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Using Industry Certifications to Improve the Marketability and Skill Development of Accounting and Finance Students

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ABSTRACT

This article focuses on optional business certifications that students can obtain while they are completing their undergraduate degree program. These certifications can benefit students in the job market and be helpful in supplementing real world business training in curriculum and address any skill gaps. Several business certifications are represented with pertinent information on the process and benefits of certificate completion. The list of certificates is not meant to be exhaustive, but gives a starting point for business faculty looking to provide opportunities for student career development.

Keyword : *undergraduate education, industry certifications, industry preparation, business education, career readiness*

I. INTRODUCTION

Universities struggle to create teaching environments that simulate real world business experiences and provide tangible examples of student concept mastery. Developing students with employable business skills requires several approaches, including internships, business simulation games, and case studies to mirror practical experiences. These learning tools are effective in helping students gain knowledge and develop as professionals. Business credentials or certifications are defined as “industry recognized credentials an individual can use to demonstrate their abilities in different areas” (Herrity, 2023). The importance of business certifications continues to grow in the United States. Harvard Business Review (Boyles, 2022) finds that business certificates are beneficial in a variety of professions. As the rising cost of higher education continues to be a topic of discussion (Kerr and Wood, 2022), universities need to demonstrate a college degree’s value to future students and parents. Parents often have a vested interest in the types of jobs as well as the salary potential students can reach after graduation. As a result, the importance of students leaving college with tangible business skills is important and, many times, these skills cannot be developed with traditional classroom-oriented teaching models alone. The use of industry-based certificate programs in business demonstrates student understanding of concepts important for industry success. A recent AACSB Data Report (2021), indicated that micro credentials can be an effective way to fill skill gaps among employees. Many times, employees will seek out credential and certificates after graduation once they have entered the workforce, but there is no reason they cannot start early in some cases. Our research focuses on professional certifications business students can pursue while completing their degrees. This paper attempts to provide several examples of certification programs faculty can both promote and utilize in the classroom for student success.

II. TYPES OF CERTIFICATIONS

Career preparation is important to students, and undergraduate business students can take several steps towards certifications while still in school. Quantitative majors, like finance and accounting particularly, can work towards these certifications in lockstep with their undergraduate courses. Examples of certifications accounting and finance students can pursue while still an undergraduate student include the Securities Industry Essentials (SIE) exam, the Chartered Financial Analyst (CFA) program, the Certified Financial Planner (CFP) program, the Special Enrollment Examination (SEE) tax advisory exam, and QuickBooks online certification. Table 1 provides a descriptive list of the certifications discussed in this paper. While this list is not exhaustive, it represents common

certifications sought by the financial and accounting industry. The following certifications are discussed in detail below.

Table 1

Table 1 provides cost and exam structure information for the five certification programs discussed in the paper. Column 1 lists the specific certification. Column 2 details the cost of the exam(s). Column 3 describes the exam structure.

<i>Certification</i>	<i>Cost</i>	<i>Exam Structure</i>
Securities Industries Essentials Exam	\$80	75 Multiple-Choice Questions
Chartered Financial Analyst Program	\$350 Enrollment Fee \$1,250 Exam 1 Standard Fee \$1,250 Exam 2 Standard Fee \$1,250 Exam 3 Standard Fee	180 Multiple-Choice Questions 88 Vignette Supported Multiple-Choice Questions Vignette Supported Essay and Multiple-Choice Questions
Certified Financial Planner Program	\$925 Standard Fee	170 Stand Alone, Scenario, and Case Study Multiple-Choice Questions
Special Enrollment Examination	\$206 Part 1 \$206 Part 2 \$206 Part 3	85 Questions 85 Questions 85 Questions
QuickBooks Online Certification	Free with QBO Accountant Account	7 Multiple-Choice Sections

A. The Securities Industry Essentials (SIE) Exam

The Securities Industry Essentials (SIE) exam is a securities license professional exam administered by the Financial Industries Regulatory Authority (FINRA). It is the gateway exam to all future FINRA licenses (Series 6, Series 7, etc.) because individuals must pass the SIE before sitting for any subsequent FINRA license examinations. The SIE is the only FINRA license exam students can pursue without an employer sponsor, making it an excellent way for students to show their dedication to professional development. The topics covered on the SIE range types of securities, investment risk, market structure and regulation, prohibited practices, and ethics. The exam content is a mix of topics related to customer account management and trading knowledge. Table 2 provides a more detailed breakdown of SIE exam content (Securities Industries Essentials (SIE) Exam, 2023).

Table 2

Table 2 provides a topic breakdown for the Securities Industries Essentials Exam administered by the Financial Industry Regulatory Authority (FINRA). Column 1 lists the specific FINRA job function tested on the exam. Column 2 lists the number of exam questions on each topic. Column 3 shows the portion of the exam for which the questions account.

<i>FINRA Job Function</i>	<i>Number of Questions</i>	<i>Percentage of Exam</i>
Knowledge of Capital Markets	12	16%
Understanding Products and their Risks	33	44%
Understanding Trading, Customer Accounts, and Prohibited Activities	23	31%
Overview of Regulatory Framework	7	9%

For undergraduate students, the SIE exam is a great place to start because of its accessibility and low cost. The exam itself costs less than \$100 and consists of seventy-five multiple choice questions. Total exam time is two hours, and FINRA provides many study materials on their website for free. Additionally, Kaplan offers SIE exam

study materials and packages for purchase. Students even have the option to take the exam online or at a testing center, so there is a variety of options to meet students test taking needs (Securities Industries Essentials (SIE) Exam, 2023).

FINRA cooperates with universities to provide exam information to students by providing outreach on its website. Some of the available options are even customizable with the university’s logo! Additionally, FINRA works to connect students with securities firms once students pass the SIE. FINRA offers the Financial Industry Networking Directory, or FIND, which serves as a connection between students and employers for full-time positions as well as internships. Overall, the SIE’s accessibility and low cost make it a great jumping off point for students (Securities Industries Essentials (SIE) Exam, 2023).

B. The Chartered Financial Analysts (CFA) Exam

The chartered financial analyst, or CFA, program is another viable option for students. The CFA program is valuable to students interested in portfolio management or investments, and students can set themselves apart from their peers by starting the CFA program as a student. The CFA is a rigorous three-exam program that requires a multi-year commitment from participants. Table 3 provides a further breakdown of the topics covered on each exam. Students can initiate involvement in the CFA program individually; they do not need an employer sponsor to enroll. Upon completion, the CFA Institute posits that charter holders are prepared for jobs in investment, asset, or risk management (CFA Program, 2023).

Table 3

Table 3 provides a topic, question, and pass rate breakdown for the Chartered Financial Analyst exams. Column 2 provides information for Level I. Column 3 provides information for Level II. Column 4 provides information for Level III.

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>
<i>Topics Covered</i>	alternative investments corporate issuers derivatives economics equity ethics financial statement analysis fixed income portfolio management professional standards quantitative methods wealth management	alternative investments corporate issuers derivatives economics equity ethics financial statement analysis fixed income portfolio management professional standards quantitative methods wealth management	alternative investments derivatives economics equity ethics fixed income portfolio management professional standards wealth management
<i>Question Format</i>	180 multiple-choice questions	88 vignette-supported multiple-choice questions	Vignette-supported essay and multiple-choice questions
<i>10 Year Average Pass Rate</i>	41%	45%	52%

CFA exams are administered in sequential order, and test takers must pass each level before moving on to the next. Some of the exam topics include investment tools, asset valuation, portfolio management, and wealth management. The CFA Institute outlines specific requirements students must meet before enrolling in the program. To begin the program at Level I, individuals must have a bachelor’s degree, be an undergraduate student, or meet a large work experience requirement. The Level 1 exam is administered four times per year, while Levels II and III are only administered two times per year. Registration includes a one-time fee that covers all required study materials; if the curriculum changes, test takers are provided updated materials at no additional charge! The CFA is a pricey undertaking, though. The individual exam fees range from \$900 to \$1,200 per exam. The CFA exams also have a high fail rate, and the high fail rate combined with the steep cost per exam serve as a large barrier to entry to the CFA program (CFA Program, 2023).

Time is also a barrier to entry for the CFA program; the average person needs four years to successfully pass the exams and become a charter holder! However, the time spent is worth it given that industry holds the charter in such high esteem. The CFA Institute recognizes the expense is high, especially for a student, so it offers scholarships to increase accessibility to the program. Plus, the curriculum is consistently evaluated for relevance to the financial field. Evaluating the curriculum consistently ensures participants are receiving the most up-to-date study materials and knowledge base for a career in investments. This is an effective way for faculty to ensure that students are on the cutting edge of industry topics. The up-to-date curriculum and rigor of the program truly sets the CFA apart from other professional qualifications (CFA Program, 2023).

Becoming a CFA charter holder has many benefits that are tangible to employers! First, holding the charter itself distinguishes holders because of the known value of the CFA. Employers recognize the program’s rigor and know charter holders have demonstrated great knowledge by passing the three levels. Second, the CFA charter qualifies holders for a variety of investment and portfolio management roles. Third, the CFA is held in high esteem internationally. These benefits combined make the CFA an attractive pursuit for an undergraduate student (CFA Program, 2023).

C. *The Certified Financial Planner (CFP) Program*

The certified financial planner (CFP) program is relevant to individuals who wish to build client relationships through financial advice and longevity. The CFP designation is particularly attractive to individuals who do not wish to engage in the buying and selling of securities but would instead prefer to work as a financial organizer for clients. Certified financial planners partner with investment firms, insurers, and money managers to collectively manage the financial well-being of clients. Financial planners serve as the connection between clients and the investment manager but cannot advise clients specific investments to pursue. The CFP is perfect for students who wish to organize or direct a client’s finances without choosing individual investments. Undergraduate students can begin working towards a CFP without an employer sponsor, so it is another lucrative pursuit for students wishing to set themselves apart (The Certification Process, 2023).

The CFP program is a four-part certification process. The first part involves education, and program participants complete an educational component involving financial planning coursework. The educational component includes both undergraduate coursework and CFP-specific coursework. Individuals sit for the CFP exam after completing the CFP-sponsored coursework and can subsequently complete their bachelor’s degree in the next five years. The option allows students to overlap their CFP training with their undergraduate degree! In addition to the education component, the CFP also requires passing a financial planning exam. The CFP exam focuses on the application of financial planning to real-world situations, requiring both critical thinking and analytical skills. This material will complement existing courses that are delivered in business programs and helps connect course content to industry reality. Table 4 provides a more detailed break of the CFP exam structure and content. Typically, the exam is offered three times a year. Test takers can expect questions covering topics like financial planning, taxation, estate planning, risk management, insurance, and other personal finance topics. The CFP program provides a complimentary practice exam, other study materials, success tip, mentorship options, and a study group forum (The Certification Process, 2023).

Table 4

Table 4 provides topic breakdown information for the Certified Financial Planner exam. Column 1 details the question topic covered on the exam, and Column 2 shows the portion of the exam for which that topic accounts.

<i>Question Topic</i>	<i>Portion of Exam</i>
Professional Conduct and Regulation	8%
General Principles of Financial Planning	15%
Risk Management and Insurance Planning	11%
Investment Planning	17%
Tax Planning	14%
Retirement Savings and Income Planning	18%
Estate Planning	10%
Psychology of Financial Planning	7%

The last two parts the CFP program include work experience and ethics. The CFP requires financial planning work hours (either individually or as an apprentice) before the certified financial planner designation is awarded. All work experience is logged through the CFP portal, and individuals must report a minimum 4,000 apprenticeship hours or 6,000 professional hours. The ethics requirement includes a background check as well as a commitment to upholding a fiduciary responsibility to clients. Once the education, exam, experience, and ethics

requirements are met, individuals are officially a certified financial planner. The CFP website offers resources for networking and job searching that CFP members can utilize. The networking opportunities help members of the CFP community connect to both potential clients and employers (The Certification Process, 2023).

D. Special Enrollment Examination

The Special Enrollment Examination (SEE) is a comprehensive exam administered by the IRS that tests candidates' knowledge of federal tax laws, regulations, and procedures. It consists of three parts: Individuals, Businesses, and Representation, Practice, and Procedures. The IRS Enrolled Agent Special Enrollment Examination booklet provides a detailed outline of the topics covered on each part of the exam. Individuals register for the SEE online, and the exam is administered in-person at a testing center. The exam fee is \$206 per section. Other student aid examples include review courses, textbooks, online resources, and practice exams! Each of these resources helps test takers prepare for the SEE by enhancing understanding of tax laws and regulations. For college students, the Special Enrollment Examination is the typical pathway towards becoming an Enrolled Agent (EA). Table 5 includes a description of the specific aspects included on the SEE (Becoming an Enrolled Agent, 2023).

Table 5

Table 5 provides a topic breakdown for the Special Enrollment Exam. Column 1 breaks the exam down by part. Column 2 provides the topics covered in each section of the exam. Column 3 lists the number of questions per topic.

	<i>Topics</i>	<i>Number of Questions</i>
<i>Part 1</i>	Preliminary Work and Taxpayer Data	14
	Income and Assets	17
	Deductions and Credits	17
	Taxation	15
	Advising the Individual Taxpayer	11
	Specialized Returns for Individuals	11
<i>Part 2</i>	Business Entities and Considerations	30
	Business Tax Preparation	37
	Specialized Returns and Taxpayers	18
<i>Part 3</i>	Practices and Procedures	26
	Representation before the IRS	25
	Specific Areas of Representation	20
	Filing Process	14

EAs represent taxpayers in all matters, including audits, collections, and appeals, and can provide valuable tax planning and consultation services. Enrolled Agents must be at least eighteen years old and have a valid Social Security number. More specifically, individuals must have a minimum of five years' work experience for the IRS interpreting tax laws or a passing score on all three parts of the Special Enrollment Examination. Individuals can apply for enrollment as an EA once they pass the three sections of the SEE. Applicants must fill out and submit Form 23, Application for Enrollment to Practice Before the IRS. Upon receiving the application, the IRS conducts a background check, including a review of tax compliance history and personal character. This background check process is mandatory to ensure the integrity and professionalism of Enrolled Agents (Becoming an Enrolled Agent, 2023).

Once the background check is complete and the application is approved, EAs are issued an enrollment card and a unique enrollment number. Becoming an Enrolled Agent (EA) is a significant achievement for individuals interested in a career in tax representation and advisory services. EAs are federally authorized tax practitioners who specialize in taxation and have unlimited rights to represent taxpayers before the Internal Revenue Service (IRS). It is also an accomplishment that college students can pursue while still in school! Earning the EA designation as a student is yet another way undergraduate (or graduate) students can differentiate themselves on the job market (Becoming an Enrolled Agent, 2023).

The IRS provides various continuing education options, including courses, webinars, and conferences, to fulfill the annual continuing education requirement for EAs. Compliance with ethical standards and the IRS's Circular 230 rules is also crucial for maintaining enrollment. Individuals can join professional organizations such as the National Association of Enrolled Agents (NAEA) or even state-specific organizations. These organizations offer

resources, networking opportunities, and professional development events. Becoming an Enrolled Agent in Tennessee is a rewarding and challenging endeavour (Becoming an Enrolled Agent, 2023).

E. QuickBooks Online Certification

Students often inquire about practical certifications they can pursue that help with on-the-job learning. QuickBooks Online Certification is an excellent way to demonstrate proficiency and expertise in using the popular accounting software. QuickBooks Online certification signifies one’s ability to effectively navigate the software, perform essential accounting tasks, and provide valuable financial management solutions. It is another accomplishment that college aged students can pursue while in school. The following discussion offers a comprehensive guide on becoming certified in QuickBooks Online (QuickBooks Intuit, 2023).

Before pursuing certification, it is essential to understanding of QuickBooks Online and its features. Some of the core functions in QuickBooks include invoicing, expense tracking, bank reconciliation, and financial reporting. The QuickBooks Online Help Center and official tutorials provided by Intuit are valuable resources for learning the software. Additionally, many universities offer accounting classes where learning and working in QBO is embedded within the coursework. QuickBooks Online offers different certification paths based on individual job roles and industries. The two main certification paths are QuickBooks Online Certification for Accountants and QuickBooks Online Certification for Small Business Advisors. For accounting/finance students, the QuickBooks Online Certification for Accounting is likely the most valuable; although, students be certified in both pathways (QuickBooks Intuit, 2023).

To prepare for the certification exam, it is recommended to enroll in the QuickBooks Online Certification Training program provided by Intuit. The certification training program offers comprehensive training materials, video tutorials, and practice exercises to enhance understanding of the software and its advanced features. The training program covers topics such as company setup, advanced reporting, managing sales and expenses, and payroll. In addition to the official training program, there are other study resources available to help prepare for the certification exam. Other resources include QuickBooks Online user guides, online forums, YouTube tutorials, and third-party training courses. These resources help further reinforce knowledge, gain practical insights, and become familiar with common scenarios encountered while using QuickBooks Online (QuickBooks Intuit).

Individuals can schedule the QuickBooks Online Certification exam through the QuickBooks Training and Certification website. The exam is administered online and consists of multiple-choice questions that assess understanding of QuickBooks Online functionality, workflows, and best practices. Table 6 provides a summary of the QBO exam content. After passing the certification exam, individuals receive a certificate and a digital badge to showcase the achievement. One downside, though, is the certification is only valid for a limited period. Individuals must periodically undergo a recertifications process. The recertification process typically involves taking a shorter exam or fulfilling certain continuing education requirements to stay updated with the latest software enhancements and changes (QuickBooks Intuit, 2023).

Table 6

Table 6 provides general exam content and structure information for the QuickBooks Online certification in accounting. Exam content, question types, exam length, exam attempt constraints, and exam scoring requirements are presented below.

	<i>Description</i>
<i>Content</i>	Setting-up Clients
	Supporting Small Business Clients
	Banking and Tools
	Reports
	Managing Your Work
	Preparing Clients’ Books
	QuickBooks Solutions for Clients
<i>Question Types</i>	7 Multiple-Choice Question Sections
<i>Exam Length</i>	3—4 hours
<i>Attempts Allowed</i>	Maximum 3 attempts
<i>Scoring</i>	Required 80% or higher on each section.

The certification lends credibility and recognition to the individual as a proficient QuickBooks user, which can enhance one's professional reputation and attract potential clients or employers. Additionally, Intuit provides various resources and opportunities exclusively for certified professionals, such as access to the ProAdvisor community, marketing materials, and priority customer support. Becoming certified in QuickBooks Online demonstrates expertise in using the software and positions certified individuals as a trusted financial professional! Certification also makes students an even bigger asset to their future (or current) employer (QuickBooks Intuit, 2023).

III. CONCLUSION

This paper attempts to provide faculty and students with potential certifications that will be helpful for student career development. While the list is not exhaustive, it can be a starting point for the journey to increasing business industry skill development. As demonstrated, there are many certifications undergraduate students can pursue while simultaneously earning their degree. While certifications do not guarantee employability, they do provide students with demonstrable skills in specific areas. As with all educational pursuits, students must weigh the opportunity costs of pursuing training. These include testing fees, additional stress, and study time. The decision is easier if the certification is closely aligned with the student's academic major; however, certifications can be attractive to diverse majors seeking to expand their marketability. Faculty should consider advertising certifications to students as an additional avenue for industry preparation. As the education and business environment continue to evolve, it will be more important to find pathways that meet the needs of industry. Increasing student exposure to these professional opportunities is an area in which academia and industry can work together to improve the quality of business education. Faculty should consider promoting professional opportunities to help supplement traditional curriculum and help bring a more realistic flavor to the undergraduate experience. As with all teaching situations, faculty must consider if this approach is right for their institution and that students will be receptive of these opportunities. The authors feel that this is something worth considering. The faculty time commitment is minimal outside of assisting students with making the decision to attempt certification along with the typical student mentoring on professional advice. You might find that this helps you take the role of student mentor to another level.

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