

Professional Education Services, LP

Ethics and Professional Conduct for Virginia CPAs - 2021

#4225S

EXAM MATERIAL



Professional Education Services, LP

The Professional's Choice for Quality CPE.

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ETHICS AND PROFESSIONAL CONDUCT FOR VIRGINIA CPAS - 2021 (COURSE #4225S)

COURSE DESCRIPTION

This course is designed to meet the specific ethics requirements for the state of Virginia for 2021. It covers a special segment developed specifically by the Virginia Board of Accountancy for 2021, a basic introduction to the study of ethics, and the AICPA Code of Professional Conduct. Per the Board regulations, this course must be completed no later than January 31, 2022. No prerequisites. Course level: Basic. Course #4225S - 2 CPE hours.

LEARNING ASSIGNMENTS AND OBJECTIVES

As a result of studying each assignment, you should be able to meet the objectives listed below each individual assignment.

ASSIGNMENT 1: SUBJECT

Chapter 1: Virginia Board of Accountancy 2021 Presentation

View the Virginia Board of Accountancy video segment
Complete the review questions after the presentation
Answer the exam questions 1 to 3

Objectives:

- To recall the Virginia Board of Accountancy 2021 topics

ASSIGNMENT 2: SUBJECT

Chapter 2: Introduction to the Study of Ethics

Chapter 3: The AICPA Code of Professional Conduct

Study the course materials from pages 15 to 62
Complete the review questions at the end of each chapter
Answer the exam questions 4 to 10

Objectives:

- To identify the history and function of ethics
- To recognize the rules of the Code of Professional Conduct

ASSIGNMENT 3:

- Complete the Answer Sheet and Course Evaluation and submit to PES

NOTICE

This course and test have been adapted from supplemental materials and information contained in the materials entitled *Ethics and Professional Conduct for Virginia CPAs - 2021*. Use of these materials or services provided by Professional Education Services, LP ("PES") is governed by the *Terms and Conditions* on PES' website (www.mypescpe.com). PES provides this course with the understanding that it is not providing any accounting, legal, or other professional advice and assumes no liability whatsoever in connection with its use. PES has used diligent efforts to provide quality information and material to its customers, but does not warrant or guarantee the accuracy, timeliness, completeness, or currency of the information contained herein. Ultimately, the responsibility to comply with applicable legal requirements falls solely on the individual licensee, not PES. PES encourages you to contact your state Board or licensing agency for the latest information and to confirm or clarify any questions or concerns you have regarding your duties or obligations as a licensed professional.

Note: Any case studies or examples relating to any disciplinary actions taken by the Board of Accountancy have been taken directly from a BOA source (e.g. website, newsletters, notices) and were published based on the information available at the time of course development. Subsequent events, actions, withdrawals may have occurred since the publication of this course.

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ETHICS AND PROFESSIONAL CONDUCT FOR VIRGINIA CPAS - 2021 (COURSE #4225S) EXAM INFORMATION

COURSE EXPIRATION DATE: Per the Virginia Board of Accountancy rules and regulations, this course **must be completed by January 31, 2022.**

TEST FORMAT: The final exam, consisting of 10 multiple choice questions, is based specifically on the material included in this course. The answer sheet must be completed and returned to PES for CPE certification. You will find the answer sheet at the back of this exam packet so that you may easily remove it and use it while taking your test.

LICENSE RENEWAL INFORMATION: The Ethics and Professional Conduct for Virginia CPAs - 2021 course (#4225S) qualifies for **2 CPE hours.**

PROCESSING: You must score 70% or better to pass. If you mail or fax your exam, when you pass, your Certificate of Completion will be mailed. If you do not pass, we will give you a courtesy call to inform you of this. When completing your exam online, grading is instantaneous. Upon achieving a passing score, the completion certificate is immediately available in your account under "My Completed CPE." **Please note:** failed exams may be retaken. Per NASBA and AICPA guidelines, missed questions cannot be indicated until after you pass.

GRADING OPTIONS – Please choose only ONE of the following:

GRADING OPTIONS: Please choose only ONE of the following. If mailing or faxing, make sure to fill out your Answer Sheet completely prior to submitting it.

- **ONLINE GRADING** –Visit our website at <http://www.mypescpe.com>. Login to your account (if you are a first-time user, you **must** set up a new user account). Click on the course title of the exam you wish to take. Once all answers have been selected, click the "Submit/Grade Answers" button at the bottom of the page for instant grading and certification. **If you do not see the exam listed**, click on "My CPE in Progress." Click on the "Add Exam to Account" button and follow the instructions.
- **MAIL** – Your exam will be graded and your certificate of completion mailed to you within one business day. Your certificate will be dated according to the **postmark date**. Please mail your Answer Sheet to:

Professional Education Services, LP
4208 Douglas Blvd., Ste 50
Granite Bay, CA 95746

- **FAX** – Your exam will be graded and you will be contacted either via phone or fax with your results within 4 business hours of receipt. A copy of your graded exam and certificate of completion will be mailed to you. Your certificate will be dated according to the fax date. If you choose to fax your exam, please **do not** mail it. Your fax will serve as the original. Please refer to the attached answer sheet for further instructions on fax grading. Fax number (916) 791-4099.

THANK YOU FOR USING PROFESSIONAL EDUCATION SERVICES.

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ETHICS AND PROFESSIONAL CONDUCT FOR VIRGINIA CPAS - 2021 (COURSE #4225S) – FINAL EXAM

The following questions are multiple choice. Please indicate your choice on the enclosed Answer Sheet.

1. Sharon, CPA would like to change from an Active to an Inactive status, which of the following is true:
 - A. as soon as Sharon submits her application to change her status to the Board, she can immediately stop taking all CPE
 - B. once approved, if Sharon wants to change her status back to Active in the future, she will need to meet the CPE requirements of 120 hours including the current ethics course
 - C. if Sharon is approved for the Inactive status, per the Board policies, she is no longer allowed to volunteer for any services at all
 - D. once approved for Inactive status, Sharon will not be required to renew her license annually, as only licensees in Active status are required to renew their license
2. Steve, CPA has been actively licensed in Virginia for 25 years. How many hours of CPE must he take in 2021:
 - A. Steve does not have to take any CPE in 2021 as long as he has taken 120 hours in the preceding two years of his reporting cycle
 - B. Steve needs to take a minimum of 40 hours in 2021, including the 2-hour annual VBOA-approved ethics course for a total of 120 hours over the three-year reporting cycle
 - C. Steve needs to take a minimum of 20 hours in 2021, including the 2-hour annual VBOA-approved ethics course for a total of 120 hours over the three-year reporting cycle
 - D. there is no minimum annual CPE requirement except the 2-hour annual VBOA-approved ethics course as long as Steve has a total of 120 hours over three-year period
3. In regard to reciprocity and mobility, which of the following is not true:
 - A. for licensees, the VA Board of Accountancy considers reciprocity and mobility to be interchangeable and they mean basically the same thing as to how they relate to the licensee / applicant
 - B. reciprocity, in Virginia, is applied to CPE requirements and when applying for a VA CPA license through substantial equivalency
 - C. mobility, in Virginia, is defined as a practice privilege that permits a licensed CPA with an Active status in good standing from a substantially equivalent state, to practice outside of their principal place of business without obtaining another license
 - D. reciprocity and mobility can be difficult to understand because various states apply them differently
4. What is the most important reason CPAs should follow professional ethics:
 - A. to avoid monetary sanctions
 - B. to behave in the most ethical manner
 - C. to avoid losing one's license
 - D. to make the most money
5. Which of the following types of threats is exemplified by senior personnel having a long association with a client:
 - A. self-review threat
 - B. self-interest threat
 - C. undue influence threat
 - D. familiarity threat

6. Which of the following is an example of a safeguard implemented by a client that would operate in conjunction with other safeguards:
- A. implementing professional standards and the threat of discipline
 - B. creating a system of education and training requirements on independence and ethics rules
 - C. creating an active audit committee to ensure appropriate decision making, oversight, and communications regarding a firm's services
 - D. creating competency and experience requirements for professional licensing
7. According to 1.110.010, which of the following situations may be a potential conflict of interest:
- A. preparing valuations of assets for two clients who are in an adversarial position with respect to the same assets
 - B. advising two clients at the same time who are competing to acquire the same company when the advice may be relevant to the parties' competitive positions
 - C. representing two clients at the same time regarding the same matter who are in a legal dispute with each other
 - D. all of the above
8. The General Standards covered in 1.300.001 include all of the following except:
- A. contingent fees
 - B. professional competence
 - C. sufficient relevant data
 - D. due professional care
9. Which of the following would most likely be a violation of 1.400.001 "Acts Discreditable":
- A. a CPA is convicted of a traffic offense and is fined \$400
 - B. a CPA cuts his professional services fee by 80% for a client who is near bankruptcy and prepays the estimated fee
 - C. a CPA files a false personal tax return but is not convicted of any crime due to the suppression of evidence that is inadmissible in court
 - D. a CPA mistakenly fails to sign his personal tax return but does sign it when requested by the tax authorities
10. Which of the following AICPA members can accept a commission from a client during the period the services identified are performed:
- A. a member who performed a compilation of the financial statements of the client, but disclosed the lack of independence
 - B. a member who did not personally participate in the audit of the client associated with the member's firm
 - C. a member who performed an examination of prospective financial information, but disclosed the lack of independence
 - D. a member who performed a review of the financial statements of the client, but disclosed the lack of independence

Congratulations –

you've completed the exam!

ETHICS AND PROFESSIONAL CONDUCT FOR VIRGINIA CPAS - 2021 #4225S
(2 CPE HOURS) – ANSWER SHEET (4/21)



IMPORTANT NOTE: For certification, this answer sheet must be completed and submitted to PES for grading within ONE YEAR from the date of purchase. Please use **BLACK INK** and **PRINT** for quicker processing – thank you.

Full Name (as it appears on your license) _____

Address (☐ Home ☐ Work) _____

City _____ State _____ Zip _____

Daytime Phone () _____ E-mail _____

License Number _____ State _____ Exp Date: ____/____ Are you a: ☐ CPA ☐ CFP ☐ EA (check all that apply)

PTIN Number (if applicable) _____

If course was ordered by another party, please indicate their name here: _____

GRADING OPTIONS – Please choose only ONE of the following:

ONLINE GRADING – Visit our website at www.mypescpe.com. Login to your account (if you are a first-time user, you **must** set up a new user account). Click on the course title of the exam you wish to take. **If you do not see the exam listed**, click on “My CPE in Progress,” then click on the “Add Exam to Account” button and follow the instructions.

Mail – Mail your exam to: PES, 4208 Douglas Blvd., Ste 50, Granite Bay, CA 95746

Fax – Fax your exam to (916) 791-4099 and choose **one** of the following options:

☐ Mail my results ☐ Fax my results (_____) ☐ Phone my results (_____) _____

PLEASE INDICATE YOUR ANSWER BY FILLING IN THE APPROPRIATE CIRCLE

- | | A | B | C | D | | A | B | C | D |
|----|-----------------------|-----------------------|-----------------------|-----------------------|-----|-----------------------|-----------------------|-----------------------|-----------------------|
| 1. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | 6. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 2. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | 7. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 3. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | 8. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 4. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | 9. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 5. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | 10. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Please complete the attached course evaluation - your opinion is extremely valuable!

ETHICS AND PROFESSIONAL CONDUCT FOR VIRGINIA CPAS - 2021 #4225S
COURSE EVALUATION

Rate on a scale of 1-10 with 1 being poor and 10 being excellent.

1. The course met the course objectives described in the promotional material. _____
2. The course was up to date, held my interest, was timely, and effective. _____
3. The course materials were understandable, valuable, and suitable for a correspondence course. _____
4. The amount of advance knowledge and stated prerequisites were appropriate. _____
5. The completion time was appropriate for the number of credits allowed. _____
6. The course met my professional education needs. _____

Please answer the following questions – mark/rate any and all that may apply

1. How would you rate PES's
☐ order desk _____
☐ customer service _____
2. What can PES do to keep you as a valued customer? _____

3. Any other comments regarding this course or our company would be appreciated. _____

4. What other courses/subjects would you like to see PES offer in the future? _____

PLEASE MAIL YOUR EVALUATION TO:
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