

Many people pursuing a degree in accounting are familiar with the certified public accountant (CPA) certification but many students don't know about other certifications that are available for aspiring accountants. For example, the certified management accountant (CMA) certification is an avenue for individuals who are pursuing career in private accounting and not necessarily in the public sector. The certification shows how to make business decisions for a company while increasing the capacity to communicate efficiently throughout the organization. I chose to pursue the CMA certification because at the time through my professor I heard about a CMA scholarship that Institute of Management Accountant (IMA) was giving out for college students. The scholarship would cover the cost of the study materials as well as both parts of the exam. I realized that I might not stay in public accounting for my entire career; I would like to become a controller, cost accountant, or maybe even a professor. The certification would demonstrate my capabilities in these positions.

For Part 1 of the CMA Exam, it covers 6 sections for

- Section A covers External Financial Reporting Decisions
 - Topic 1: Financial Statements
 - Overview of Financial Statements and the Income Statement
 - Statement of Changes in Equity and the Balance Sheet
 - Statement of Cash Flows and Financial Statement Articulation
 - Integrated Reporting
 - Topic 2: Recognition, Measurement, Valuation, and Disclosure - Assets
 - Receivables
 - Inventory
 - Accounting for Investments in Other Entities
 - Long-term Assets
 - Topic 3: Recognition, Measurement, Valuation, and Disclosure – Liabilities
 - General Liabilities
 - Leases
 - Topic 4: Accounting for Income Taxes and Revenue Recognition

- Accounting for Income Taxes
 - Revenue Recognition
- Topic 5: IFRS Differences
 - IFRS Differences in Accounting
- Section B covers Planning, Budgeting, and Forecasting
 - Topic 1: Strategic Planning
 - Strategy and SWOT Analysis
 - Strategic Objectives and Generic Strategy
 - Specific Strategy Tools
 - Topic 2: Budgeting Concepts
 - Strategy Implementation and Budgeting
 - The Budgeting Process
 - Building Budget Standards
 - Topic 3: Forecasting Techniques
 - Regression Analysis
 - Expected Value Computations and Learning Curve Analysis
 - Topic 4: Budgeting Methodologies
 - Comparing Flexible, Rolling, Activity-Based, Zero-Based, and Project Budgeting
 - Topic 5: Annual Profit Plan and Supporting Schedules
 - Sales Budgets and Production Budgets
 - Budgeting for Production Costs
 - Wrapping Up Operational Budgeting
 - Capital Expenditures and Cash Budgets
 - Topic 6: Top-level Planning and Analysis
 - Pro Forma Financial Statements
- Section C covers Performance Management
 - Topic 1: Cost and Variance Measures
 - Flexible Budgets and Performance Analysis

- Sales Revenue Variances
 - Direct Material and Direct Labor Cost Variances
 - Factory Overhead Cost Variances
 - Management Work and Variance Analysis
- Topic 2: Responsibility Centers and Reporting Segments
 - Business Units and Performance Evaluation
 - Transfer Pricing
- Topic 3: Performance Measures
 - Evaluating Product and Customer Profitability
 - Return on Investment and Residual Income
 - The Balance Scorecard
- Section D covers Cost Management
 - Topic 1: Measurement Concepts
 - Cost Drivers and Cost Flows
 - Variable Costing versus Absorption Costing
 - Joint Product Costing
 - Topic 2: Costing Systems
 - Job Order Costing
 - Process Costing
 - Activity-Based Costing (ABC) and Life Cycle Costing
 - Topic 3: Overhead Costs
 - Support Department Costing
 - Variable and Fixed Overhead Costs
 - Topic 4: Supply Chain Management
 - Inventory Management and Production Systems
 - The Theory of Constraints
 - Managing Capacity
 - Topic 5: Business Process Improvement
 - Creating and Capturing Value

- Managing Quality
- Section E covers Internal Controls
 - Topic 1: Governance, Risk, and Compliance
 - Internal Control Structure and Management Philosophy
 - Internal Control Policies for Safeguarding and Assurance
 - Internal Control Risk
 - Corporate Governance
 - External Audit Requirements
 - Topic 2: Systems Controls and Security Measures
 - Information System General Controls
 - Information System Application Controls
- Section F covers Technology and Analytics
 - Topic 1: Information Systems
 - Accounting Information Systems
 - Enterprise Resource Planning Systems
 - Enterprise Performance Management Systems
 - Topic 2: Data Governance
 - Data Policies and Procedures
 - Life Cycle of Data
 - Controls Against Security Breaches
 - Topic 3: Technology-Enabled Finance Transformation
 - Systems Development Life Cycle
 - Process Automation
 - Innovative Applications
 - Topic 4: Data Analytics
 - Business Intelligence
 - Data Mining
 - Analytic Tools
 - Data Visualization

- Part 2 of the CMA Exam, also covers 6 sections:
- Section A covers Financial Statement Analysis
 - Topic 1: Basic Financial Statement Analysis
 - Common-Size Financial Statement Analysis (Vertical Analysis)
 - Horizontal Financial Statement Analysis
 - Topic 2: Financial Ratios
 - Liquidity Ratios
 - Solvency Ratios
 - Operating Leverage and Financial Leverage
 - Efficiency Ratios
 - Efficiency Ratios – Use of Assets
 - Profitability – Vertical Analysis Revisited and Return Ratios
 - Profitability – Market Value Ratios
 - Profitability – EPS, Yields, and Shareholder Returns
 - Limitations of Ratio Analysis
 - Sources of Financial Information and Their Use in Evaluation of a Company's Financial Strength
 - Topic 3: Profitability Analysis
 - ROA and ROE – a Closer Look
 - Revenues and their Relationship to Current Assets
 - Cost of Sales and the Different Profit Margins
 - Considerations when Measuring Income
 - Topic 4: Special Issues
 - Sales and Revenues – Important Considerations
 - Foreign Exchange Fluctuations
 - Inflation and the Financial Ratios
 - Changes in Accounting Treatment
 - Book vs. Market Value and Accounting vs. Economic Profit
 - Quality of Earnings

- Section B covers Corporate Finance
 - Topic 1: Risk and Return
 - Calculating Return
 - Types of Risk
 - Capital Asset Pricing Model
 - Topic 2: Long-term Financial Management
 - Term Structure of Interest Rates
 - Types of Financial Instruments:
 - Bonds
 - Stock
 - Other Financial Instruments
 - Taxes and Capital Structure
 - Cost of Capital
 - Valuation of Financial Instruments
 - Valuing Debt and Equity
 - Valuing Options
 - Topic 3: Raising Capital
 - Financial Markets and Regulations
 - Market Efficiency
 - Financial Institutions
 - Initial and Secondary Public Offerings
 - Dividend Policy and Share Repurchases
 - Topic 4: Working Capital Management
 - Working Capital Terminology
 - Cash Management
 - Marketable Securities Management
 - Accounts Receivable Management
 - Inventory Management
 - Types of Short-term Credit

- Short-term Credit Management
- Topic 5: Corporate Restructuring
 - Mergers and Acquisitions
- Topic 6: International Finance
 - Fixed, Flexible, and Floating Exchange Rates
 - Managing Transaction Exposure
 - Financing International Trade
- Section C covers Decision Analysis
 - Topic 1: CVP Analysis
 - Cost Behavior
 - Contribution Margin
 - Targeted Profit and Taxes
 - Multiple Products C-V-P
 - Risk and Uncertainty
 - Topic 2: Marginal Analysis
 - Defining Relevant Costs
 - Sunk Costs, Opportunity Costs, and Capacity
 - Marginal Analysis and Product Line Decisions
 - Topic 3: Pricing
 - Pricing Methods
 - Cost-Based Pricing
 - Competition-Based Pricing
 - Pricing Strategy and the Product Life Cycle
- Section D covers Risk Management
 - Topic 1: Enterprise Risk
 - Types of Enterprise Risk
 - Risk Identification and Assessment: Enterprise Risk Management
 - Risk Identification and Assessment: Risk Assessment Tools
 - Use of Probabilities

- Risk Mitigation Strategies
 - Managing Risk
- Section E covers Investment Decisions
 - Topic 1: Capital Budgeting Process
 - Introducing the Capital Budgeting Process
 - Cash Flows and Profits in the Capital Budgeting Process
 - Topic 2: Capital Investment Analysis Methods
 - NPV and IRR Computations
 - Comparing NPV and IRR Methods with Uneven Cash Flows
 - The Payback Method
 - Risk Analysis and Qualitative Issues in Capital Budgeting
- Section F covers Professional Ethics
 - Topic 1: Business Ethics
 - Moral Philosophies and Ethical Decision Making
 - Topic 2: Ethical Considerations for Management Accounting and Financial Management Professionals
 - Principles and Standards of Professional Ethics
 - Controlling Fraud and Resolving Ethical Issues
 - Topic 3: Ethical Considerations for the Organization
 - Ethics in an International Environment
 - Ethics and the Organization
 - Ethics and HR Management

At first, I used the study plan that Wiley set out for me, which is learning new materials on the weekdays for 2 hours and on weekends for 3 hours. That was my study plan for Part 1. However, when I was studying for Part 2, I changed my study plan to just learning 2 to 3 new materials a day, and then on the second day I would use the test bank to test myself on how well I remembered the materials and then repeat the process. I don't exactly know how well this studying method is because I haven't got my results back for Part 2. Except when I took the practice test on Part 2, I scored almost 20% higher than Part 1, but I don't know if that is

because I thought Part 2 was easier than Part 1. IMA also has a community where people ask questions about the study materials and there are a few times I would help work out some of the problems they posted and share how I got my answer.

Studying the CMA exam allow me to see how other topics apply to other parts of the accounting process. For example, I learned how to calculate the weighted average cost of capital (WACC). And later when I started to learn how to calculate the net present value, I learned that I could use the WACC number that I got to calculate the net present value. This makes me feel I have learned the topics at a higher level because in college lectures we only learn parts of the accounting process and sometimes don't see it apply elsewhere.