Guide to marking a CPA case

For Employers and Mentors
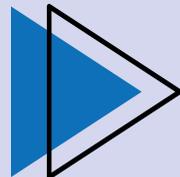
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The benefits of marking

Marking is a great way to pass on your knowledge and expertise to the next generation of CPAs. The CPA Professional Education Program (CPA PEP) uses case-based learning, which helps reinforce technical topics from module to module leading up to the Common Final Examination (CFE). Marking cases for candidates helps support candidates through CPA PEP while they progressively develop competencies and use them to better serve your organization.

What you'll need

To mark, you'll need three things: the case, the marking materials, and the candidate's responses (both their quantitative and qualitative responses).

On the marking rubric, you'll see a series of criteria that the candidate must achieve in their response. You can use circles, checkmarks, or yes/no to mark each required criteria; this is used to indicate if they have or have not achieved that particular criteria. Feel free to add any additional comments that are relevant and helpful for the candidate. Markers should assess the final ranking achieved (see box on the right for the assessment options).

On both their Excel response (quantitative response) and Word response (qualitative response), use a different font colour to directly provide feedback or comments (if any) in the body of the responses. Even a simple "Good Job!" helps the candidate gain confidence as they write other cases.

NA – Not Addressed
NC – Nominal Competence
RC – Reaching Competence
C – Competent
CD – Competent with Distinction

Steps to marking a case

1
Has the Assessment Opportunity (AO) been **addressed**?

2
Identify the issue.

3
Help **solve** the issue.

4
Show how to **correct** the issue.

Step 1:
Has the AO been **addressed**?

1.1

On the marking rubric, you'll see every Assessment Opportunity (AO) in that particular case. Markers should start with what criteria is required to achieve a C (as the goal is to achieve a C and not a CD). If the candidate achieved a C, consider if they have achieved a CD, then move on to the next AO.

1.2

If they haven't achieved a C, keep moving down the list on the marking rubric. This is called the "Step-Down Approach." Keep moving down the list until the candidate has scored that appropriate ranking.

For all assessment opportunities that a C was not scored, help the candidate by identifying the issue in Step 2.

The Step-Down Approach

RC

To get a RC (Reaching Competence), the candidate needs to achieve...

NC

To get a NC (Nominal Competence), the candidate needs to achieve...

NA

NA (Not Addressed), the candidate has not addressed the AO

Step 2:
Identify the issue

For all Assessment Opportunities (AO) in which a C was not scored, you must determine what the underlying issue is for the candidate.

Identifying the issue allows the candidate to diagnose specifically where they went wrong. This ensures they do not repeat the same mistakes in the future. Further, it allows them to focus on weaker parts of their case writing or technical competencies. Typical issues are included in the below chart:
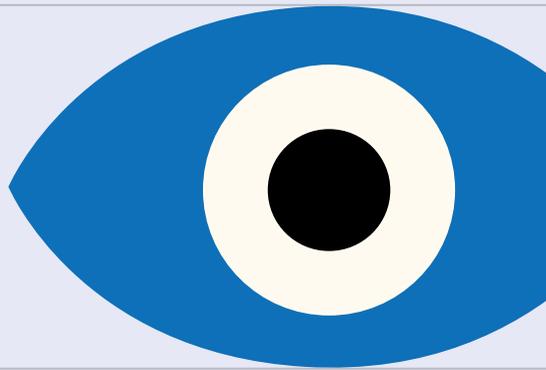
2.1 Missing case facts	In the marking rubric or feedback guide, determine the case facts needed in their response in order to completely address that particular Assessment Opportunity (AO).
	A. If no case facts are mentioned, the candidate likely needs to develop more critical reading skills or has incorrectly planned their response.
	B. If case facts are mentioned but the candidate failed to link to the response or handbook criteria, the candidate must develop better writing skills to link case facts to the technical.

Step 2:
Identify the issue

2.2 Lack of depth	The marking rubric or feedback guide includes numerous criteria (or elements) that the candidate needs to achieve in order to get depth. Some examples of responses that lack depth include: A. The issue was identified but there was no explanation. The candidate did not know the technical—and will need to review weak technical—and/or they ran out of time because of poor time allocation on their plans. B. The issue was identified but was not explained properly or was not concise enough. The candidate needs to develop better writing skills, including using bullet points in their response. C. The response lacks a conclusion or recommendation. The candidate should work on planning their response better. Ask the candidate to consider using templates such as WIR (Weakness, Implication, and Recommendation).
2.3 Lack of breadth	Based on the marking rubric and feedback guide, the response did not address enough of the required. A. The response only had some (or none) of the required. The candidate needs to practice their critical reading skills, and is likely reading too fast or is not writing the required down and ranking it on their plan.

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2.4 Incorrect Technical	Candidates may take an Assessment Opportunity (AO) in the wrong direction and apply incorrect technical knowledge. For example, Financial Reporting is a commonly tested topic where candidates need to correctly incorporate the technical to fully address the Assessment Opportunity (AO). Mixing up technical and confusing ASPE with IFRS (and vice versa) are very common mistakes. An example of this is using ASPE 3400 instead of IFRS 15 for revenue recognition (and vice versa). Markers should recommend using a technical review tracker to review weaker technical on a separate day.
2.5 Time management	Markers will sometimes see an incomplete response. This is typically a result of not appropriately allocating time to each of the required. This could be the result of not reading critically or "stealing time" from another required. Ask the candidate to allocate time to each AO on their plan. An example of a plan is below: **Plan (Time: 9:00 to 9:45)** Required #1: start time: 9:00; end time: 9:15 (15 minutes) Required #2: start time: 9:15; end time: 9:25 (10 minutes) Required #3: start time: 9:25; end time: 9:45 (20 minutes)
2.6 Lack of detail (in quantitative response)	Small details are needed in order for a candidate to completely answer their quants (quantitative response). To achieve depth in their response, candidates need to: a. Tax effect calculations; b. Provide a conclusion or recommendation based on their calculations; c. Add "notes" to show their calculations; and d. Add titles such as: "Exhibit 1: 5-year cash flow projection for ABC Inc."

STEP 3:
Help **solve** the issue

Based on the issues identified in Step 2, markers should create a solution for the candidates on how to solve each identified issue.

An example of a common issue is a long and wordy response often filled with "fluff" to make it appear to have depth. You can help the candidate by adding annotations such as:

- "Use sub-headings & bullet points to make it more concise"; and

- "When sub-headings or bullet points are used correctly, this makes it easier for the marker to read."
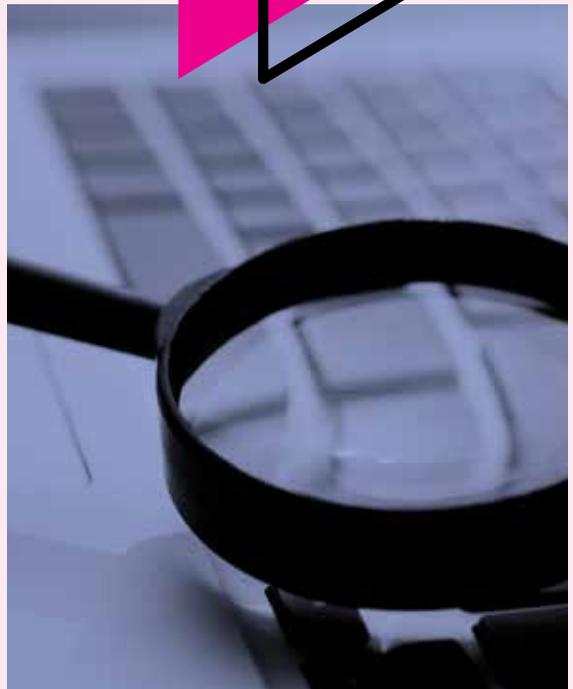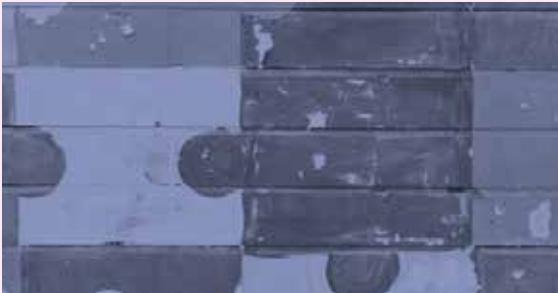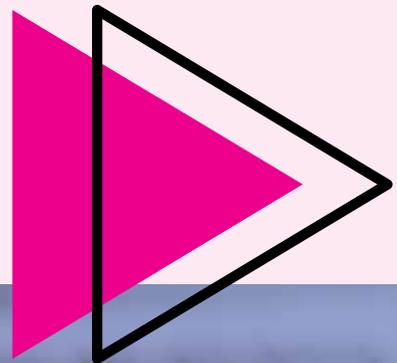
STEP 4:
Show how to **correct** the issue

This is an opportunity to show the candidate how to correct their mistake by actually demonstrating it in their response.

For example, you could:

- Select a different coloured font or use the track changes function on their Word document and type in the appropriate headings and bullet points as part of the response.

- Make sure to cross out sentences that are too verbose.
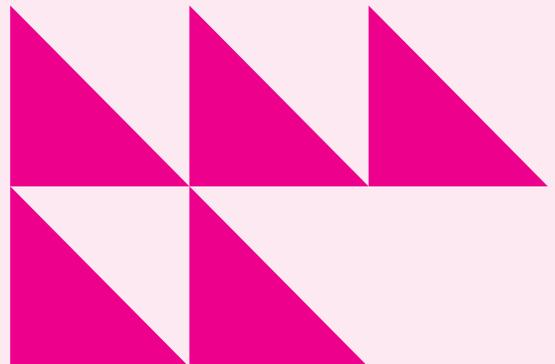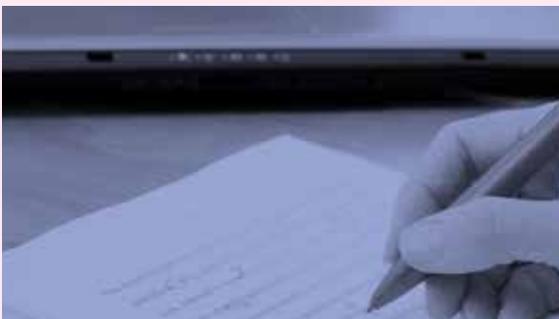
Examples
(possible issues and solutions)

Step 1: AO addressed?	Step 2: Identify	Step 3: Solve	Step 4: Correct
No	Lack of depth	Use bullet points	Cross out sentences that are too wordy and type in bullet points as part of the response
No	Time management	Allocate time for each required and rank issues	Write out suggested time allocations for each required response
No	Missing case facts	Use case facts and handbook criteria	Add case facts as part of the response and write down correct sections of the handbook criteria

Marking mistakes

Marking takes time and you should invest the required time when marking a candidate's case. Since CPA PEP is focused on case-based learning, every case you mark will help benefit the candidate. Common mistakes to avoid include:

X "Skimming" – i.e. marking only key words

X Marking for a CD (Competent with Distinction) level instead of a C (Competent) level

X Using the sample response (Perfect Answer) instead of the marking rubric or feedback guide

X Mistaking length for depth of response

Marking samples

AO #1: Financial Reporting	The candidate analyzes the revenue recognition issues.
	NC – The candidate identifies revenue recognition issues. **RC** – The candidate attempts to analyze revenue recognition issues by attempting to apply the revenue recognition criteria. • Attempts three revenue recognition criteria under ASPE **Y** • Includes case facts **Y** **C** – The candidate analyzes the revenue recognition issues AND attempts a calculation of the adjustments required. • Correctly states three revenue recognition criteria under ASPE **N** • Includes case facts **Y** • Calculates a reasonable adjustment **N** • Concludes **Y** **CD** – The candidate analyzes the revenue recognition issues **AND** accurately calculates the adjustment required.
Example ranking	RC
Example comments	Good job at analyzing the revenue recognition! Your overall structure is good but you need more depth in your response. Please debrief this case to better understand the difference between the revenue recognition criteria under IFRS vs. ASPE. This lack of knowledge of the technical held you back from achieving a RC. Please go back to the case and look for triggers regarding the adjustment(s) to the financial statement. If you didn't see the trigger, ask yourself why not? Was it a time management issue? Were you reading too fast? If you saw it, ask yourself: So what? What is the financial impact? What adjustment do I need to do? This ultimately held you back from getting to the next level.

Sample 1b: Response Feedback

RED: Marker comments
GREEN: Correct response
BLACK: Candidate's response

AO #1: Revenue recognition - Trips

Revenue is recognized upon receipt of payment. However, trips last anywhere from three days to two weeks. The issue is whether revenue needs to be deferred.

Incorrect technical. ASPE 3400 states that the ~~The~~ following criteria must be met to recognize revenue ~~under IFRS 15~~:

a. Ultimate collection is reasonably assured, MET as payment is made. Lack of Depth (please elaborate). You identified the issue but failed to explain it. You can say: Stephanie or the bookkeeper collects payment via credit card at the time of arrival, which is unlikely to default so collection is reasonably assured.

b. Consideration is measureable, MET when customer arrives at lodge because Stephanie or the bookkeeper collects payment by credit card at the time of arrival. Good job!

c. Performance has been achieved, MET at the end of the trip which lasts anywhere from three days to two weeks and MRF has a continuing obligation until the trip is finished. Excellent!

Good use of criteria supported by case facts.

Therefore, revenue should be recognized at the end of the trip. Good conclusion.

What you missed: What is the financial impact here? Discuss how revenue should be adjusted. If you're running out of time here, please use bullet points.

At year-end:

- Revenue: deferred for trips "in progress'" at 10/31/2020, not to be completed until after year-end.
- Deposits: $33K recorded as deferred revenue until 2021 as they relate to trips after year-end.

Sample 2: Marking Rubric/Feedback Guide

Feedback Guide

Financial Reporting: Revenue Recognition

Elements	Identifies*	Discusses**
Explains the issue(s) related to the online course revenue before beginning the analysis	**Yes**	**Yes**
Assesses whether the transaction meets the revenue recognition criteria, using the guidance in ASPE 3400:		
• Collectability	**Yes**	**Yes**
• Measurability	**Yes**	**Yes**
• Performance – persuasive evidence of an agreement	**Yes**	**Yes**
• Performance – price is fixed or determinable		
• Performance – services rendered		
Assesses appropriateness of percentage of completion method versus completed contract method	**Yes**	**Yes**
Assesses appropriate time frame for deferring the fee		

Elements		
Provides a conclusion on appropriate treatment, consistent with the analysis	**Yes**	
Reasonably calculates the amount of online revenue that should be deferred at year-end (errors are permitted; including only completed courses in the calculation is acceptable)		
Accurately calculates the amount of revenue to defer (only minimal minor error(s) and considers both courses complete at year-end and those that remained in progress)		

Identifies = *Identifies the issue and attempts to analyze, but the discussion is technically weak, does not integrate specific case facts where applicable, and/or does not demonstrate an understanding of the appropriate accounting treatment.*

Discusses = *Technically correct discussion of the issue, incorporating case facts where applicable.*

Assessment	
Not addressed (NA):	The candidate does not address this assessment opportunity.
Nominal competence (NC):	The candidate does not meet the standards of reaching competence.
Reaching competence (RC):	The candidate attempts to analyze revenue recognition issues by attempting to apply the revenue recognition criteria. The candidate identifies five elements OR discusses three elements.
Competent (C):	The candidate analyzes the revenue recognition issues and attempts a calculation of the adjustments required. The candidate discusses five elements; one of which must be services rendered AND provides a supported conclusion AND reasonably calculates the adjustment.
Competent with Distinction (CD):	The candidate analyzes the revenue recognition issues and accurately calculates the adjustment required. The candidate discusses six elements; one of which must be services rendered AND provides a supported conclusion AND accurately calculates the adjustment

Level achieved: **RC**

Additional needed to reach next level: Good attempt here. To get a C, you needed to reasonably calculate the adjustment. You mentioned exhibit 2; however, there was no calculation on what part was supposed to be deferred. 33K should be deferred while 42K should be recognized as revenue at December 31. Furthermore, performance criteria needed to be stated (I don't believe most people got this). The performance criteria was not a requirement, but it gave more depth to the discussion.

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