

- Accounting for investments accounted for under the cost method,
- Accounting for investments accounted for under the equity method,
- The values at which assets and liabilities are recorded in a business combination,
- The treatment of owners' equity in a business combination,
- Understand the basic principles and ideas of the consolidation of financial statements,
- The purpose and procedures for a consolidation,
- The elimination of intercompany transactions, including the profit on the intercompany sale of inventory and fixed assets, and
- What combined financial statements are.
- The requirements for segment reporting, and
- Other topics, including the development of accounting legislation in the U.S., the SEC and its role, and the Securities Act of 1933, the Securities Exchange Act of 1934, and the Sarbanes-Oxley Act of 2002. There are a lot of terms, definitions, forms and requirements that are included here. You will want to read the materials at least once to get a broad understanding of the issues covered, but then you will want to study more with the flash cards, as they will help you focus on the critical terms and ideas. Be certain to know the Statements of Financial Accounting Concepts the SEC reporting requirements, and the major provisions of the Sarbanes-Oxley Act.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in the *Investments* subcategory. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Class Recordings

The *Section E – Investments* Class Recordings follow the textbook.



CMA Part 2 Study Plan Unit 15: 2 weeks Review Sections A – D

Because these four sections make up 75% of the exam, it is important that you review these sections again after completing Section E. You will want to review not only using the flash cards, but also by looking at the questions and problems from these topics. It is critical that you know the calculation and formulas as well as the concepts and definitions for these sections. You will probably want to focus your attention on Sections B and D because they have slightly more coverage on the exams and also because there is more material in each of these sections. Sections A and C tend to be topics that people are more comfortable with and do not include as many mathematical calculations. Do not ignore these two sections, but do not focus on them, either.

In ExamSuccess, create several Study Sessions consisting of topics from Sections A through D. These Study Sessions should have at least 50 questions each. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.



CMA Part 2 Study Plan Unit 16: 1 week Review Section E

Section E is such a large section that after you have completed the topics, you will want to spend a week reviewing what you have covered. You should have a very good basis in these topics, so just go back and read through the different materials and refresh your memory of the different issues related to each topic. If there was an area that you did feel completely comfortable in, spend a couple of hours during this week looking at it again.

In ExamSuccess, create several Study Sessions consisting of topics from Sections E (including questions from all the subcategories). These Study Sessions should have at least 50 questions each. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.



CMA Part 2 Study Plan Unit 17: 3 weeks Review

Prior to your exam and after you have completed studying, you will want to 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.

In ExamSuccess, create several Study Sessions consisting of questions from all of the Part 2 topics. These Study Sessions should have at least 50 questions each. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

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

During the final week or two before your exam, create several Exam Simulations in ExamSuccess. Each of these Exam Simulations will contain 140 questions selected randomly from the entire question base in approximately the same distribution as the questions will be on the real exam. For example, if a particular major section will account for 25% of the questions on the real exam, 25% of the questions on the simulation exam will also come from that section. The simulation exams will be timed for 4 hours, so set aside a four-hour period when you will not be interrupted for taking each test. You need to become accustomed to sitting for four hours in one place and answering questions on the computer.

Also, use this as an opportunity to practice your time management skills. The exam simulation works the same way as the Prometric exam will work. You can use the keyboard instead of the mouse to select your answer and move to the next question by hitting the key for the letter that corresponds to your answer choice and then hitting Alt-N to move to the next question. This may save you a few seconds on each question, and over the course of a 140-question exam, that could make the difference between completing the exam and not completing it.

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

Mock Exam: You should be prepared to take the Part 2 Mock Exam and then pass the real exam shortly after. Email us at cma@hockinternational.com and ask for the mock exam to be emailed to you. It is a paper and pencil exam containing 140 questions to be completed in 4 hours.