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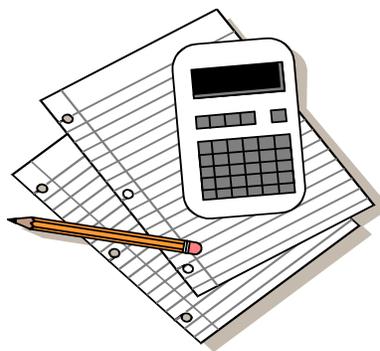
HOW TO PREPARE GUIDE

FOR THE

STAFF ACCOUNTANT

10612

WRITTEN EXAMINATION



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How to Prepare for the Staff Accountant (10612) Written Examination

I. INTRODUCTION

The purpose of these instructions is to help you prepare for the written, entry-level examination which is being given for the Staff Accountant classification with the State of Alabama. The Staff Accountant Examination is the exam you are taking in order to be hired as a Staff Accountant with the State of Alabama. You will have three (3) hours to complete the Staff Accountant examination.

It is very important that you sit down in a quiet place and review the material in this book. You should also set aside time to practice doing the things that are suggested in this booklet to prepare for the Qualifying Exam. Please remember that the material in this booklet is designed to help you prepare for the exam. You will not need the material in this booklet at the time you actually take the exam. Therefore, you will not be allowed to carry this booklet into the exam session. Later in this booklet, we will instruct you on what you are **allowed** to bring to the exam session and what you **must** bring to the exam session. You will not be allowed to bring this booklet to the exam with you.

II. JOB PREVIEW

Staff Accountant positions are available in various state agencies and departments located statewide. However, a majority of these positions are located in Montgomery, Alabama.

Employees in this class may act in the capacity of departmental financial officer in a state agency with a small accounting operation, a section supervisor within a medium-sized accounting operation, or an assistant section supervisor within a large accounting operation. This position typically supervises professional and/or paraprofessional staff. Employees in this class may be in specialized professional accounting/auditing positions where no supervisory duties are involved. Other employees in this class act as auditors-in-charge (lead auditor) in performing audits of moderate difficulty and size, and/or participate in audits of greater difficulty and size. Work includes the more difficult accounting/auditing duties requiring the application of professional accounting/auditing techniques to a variety of problems. Work includes responsibility for giving technical advice to subordinate accounting/auditing personnel in the performance of their work. Work of a Staff Accountant is distinguished from that of an Accountant by duties which usually involve the exercise of considerable independence of judgment in making decisions regarding interpretation of procedures and regulations, but unusual problems or matters affecting general policy are referred to a higher ranking technical or administrative employee. Work is reviewed at completion for maintaining general standards of performance.

III. PREPARING FOR THE EXAM

A. General Information on “What to Do Before the Exam”

Here are some suggestions for what to do before the exam and for getting to the testing place on time and with the proper things that you will need to take the test.

1. Be well rested. Get a good night’s sleep for several nights in a row before the written examination.
2. Allow plenty of time to get to the examination site. If you are rushed and late, you will be upset when you get there. Plan to get there at least 20 minutes before time for the examination to begin.
3. Do not bring cell phones to the testing site. Pagers should only be brought if it is absolutely necessary. All pagers must be set to vibration mode.
4. Come dressed comfortably. The total time provided for completion of this exam will be 3 hours.
5. You should read and study this booklet. You should practice the kinds of things that this booklet suggests that you practice.
6. Do **not** bring this or any other booklets, reading or study materials to the exam. You **will not** be permitted to bring them in. All materials needed to complete the exam will be given to you at the exam.
7. You **must** bring the EXAM NOTIFICATION LETTER or NOTIFICATION POSTCARD that you received from the State of Alabama Personnel Department to the examination site.
8. To protect your own interests, you will also be asked to bring PICTURE IDENTIFICATION to the examination site. This may be a valid driver’s license, a military identification card, a student identification card, or some other form of PICTURE IDENTIFICATION. You only need one form of PICTURE IDENTIFICATION.
9. You **will not be allowed** to enter the examination site or take the exam without your NOTIFICATION LETTER/POSTCARD **and** PICTURE IDENTIFICATION.
10. Bring several number 2 pencils with erasers to the exam. It is also recommended that you bring a highlighter pen and a calculator. Small solar powered or battery operated calculators that perform basic functions such as addition, subtraction, multiplication, division, square roots, or percentages are allowed. Calculators that plug-in, utilize tape, have word processing, spelling, thesauruses, or other storage and retrieval capabilities (except basic memory functions) are not allowed. Calculators that are a feature on a cell phone are not permitted. Calculators are subject to inspection by exam monitors. Applicants may not borrow or share calculators at the exam site.

B. General Information on “What to Do During the Exam”

1. Some people are nervous when they take tests. There is nothing wrong with that. Whenever you are going to do something important, it is good to feel a bit keyed up. It is nature’s way of getting you warmed up and ready, like an actress or actor about to go on stage for a performance.
2. However, it is not good to be so nervous that all you can think about is how nervous you are. You need to keep your mind on the test questions, and not on your feelings. To improve your ability to do that, you will find ideas in this booklet on how to study and prepare for the written examination. **The more prepared you are, the more comfortable and less nervous you will feel during the exam.**
3. In an exam like this one, some questions are easy and some are hard. Don’t give up. Probably no one will make a perfect score. If it is hard for you to figure out an answer, it is probably hard for other people too. Keep your mind on the test, and try to answer every question. Mark an answer on your answer sheet even if it is a guess. **You will not be penalized for guessing.** On the other hand, do not spend too much time on any one question just because it is hard. This may not leave you enough time to answer questions that you know.
4. You will have 3 hours to complete the exam. Use your time efficiently. The exam is not a test of how quickly you can answer questions. However, it does not allow you all the time you might like to have. In the parts of the test that require reading, try to keep a steady pace. Try to finish as much of the test as you can.
5. An examination monitor will be at your test site when you report. The monitor will check your Picture Identification and Exam Notification Letter/Postcard, and then will provide you with test materials. You **must** follow the instructions of the monitor at all times.
6. The examination monitor will provide you with instructions concerning restroom availability during the test administration. It is important to remember that the time that you take to use the rest room is time away from working on the examination. So, we recommend that you use the restroom before the examination, if possible.
7. You are not to open any examination booklets or instructions or begin working on the exam until you are instructed by the monitor to do so.
8. The only materials you need to bring to the test site are a Picture Identification, Exam Notification Letter/Postcard, several number 2 pencils and a simple calculator that performs only the basic functions of addition, subtraction, multiplication and division. No other materials will be allowed in the test site.
9. Candidates making any disturbances or caught cheating will be disqualified from the exam.

10. Test monitors can answer questions concerning exam administration issues only. They **will not** be able to interpret exam questions for you.
11. You should always check to make sure that your answers to questions are marked in the location on the answer sheet that matches the number of the question you are answering.
12. If you have time remaining after you have completed the test, it is always a good idea to review your responses on the more difficult questions. Once you have finished, notify the monitor for instructions.
13. In summary, there are two things you can do that will make you feel more comfortable taking the exam: 1) follow the guidelines presented in this booklet on how to prepare for the exam and 2) become familiar with what kinds of questions will be used in the exam.

IV. EXAM INFORMATION

A study of the Staff Accountant classification was conducted prior to developing the examination. A number of employees who work in this position and their supervisors participated in this study. The study showed that the following knowledges and abilities are associated with the above duties. These knowledges and abilities are needed on the first day of work before training:

- Knowledge of English grammar, punctuation, and sentence structure.
- Ability to communicate information and ideas in writing so others will understand.
- **Knowledge of basic math including addition, subtraction, multiplication, and division.**
- **Ability to add, subtract, multiply, or divide whole numbers, percentages, and decimals.**
- **Ability to read and comprehend financial/numerical information and understand and analyze financial data.**
- Knowledge of word-processing software (such as MS Word or WordPerfect).
- Knowledge of spreadsheet software (such as Excel, Lotus, or Quatro Pro).
- Ability to use personal computers and software applications.
- **Knowledge of accounting concepts including depreciation, internal control, assets, liabilities, accounts receivable/payable, preparation of financial statements and closing year-end entries.**
- **Knowledge of Generally Accepted Accounting Principles (GAAP).**

- **Knowledge of accountancy ethical concepts (independence, objectivity, integrity, and due care).**
- Ability to read and understand information and ideas presented in writing.
- Ability to acquire knowledge by reading, thinking critically, and learning new material.
- Ability to generate, organize, and analyze ideas logically.
- Ability to identify problems, and generate, evaluate, implement, and re-evaluate ideas for solving them.
- Ability to find, organize, and synthesize information.
- **Ability to compare details (e.g., letters, numbers, words) quickly and accurately and detect differences.**
- Ability to manage one's own time and coordinate with others.
- Ability to communicate information and ideas orally so others will understand.
- Ability to listen to and understand information and ideas presented through spoken words and sentences.
- **Ability to recognize and respond to unusual patterns of information, data, and gaps in information flow.**
- Ability to remember information such as words, numbers, pictures, and procedures.
- Ability to focus on the task at hand.
- Ability to set personal goals and try to succeed at those goals.
- Ability to strive to be competent in one's own work.
- Ability to influence others in the organization and display energy and leadership.
- Ability to be pleasant, cooperative, and sensitive to others.
- Ability to be mature, poised, flexible, and cope with stress, criticism, setbacks, personal and work-related problems, etc.
- Ability to be dependable, trustworthy, and committed to doing the job correctly and carefully.
- Ability to work without close supervision depending mainly on oneself to get things done.

- Ability to understand other’s perspective and look for ways to help them.
- Ability to acquire knowledge by reading, thinking critically, and learning new material.
- Ability to identify problems, and generate, evaluate, implement, and re-evaluate ideas for solving them.
- Ability to find, organize, and synthesize information.

The examination for Staff Accountant will measure the knowledges and abilities above that appear in **bold print**. The remaining knowledges and abilities must be demonstrated during the probationary period if you are hired into the Staff Accountant position.

V. SAMPLE TEST ITEMS

You will find examples of exam items below. Please review these items in order to familiarize yourself with the kinds of items you will be asked and the format of the exam.

The following are examples of items from each section of the Staff Accountant examination.

Section I. Accounting Concepts

The State Agency for Zoning operates under the accrual basis of accounting. If the agency fails to accrue liabilities at the completion of the accounting cycle, the result will be an

- A. understatement of net income and an overstatement of net assets.
- B. overstatement of net income and an understatement of liabilities.
- C. understatement of net income and an understatement of liabilities.

| |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The best answer for Sample Question 1 is B because net income will be overstated if liabilities are not accrued, and liabilities will be understated if liabilities are not accrued at the end of the accounting cycle. Alternatives A and C are NOT the best answer because net income will be overstated, not understated, if liabilities are not accrued.</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Section II. Mathematical Operations

The total net income for XYZ, Inc. is \$54,756. The average monthly net income is equal to

- A. \$3,650.
- B. \$4,212.
- C. \$4,563.

The best answer for Sample Question 2 is C because \$54,756 divided by 12, the number of months in a year, is equal to \$4,563. Alternatives A and B are NOT the best answer.

Section III. GAAP

In preparing a corporation's financial statements, one would rely on the estimated market value rather than the going-concern principle if the corporation were expected to

- A. continue to grow.
- B. liquidate.
- C. downsize.

The best answer to Sample Question 3 is B because the going-concern principle is to be applied at all times, except when a business is going to liquidate, or in other words, go out of business. Alternative A is NOT the best answer because if the corporation were expected to continue to grow, then the going-concern principle would apply. Alternative C is NOT the best answer because a corporation that downsizes is still continuing to exist and is not going out of business; therefore, the going-concern principle still applies.

Section IV. Accountancy Ethical Concepts

Accountant Blake has heard a rumor that XYZ Company is going to be charged with embezzlement. This information is likely to affect Accountant Blake's ability to be

- A. independent.
- B. honest.
- C. objective.

The best answer to Sample Question 4 is C because having knowledge that XYZ Company is going to be charged with embezzlement is likely to influence Accountant Blake's judgment of the Company and decrease her ability to be impartial. Alternative A is NOT the best answer because hearing the rumor does not affect whether or not Accountant Blake is independent. Alternative B is NOT the best answer because hearing the rumor is not likely to affect Accountant Blake's ability to be honest.

Section V. Financial Analysis

| | | |
|----------|---------------------|---------|
| 9/10/01 | 10 boxes of pencils | \$12.50 |
| 10/09/01 | 5 calculators | \$40.00 |
| 11/12/01 | 20 boxes of staples | \$14.00 |
| 12/11/01 | 8 boxes of erasers | \$10.40 |

The least expensive purchase requisition is for

- A. 8 boxes of erasers.
- B. 5 calculators.
- C. 10 boxes of pencils.

The best answer for Sample Question 5 is A because the amount for 8 boxes of erasers is \$10.40, which is less than the amount for all of the other items. Alternative B is NOT the best answer because the purchase requisition for 5 calculators is the most expensive purchase requisition. Alternative C is NOT the best answer because the amount for 10 boxes of pencils (\$12.50) is more than the amount for 8 boxes of erasers (\$10.40).

VI. ADDITIONAL INFORMATION FOR TAKING THIS EXAM

A. Effective Note Taking

Why Take Notes?

There are several good reasons to take notes:

- Taking notes can help you remember; notes you take in your own words are easier to understand and remember.
- Writing down notes may actually make ideas you did not fully understand clearer.

Taking Effective Notes

The following are some rules and suggestions for taking effective notes:

- Make your notes brief. Pick out the important points.
- Do not use a sentence when you can use a phrase. Do not use a phrase when you can use a word.

- Use abbreviations whenever possible.
- Put most notes in your own words. However, copy the following exactly as they are presented:
 - a. Definitions
 - b. Specific Facts
 - c. Specific Rules and Procedures

B. Strategies for Taking the Exam

By following the suggestions listed below, you can do your best:

- **Read the questions carefully.**

Be sure you know what the question asks and what the choices say before you try to answer the question. On every test, people choose wrong answers simply because they failed to pay attention to part of the question or failed to read all of the answer.

- **Choose the answer that is generally best.**

To keep questions short, they can not have a lot of detail. You should give the answer that would be considered to be generally the best.

- **For “Reading Comprehension” questions, decide something about each question.**

1. You may decide you know the answer. Mark your answer on the answer Sheet. Spend no more time on that question.
2. You may decide you are fairly sure of the answer, but may want to think more about it. Mark your answer sheet and make a note of it in the test booklet so it will be easier to find later.
3. You may decide one or two answers are definitely not the best. Eliminate the answers you know are wrong then direct your attention to those choices that are potentially correct.
4. You may decide that figuring out the answer is possible, but will take you a lot of time. Don’t mark any answer. Note the question in your test booklet so you can find it when you are ready to come back to it. Make sure you finish the test in enough time to come back to answer the question.
5. You may decide you don’t know the answer and that all you can do is make a guess. Make the guess. Mark the answer sheet to show your answer. Don’t waste any more time on that question. There is no penalty for guessing and sometimes you may guess right.

- **Don't change answers unless you have a good reason.**

When people change their answers, they more often change from a right answer to a wrong one rather than from a wrong answer to a right one. The reason seems to be that they start thinking about some specific case, which results in choosing an answer on the basis of facts that are not given in the question. Or, people think about what some part of a question says and forget about what the rest of the question said.

- **Use your time efficiently.**

You may not have all of the time you might like to complete the test. In the parts of the test that require reading, read at a normal pace so that you can finish the test and have time to go back and work on the questions you saved until last.

- **Don't give up.**

Many people give up too easily on test questions. If the question looks too hard, they don't even try. Look for the specific information needed to answer the question. However, do not spend too much time on any one question just because it is hard. Doing that may not leave you enough time to give the answers that you know.

C. Study Suggestions

You may find some of the following ideas helpful in preparing for the exam:

- Do not prepare for the exam in a single session.
- Study in a quiet place. Do not study when you are doing something else.
- Make up your own tests and take them.
- Pretend that you are in a real testing situation and try not to talk to anyone else while you are taking the sample tests.
- Practice following instructions. Read sections of how-to books or instruction manuals you may have at home and practice taking notes or highlighting important aspects of the sections.
- Study the Sample Test Items in this How to Prepare Booklet.
- Study whatever material you believe will assist you in learning each of the duties, and knowledges, skills, and abilities required for the Staff Accountant position as listed in Section IV of this booklet.

VII. EXAM ADMINISTRATION INFORMATION

A. What to Bring to the Examination

- Do **NOT** bring this Booklet to the exam location. You will not be permitted to bring it in the testing room.
- Do **NOT** bring any of your study materials to the exam. This includes notes, manuals, and other study materials.
- Remember to bring to the exam the NOTIFICATION LETTER or NOTIFICATION POSTCARD that you received from the State of Alabama Personnel Department. You will **not be allowed** to take the exam without your NOTIFICATION LETTER/POSTCARD.
- To protect your own interests, you will also be asked to bring a PICTURE IDENTIFICATION to the exam location. This might be a valid driver's license, a military identification card, a student identification card, or some form of picture identification. You only need to have one form of PICTURE IDENTIFICATION.
- Bring several number 2 pencils with erasers to the exam. It is also recommended that you bring a highlighter pen and a calculator.
- Remember, you will **not be allowed** to enter the exam location or take the exam without your NOTIFICATION LETTER/POSTCARD **and** PICTURE IDENTIFICATION.

B. Taking the Exam

You will be given 3 hours to complete the exam. Use your time efficiently. The exam is not a test of how quickly you can answer questions. However, it does not allow you the time you might like to have. In the parts of the test that require reading, try to keep a steady pace. Try to finish as much of the test as you can.

While reading passages, you may want to take a few notes. Make your notes brief. You may also want to underline or highlight important information as you read.

Don't give up. Many people give up too easily on tests. If the question or problem seems hard, they do not even try. Mark an answer on your answer sheet even if it is a guess. You will not be penalized for guessing. On the other hand, do not spend too much time on any one question just because it is hard. This may not leave you enough time to answer questions that you know.

VIII. EXAM CONTACT

The contact person for the Staff Accountant examination is Laury Baswell, a Personnel Analyst with the State Personnel Department. If you have questions about the contents of this document, please call her at (334) 242-3389.

IX. GENERAL QUESTIONS ABOUT THE EXAM

You should contact the State Personnel Department if you have questions about the examination administration as you prepare to take the exam. Exam administrators are not allowed to divulge specific information about the content of the exam.

Reasonable Accommodations

If you would like to request special testing accommodation or have any questions concerning the test site or testing conditions, please contact the State Personnel Department at (334) 242-3389.

Rescheduling a Written Examination

If there is a conflict in your schedule, and you are unable to attend the written exam at the time and date for which you have been scheduled, you must resubmit your Application for Examination. The State Personnel Department will schedule you for the next available administration of this written test.

Test Results

Four to six weeks after completing the exam, you will receive a Notice of Examination Results postcard in the mail. This postcard will identify your score, or Band placement, for the written exam. If you have not received your score within four to six weeks, you should call the State Personnel Department

In addition to your Band placement, you may also obtain your standing, or rank on the register, online at www.personnel.alabama.gov. From the home page, you should click on “Applicants” and then “Register Standing”, and follow the instructions. For security purposes, you must now create an online profile in order to access your standing.

X. BANDED SCORING

When the written exam for Staff Accountant is graded, the scores will be grouped into bands. When you receive notification of how you did on the exam, you will not be given a numerical score (e.g., you will not receive a score of 95 out of 100.). Rather, you will be informed into which band your score fell. The following is information to help you understand the banding procedure.

What is banding?

Banding is one way to reduce the impact of fluctuations in test scores that do not provide meaningful information about differences in the ability to do the job. One important purpose of testing is to identify the differences in test scores that reflect real differences among candidates. Banded scoring is a statistical procedure for grouping raw test scores that statistically are not meaningfully different from one another. In banded scoring, bands are set objectively and mathematically. They are not manipulated arbitrarily.

Misconceptions about banding

There are many misconceptions about banding and the use of banded scores. Some of the most common misconceptions are listed below. Each misconception is followed by a clarification.

- **Misconception: Each band should have the same number of people.**

The people in a band are similar to each other in that statistically there is no meaningful difference in their scores. Sometimes Band 1 may be very large and at other times it may be small. We do not force bands to be a certain size. The size of the bands is based on the scores people make.

- **Misconception: Band numbers have no meaning. I don't have a score.**

Think of a band as a group of tied scores. Think of a band as a group of scores that statistically are not meaningfully different. In school, two students with average grades of 94.5 and 94.3 would both be grouped into a band called "A" because the teacher cannot be sure that .2 of a point is a real difference in achievement. Think of scores on achievement tests children take in school. The fine print on the tests always cautions you not to focus on the numerical score but rather on the comparative score which uses some grouping technique such as percentiles, stanines, standard deviations, grade levels, etc. These grouping techniques are considered forms of banding.

- **Misconception: Band numbers are the same as letter grades.**

Band 1 does not equate to an "A," Band 2 to a "B," etc. In school a predetermined numerical score (e.g., 92-100) equals an A. In banding, scores are banded only in relation to one another. Unlike grade school bands, the width of bands is not set in advance. You compete against your peers only. Your scores are set in relation to your peers only.

- **Misconception: A band score on one test has the same value as a band score on another test.**

Banded scores are test specific and cannot be compared to banded scores on other tests.

- **Misconception:** People who have been on the job longest should be in the top bands.

Time spent in a job may not be the same as skill in doing the job. The people with the strongest skills (or who did best on the exam) should be in the top bands. Some of these people will have been in the job longer than others. Years of service do not always equal proficiency.

- **Misconception:** A standing in Band 4 or below automatically indicates failure or ineligibility for jobs.

This statement is false. A band score of 4 or lower is not automatically equated with failure. The true test of your employment opportunities is whether or not you can be certified and considered for a job vacancy.

- **Misconception:** Banding replaced the “Rule of 10.”
Banding did not replace the “Rule of 10.” The “Rule of 10” determines the number of bands to be certified. In the past, tied scores referred to an actual numerical score (e.g., two candidates with a score of 98.98 were considered tied) while now all of the scores within a band are considered tied.

- **Misconception:** People in a band do not differ.

When several people are placed in the same band, it does not mean that those people do not differ. Instead, it means that their scores on the exam do not differ enough to be separate scores.

XI. STATE PERSONNEL TERMINOLOGY

The following are terms that are used by State Personnel regarding test scores and employment that results from those scores. This section is provided to help you understand State Personnel terminology and procedures.

Register: A register is a list of all individuals who have successfully completed the selection procedure for a State Merit System job. The register is a complete list of individuals who are eligible for employment in a certain job classification.

Certification: A certification is a list of the top ten individuals on an employment register. These are the individuals who are immediately appointable to positions. A register that uses Banded Scoring may produce a certification with more than ten names. If Band 1 contains 15 names, then all 15 individuals will be on the Certification. Likewise, if Band 1 contains 3 people and Band 2 contains 25 people, then all individuals in both Bands 1 and 2 would be on the certification. Since individuals within a Band are considered to be tied, the certification cannot split up a Band. Certifications may be state-wide or specific to a county within the state.

Test Failure: Some multiple-choice tests administered by the state use a Pass/Fail point to identify individuals who failed the test.

Subject Matter Experts: Individuals who have detailed first-hand knowledge of a job. These individuals assist State Personnel in conducting thorough job studies and in many cases assist in developing specific exam components.