

# PREPARING FOR AND TAKING THE IRS ENROLLED AGENT EXAMINATION

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## ABOUT THE EA EXAM

### Introduction

The purpose of this introduction is to explain the IRS Special Enrollment Examination (which you may see abbreviated SEE). We refer to it as the ENROLLED AGENT examination, or EA exam. The IRS contracts with Prometric to develop and administer the EA exam to assure the technical competence and ethical appreciation of persons (other than attorneys and certified public accountants) who practice before the Internal Revenue Service. Attorneys and CPAs are automatically eligible to practice before the IRS. If you are not a CPA or an attorney, you should prepare for and pass the EA exam. If you are a CPA or an attorney and wish to advertise your tax expertise, become an EA.

This introduction and the Gleim/Hasselback *EA Review* system are based on prior EA exams and information from the IRS, Prometric, and other sources. Gleim provides weekly updates about the EA exam in its candidates forum: [www.gleim.com/account/forum/ea/index.php](http://www.gleim.com/account/forum/ea/index.php).

Enrolled agents are individuals who have demonstrated special competence in tax matters and professional ethics and have been enrolled to practice before the IRS as taxpayers' agents or legal representatives. Practice before the IRS includes all matters connected with presentations to the IRS relating to a client's rights, privileges, and liabilities under laws or regulations administered by the IRS.

Such presentations include

1. Preparing and filing documents;
2. Communicating with the IRS; and
3. Representing a client at conferences, hearings, and meetings.

Enrolled agents may present cases at all levels of the IRS and may represent clients, with or without their presence, on such matters as examination of a filed return, liability for a delinquent return, payment of a past-due tax, and submission of a federal tax lien. In short, they act as agents of taxpayers faced with matters involving income taxes, estate and gift taxes, employment taxes, and excise taxes.

Preparing a tax return, appearing as a witness for the taxpayer, and furnishing information at the request of the IRS are not considered practice before the IRS. Nonetheless, everyone who works with federal income tax should aspire to become an enrolled agent. The Gleim/Hasselback **EA Review** makes it possible for most tax professionals and paraprofessionals to PASS the EA exam with reasonable effort.

### **Enrollment to Practice Before the IRS -- Form 23**

Within 1 year from the date of passing all parts of the exam, eligible persons who wish to be enrolled to practice before the IRS must complete and submit an application, Form 23, with a \$125 application fee, in accordance with instructions on the form. Form 23 is available online at [www.irs.gov](http://www.irs.gov).

All questions on the application must be answered completely. An incomplete application will lengthen the process.

Each application is investigated to determine whether statements made are correct and whether facts or circumstances exist that reflect unfavorably on the candidate. This procedure takes approximately 3 months. If the investigation raises a question about an applicant's eligibility for enrollment, that applicant will be permitted to submit additional information. Each applicant whose investigation is satisfactory will be enrolled to practice before the Internal Revenue Service, and an enrollment card will be issued.

IRS enrolled agents must meet certain continuing professional education (CPE) requirements and apply for renewal of their enrollment every 3 years. The enrollment period is based on the last digit of the enrolled agent's Social Security number or tax identification number. During the enrollment cycle, each enrolled agent must earn 72 hours of CPE credit.

### **Overview of the EA Examination**

The IRS moved to a nondisclosed exam in 2006. How does the nondisclosed exam affect you as an EA candidate? Very little, except you will be required to agree to the non-disclosure agreement and general terms of use for exams developed for the IRS.

Gleim will continue to be the industry leader. We have been writing, editing, and answering EA and other professional exam-type questions for decades. Expect to see fresh, new questions from your authors in Gleim books, Test Prep CD-Rom, and Gleim Online.

To maintain our competitive edge, we ask you and other EAs and EA candidates for feedback and suggestions on how to improve our books, Test Prep CD-Rom, audio review, and Gleim Online, with emphasis on topics to be strengthened and/or added. We provide evaluation and feedback forms at the back of each of our books for your comments and suggestions.

The 10.5 hour examination (12 hours total seat time to include tutorials and surveys) covers federal taxation and tax accounting and the use of tax return forms for individuals, partnerships, corporations, trusts, estates, and gifts. It also covers ethical considerations and procedural requirements.

The exam consists of 3 parts, with 3.5 hours for each part (4 hours total seat time to include tutorial and survey). The questions on the examination are directed toward the tasks that enrolled agents must perform to complete and file forms and tax returns and to represent taxpayers before the Internal Revenue Service. Each part of the examination consists of 100 multiple-choice questions and covers the following tax topics:

- Part 1 - Individuals
- Part 2 - Businesses
- Part 3 - Representation, Practice, and Procedures

A passing grade (established by the IRS) is determined for each of the three parts. All three parts must be passed within a successive 2-year period, or the expired part(s) must be retaken (see "Carryover Policy" for more detail).

All EA questions are multiple-choice. Each provides four options from which you choose your answer.

**Question formats.** Three different multiple-choice formats are used. Each format is shown in the following examples:

Format 1 is a **direct question**. You must select the answer that best corresponds to the question. These questions are straightforward.

Which of the following entities are required to file Form 709, *United States Gift Tax Return*?

- A. An individual.
- B. An estate or trust.
- C. A corporation.
- D. All of the answers are correct.

Format 2 is an **incomplete sentence**. You must select the answer that best finishes the statement.

Supplemental wages are compensation paid in addition to an employee's regular wages. They do not include payments for

- A. Accumulated sick leave.
- B. Nondeductible moving expenses.
- C. Vacation pay.
- D. Travel reimbursements paid at the Federal Government per diem rate.

Format 3 is **all of the following except**. You must select the answer that **does not** satisfy the statement. Remember to select the answer that is not like the others.

There are five tests which must be met for you to claim an exemption for a dependent. Which of the following is not a requirement?

- A. Citizen or Resident Test.
- B. Member of Household or Relationship Test.
- C. Disability Test.
- D. Joint Return Test.

**Answer Explanations** for sample question formats.**Format 1**

Answer (A) is correct. (*Publisher*)

**REQUIRED:** The entity required to file a Gift Tax Return.

**DISCUSSION:** Only individuals are required to file gift tax returns. A husband and wife may not file a joint return; each individual is responsible for his or her own Form 709. If a trust, estate, partnership, or corporation makes a gift, the individual beneficiaries, partners, or stockholders are considered donors and may be liable for the gift and gift splitting taxes.

Answer (B) is incorrect because only the individual beneficiaries of an estate or trust would be required to file a gift tax return. Answer (C) is incorrect because only the individual stockholders of a corporation would be required to file a gift tax return for gifts made by the corporation. Answer (D) is incorrect because only the individual beneficiaries and stockholders of an estate, trust, or corporation would be required to file a gift tax return.

**Format 3**

Answer (C) is correct. (*Publisher*)

**REQUIRED:** The test that is not required to claim an exemption for a dependent.

**DISCUSSION:** To claim an exemption for a dependent, there is no disability test. Disability is only a factor in determining the age test of a qualifying child. The citizen or resident test, member of household test, relationship test, and joint return tests are all required to claim an exemption for a dependent.

Answer (A) is incorrect because an individual claimed as a dependent must be a citizen or national of the United States or a resident of the United States or a contiguous country. Answer (B) is incorrect because an individual claimed as a dependent must be a son, daughter, stepson, stepdaughter, grandchild, brother, sister, stepbrother, stepsister, father, mother, grandmother (ancestor), grandfather (ancestor), stepfather, stepmother, niece, nephew, aunt, uncle, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, or an individual that is a member of the household and has the same principal place of abode as the taxpayer for the year. Answer (D) is incorrect because no individual may be claimed as a dependent if (s)he made a joint return with his or her spouse.

**Experimental questions.** Your examination may include some experimental questions that will not be scored. If present, they are distributed throughout the examination and will not be identified as such. These are used to gather statistical information on the questions before they are added to the examination as scored items. These experimental questions will not be counted for or against you in your final examination score.

**Qualifications for the Examination**

Although no particular experience or educational requirements are specified, examination candidates should be able to answer income tax accounting questions on the intermediate college course level.

**Dates of the Examination**

The 2008 examination test window will begin May 1, 2008, and examinations will be offered continuously through February 28, 2009.

**Format 2**

Answer (D) is correct. (*Publisher*)

**REQUIRED:** The payments not included as supplemental wages.

**DISCUSSION:** Regular wages are defined as amounts paid by an employer for a payroll period either at a regular hourly rate or in a predetermined fixed amount. Compensation in addition to regular wages are supplemental wages. If a reimbursement or other expense allowance arrangement meets the requirements of section 62(c) of the Code and §1.62-2 and the expenses are substantiated within a reasonable period of time, payments made under the arrangement that do not exceed the substantiated expenses are treated as paid under an accountable plan and are not wages. Only travel reimbursements paid in excess of the Federal Government per diem rate qualify as supplemental wages. The amount paid at the Federal rate is not included in supplemental wages. Supplemental wages do include payments of accumulated sick leave, nondeductible moving expenses, and vacation pay.

Answer (A) is incorrect because accumulated sick leave is compensation in addition to regular wages and therefore is considered a supplemental wage. Answer (B) is incorrect because nondeductible moving expenses are compensation in addition to regular wages that did not qualify for exclusion from income under IRC section 132(a) and (g), and therefore are considered supplemental wages. Answer (C) is incorrect because vacation pay is compensation in addition to regular wages and therefore is considered a supplemental wage.

## How to Register for and Schedule Your Appointment for the EA Examination -- Form 2587

For security and tracking purposes, candidates who wish to register for the examination must first have a Preparer Tax Identification Number (PTIN).

To obtain a PTIN, you will need to complete a [W-7P](#) by mail, fax, or online. The online method is quickest and provides you with the instantaneous issuance of the PTIN. Directions to obtain a PTIN are listed below:

1. By fax to 631-687-3850
  - a. Write “**SEE**” across the top of your Form W-7P.
  - b. Fax your completed Form W-7P to the IRS at 631-687-3850.
  - c. Wait approximately three weeks to receive your PTIN.
2. By mail
  - a. Mail your completed [Form W-7P](#) to:  
**Internal Revenue Service**  
P.O. Box 9003  
Holtsville, NY 11742-9003
  - b. Wait up to six weeks to receive your PTIN.
3. Online
  - a. Go to [www.irs.gov](http://www.irs.gov).
  - b. Click on the **Tax Professionals Tab**.
  - c. Click on the link for **e-services Online Tools for Tax Professionals**. Follow the instructions below based upon whether or not you have already registered for IRS e-services.
    - 1) If you have already registered for e-services:
      - a) Click on the **Login** link next to the question “**Already Registered?**”
      - b) Enter your username and password and click on the **Accept** button.
      - c) If you are presented with the Select Organization page, choose **Individual** (which should be the default) and click on the **Submit Selected Organization** button. Otherwise, go to the next step.
      - d) Click on the **Application** link.
      - e) Click on the **Preparer Tax ID Number (PTIN)** link.
      - f) Review the information populated on the PTIN application.
      - g) Enter the PIN number you selected during your registration and click on the **Accept** button.
      - h) A PTIN number will be assigned and displayed to you.
      - i) Click on the **Request PTIN Card** button if you would like a card sent to you with your assigned PTIN.
    - 2) If you have NOT already registered for e-services, before you continue, you will need to have your Adjusted Gross Income (AGI) from your current or prior year Form 1040 tax return as originally filed. You will be required to provide it along with your name, SSN, and date of birth when registering.
      - a) Click on the **Registration Services** link next to the question “**Not Already Registered?**”
      - b) Click on the **Registration** link.
      - c) Complete the registration information page.
      - d) Click on the **Accept** button if you agree to the Terms and Conditions.

- e) If the information you provided matches IRS's records, you will receive the Registration Success page.
- f) Click on the **Apply for a PTIN** link.
- g) Review the information on the PTIN application.
- h) Enter the PIN number you selected during your registration and click on the **Accept** button.
- i) A PTIN number will be assigned and displayed to you.
- j) Click on the **Request PTIN Card** button if you would like a card sent to you with your assigned PTIN.

**NOTE:** Foreign-based tax professionals who do not have a Social Security Number (SSN) or Individual Tax Identification Number (ITIN) cannot obtain a PTIN and should check the n/a box below line 5 of Form 2587.

To register for the EA examination, you must complete [Form 2587](#) by using one of the three following options:

1. Online: a one-step process. Completing Form 2587 online is considered an express registration; it is the only way to register and schedule an examination in the same day. To register and schedule an examination online, follow these steps:
  - a. Access [www.prometric.com/irs](http://www.prometric.com/irs) and click **Register/Schedule an examination**.
  - b. Click **Online Registration and Scheduling** and follow the prompts.
  - c. If it's your first time, click **Create Account** to set up your user ID and password.
  - d. Complete the registration process by clicking on **Scheduling**.
2. By fax to 800-347-9242
  - a. Fax your completed Form 2587 to Prometric at 800-347-9242.
  - b. Wait one full calendar day before scheduling an examination appointment.
3. By mail
  - a. Mail your completed Form 2587 to:
 

**Prometric**  
Attn: IRS Special Enrollment Examinations  
1260 Energy Lane  
St. Paul, MN 55108
  - b. Wait six to ten calendar days for delivery and processing before scheduling an examination appointment.

Applicants must complete [Form 2587](#) in its entirety. The \$97 testing fee for each part of the examination is due at the time the examination is scheduled. Payment must be made by MasterCard, Visa, American Express, Discover, Diner's Club cards with the MasterCard symbol, or JCB. Also accepted are electronic checks, if scheduling by phone. Unaccepted forms of payments include money orders, paper checks, and cash. The examination fee is nontransferable and nonrefundable.

### **How to Schedule the EA Examination**

Candidates can take each part of the examination at their convenience.

Consequently, parts do not have to be taken on the same day or on consecutive days. All parts do not have to be taken or scheduled during an examination window. Candidates can take examination parts up to four times each during a Test Window (e.g., May 1, 2008, to February 28, 2009).

Once your registration has been processed, you can schedule an examination appointment at any time online at [www.prometric.com/irs](http://www.prometric.com/irs) or by calling 800-306-3926 between 8 a.m. and 9 p.m. (Eastern time), Monday through Friday.

You will be provided a number confirming your appointment. Record and keep this confirmation number for your records you will need it to reschedule, cancel or change your appointment in any way.

Once registered, the examination must be taken within one year.

### **IRS Study Material**

Each testing year's EA exam (up through February of the following year) covers the tax law in effect the previous December 31. For example, the May 1, 2008 - February 28, 2009, testing window will test tax law in effect December 31, 2007.

In studying for the examination, candidates may wish to refer to the Internal Revenue Code, Circular 230, IRS publications, as well as IRS tax forms and accompanying instructions, which can be found by going to [www.irs.gov](http://www.irs.gov). This material may also be ordered from the IRS as a CD-ROM. You may order the Federal Tax Products CD-ROM (Publication 1796) by calling 877-233-6767. The CD cost is \$35. There is an additional \$5 handling fee if ordered by phone. To avoid the handling fee, the CD can be ordered via the Web at [www.ntis.gov](http://www.ntis.gov). Use these IRS publications as references to the Gleim/Hasselback **EA Review** books, Test Prep CD, and Gleim Online.

### **How to Reschedule the EA Examination**

Rescheduling an examination must be done online at [www.prometric.com/irs](http://www.prometric.com/irs) or by calling 800-306-3926. You cannot reschedule an examination by fax, email, or voicemail. There is no fee if rescheduled at least 30 days prior to the scheduled date. A \$35 fee applies if rescheduled 5 to 29 days before the scheduled date. If an examination date is rescheduled less than 5 days before the scheduled date, the full \$97 fee must be paid again (the same fee applies for absenteeism).

**NOTE:** If you miss your appointment or arrive late and are not allowed to test, your entire examination fee will be forfeited and you must pay \$97 to schedule a new appointment.

### **Examination Sites**

Examinations are administered by computer at a Prometric Testing Center. Currently, the EA examination is given at nearly 300 Prometric testing centers located across the United States and internationally. Test centers are located in most major metropolitan areas. A complete list of these testing centers, addresses, and driving directions is located at [www.prometric.com/irs](http://www.prometric.com/irs). Choose Test Sites from the list at left and then choose Locate a Test Site. Most locations are open on Saturdays, and some locations are open on Sundays and evenings.

If you require testing accommodations under the Americans with Disabilities Act, call Prometric at 888-226-9406 to obtain an accommodation request form.

### **Grading Examinations and Notifying Candidates**

Examination scores are confidential and will be revealed only to the candidate and the IRS.

Scores will be shown on screen at the end of the examination, and the candidate will receive a printed score report before leaving the test site.

Scaled scores are determined by calculating the number of questions answered correctly from the total number of questions in the examination and converting to a scale that ranges from 40 to 130.

For a passing exam, the score report will only show a passing designation. It will not show a score. The IRS has set the scaled passing score at 105 (approximately 70%), which corresponds to a minimum level of knowledge deemed acceptable by those persons who will be practicing before the IRS.

For a failing exam, the score report will show a scaled score between 40 and 104. Diagnostic information will also be received to assist with future examination preparation.

Diagnostic information will show results by topic area as follows:

1. Considerably below the minimally acceptable score
2. Marginally below the minimally acceptable score
3. At or above the minimally acceptable score

|  |   |
|--|---|
| Score Report for Sample, Sarah A                         |   |
| <b>Special Enrollment Examination - PART 2: Business</b> |   |
| Scaled   |   |
| Topic Area   | Marginally below the minimally acceptably score |
|  | Grade: Fail                                     |
|  | (A total score of 105 is required to pass)      |

The “Topic Area” of the score report is based on the exam sections for that part. The exam sections for all three parts along with corresponding study units of the Gleim/Hasselback *EA Review* are here: <http://www.gleim.com/account/forum/ea/EAXref.pdf>.

### **Carryover Policy**

Candidates can sign up for the examination one part at a time. Candidates who pass a part of the examination can carryover passing scores up to two years from the date the candidate took the examination. For example, let’s assume a candidate passes Part 1, which the candidate took on November 15, 2008.

Subsequently, the candidate takes Part 2 on February 15, 2009, and he/she passes that part. That individual has until November 14, 2010, to pass the remaining part; otherwise, he/she loses credit for Part 1. On February 14, 2011, if that individual still has not passed all other parts of the examination, he/she loses credit for Part 2.

Carryover of old IRS format (up to 2005) expired on December 31, 2007.

## **PREPARING TO PASS THE EA EXAM**

### **Control: How to**

You have to be in control to be successful during exam preparation and execution. Control can also contribute greatly to your personal and other professional goals. The objective is to be confident that your best possible performance is being generated. Control is a process whereby you

1. Develop expectations, standards, budgets, and plans.
2. Undertake activity, production, study, and learning.
3. Measure the activity, production, output, and knowledge.
4. Compare actual activity with expected and budgeted activity.
5. Modify the activity, behavior, or study to better achieve the desired outcome.
6. Revise expectations and standards in light of actual experience.
7. Continue the process or restart the process in the future.



Every day, you implicitly rely on control systems. For example, when you groom your hair, you use a control system. You have expectations about the desired appearance of your hair and the time required to style it. You monitor your progress and make adjustments as appropriate. The control process, however, is applicable to all of your endeavors, both professional and personal. You should refine your personal control processes specifically toward passing the EA exam.

We suggest explicit control systems for

1. Preparing to take the EA exam
2. Studying an individual Gleim/Hasselback study unit
3. Answering individual multiple-choice questions

Most endeavors will improve with explicit control. This is particularly true of the EA examination.

1. Develop an explicit control system over your study process.
2. Practice your question answering techniques (and develop control) as you answer recent EA questions during your study program. Use Gleim's **EA Test Prep** CD-Rom.
3. Prepare a detailed plan of steps you will take at the EA exam.

### Study Plan, Time Budget, and Calendar

Complete one study unit at a time. Initially, budget 3 to 4 hours per study unit (1 to 2 hours studying the outline and 1 to 2 minutes each on all the multiple-choice questions).

Example time allocation for Part 1:

|   |           |
|---|-----------|
| This Introduction                         | 2         |
| 13 study units (Part 1) at 3.5 hours each | 46        |
| Review                                    | 3         |
| Total Hours                               | <u>51</u> |

Each week, you should evaluate your progress and review your preparation plans for the time remaining prior to the exam. Use a calendar to note the exam dates and the weeks to go before the exam. Marking a calendar will facilitate your planning. Review your commitments, e.g., out-of-town assignments, personal responsibilities, etc., and note them on your calendar to assist you in keeping to your schedule.

### How to Study a Study Unit Using Gleim's Complete System

To ensure that you are using your time effectively, we recommend that you follow the steps listed below when using all of the materials together (books, CD-Rom, audios, and Gleim Online):

- ① (25-30 minutes) In the Gleim Online course, complete Multiple-Choice Quiz #1 in 20-25 minutes (excluding the review session). It is expected that your scores will be low on the first quiz.
  - a. Immediately following the quiz, you will be prompted to review the questions you marked and/or answered incorrectly. For each question, analyze and understand why you marked it or answered it incorrectly. This step is an essential learning activity.
- ② (15-30 minutes) Use the online audiovisual presentation for an overview of the study unit. The Gleim *EA Audio Review* can be substituted for audiovisual presentations and can be used while driving to work, exercising, etc.
- ③ (30-45 minutes) Complete the 30-question True/False quiz. It is interactive and most effective if used prior to studying the Knowledge Transfer Outline.

- ④ (60 minutes) Study the Knowledge Transfer Outline, specifically the troublesome areas identified from the multiple-choice questions in the Gleim Online course. The Knowledge Transfer Outlines can be studied either online or from the books.
- ⑤ (25-30 minutes) Complete Multiple-Choice Quiz #2 in the Gleim Online course.
  - a. Immediately following the quiz, you will be prompted to review the questions you marked and/or answered incorrectly. For each question, analyze and understand why you marked it or answered it incorrectly. This step is an essential learning activity.
- ⑥ (40-50 minutes) Complete at least two 20-question quizzes while in Test Mode from the *EA Test Prep* CD-Rom. Continue taking 20-question quizzes until you approach your proficiency level, e.g., 75%+.
- ⑦ Modify this process to suit your individual learning process.
  - a. Learning from questions you answer incorrectly is very important. Each question you answer incorrectly is an opportunity to avoid missing actual test questions on your EA exam. Thus, you should carefully study the answer explanations provided so you understand why you chose the incorrect answer. This study technique is clearly the difference between passing and failing for most EA candidates.
  - b. Reasons for missing questions include:
    - 1) Misreading the requirement (stem)
    - 2) Not understanding what is required
    - 3) Making a math error
    - 4) Applying the wrong rule or concept
    - 5) Being distracted by one or more of the answers
    - 6) Incorrectly eliminating answers from consideration
    - 7) Not having any knowledge of the topic tested
    - 8) Employing bad intuition (WHY?) when guessing
  - c. It is also important to verify that you answered correctly for the right reasons. Otherwise, if the material is tested on the EA exam in a different manner, you may not answer it correctly.
  - d. It is imperative that you complete your predetermined number of study units per week so you can review your progress and realize how attainable a comprehensive EA review program is when using Gleim's Complete System. Remember to meet or beat your schedule to give yourself confidence.

When following these steps, you will complete all 13 (Part 1) study units in about 43 - 53 hours. Then spend about 5-10 hours using the *EA Test Prep* CD-Rom to create customized tests for the problem areas that you identified. To review the entire part before the exam, use the *EA Test Prep* CD-Rom to create 20-question quizzes that draw questions from all 13 study units. Continue taking 20-question quizzes until you approach your desired proficiency level, e.g., 75%+.

### **EA Gleim Online**

Our ***EA Gleim Online*** is a powerful Internet-based program that makes EA candidates learn in an interactive environment and provides feedback to candidates to encourage learning. All *EA Gleim Online* candidates have access to a personal counselor, who helps candidates organize study plans that work with their busy schedules.

## If You Failed One or More Parts

Historically (prior to the 2006 exam), the pass rate on each part of the EA exam has averaged about 50%. The average EA candidate takes each part twice. Thus, you may not pass all parts attempted.

1. Once you have put the reaction to the bad news behind you, you should regroup and begin implementing the suggestions in this introduction. The Gleim/Hasselback system really works! Avoid thinking “I knew that” or “I don’t have to study that again.” What you knew and how you took the exam last time did NOT work. Try to develop new and improved perspectives.
2. Avoid failure on the next exam by **identifying, correcting, and understanding** your mistakes as you practice answering true/false and multiple-choice questions during your study sessions. Use Gleim’s Complete System. This methodology applies to all EA candidates. Always restudy each question you marked and/or answered incorrectly at the end of each test session. Understand your mistakes while you study so you can avoid mistakes on the exam.

## Question-Answering Techniques for the Exam

The following suggestions are to assist you in maximizing your score on multiple-choice questions. Remember, knowing how to take the exam and how to answer individual questions is as important as studying/reviewing the subject matter tested on the exam.

1. **Budget your time.** We make this point with emphasis. Just as you would fill up your gas tank prior to reaching empty, so too should you finish your exam before time expires.
  - a. You will have 3 hours and 30 minutes to answer 100 multiple-choice questions.
  - b. As you work through the individual multiple-choice items, monitor your time. Your goal is to answer all of the items and achieve the maximum score possible.
  - c. If you allocate 1.5 - 2 minutes per question, you will require 2.5 - 3.3 hours, leaving 10 - 60 minutes to review your answers and “marked” questions (see “Answer the items in numerical order” below). Spending 2 minutes should be reserved for only the most difficult questions. You should complete 10 questions every 15 - 20 minutes. If you pace yourself during the exam, you will have adequate time.
  - d. Gleim recommendation: Feedback from individuals who have taken Part 2 and at least one other part of the exam shows Part 2 to be more time consuming. Plan accordingly.
2. **Answer the items in numerical order.**
  - a. Do **not** agonize over any one item. Stay within your time budget.
  - b. Note any items you are unsure of by clicking the “mark” button and return to them later if time allows. Plan on going back to all questions “marked.”
  - c. Never leave a question unanswered. Your score is based on the number of correct responses. You will not be penalized for guessing incorrectly.
3. **For each multiple-choice item:**
  - a. **Cover up the answer choices** by scrolling to view only the question, or, if necessary, with your hand or a piece of scratch paper. Do not allow the answer choices to affect your reading of the item stem.
    - 1) If four answer choices are presented, three of them are incorrect. These incorrect answers are called **distractors**. Often, distractors are written to appear correct at first glance until further analysis.
    - 2) In computational items, distractors are often the result of making common mistakes.

- b. **Read the item stem** carefully (the part of the question that precedes the answer choices) to determine the precise requirement.
    - 1) Focusing on what is required enables you to ignore extraneous information and to proceed directly to determining the correct answer.
      - a) Be especially careful to note when the requirement is an **exception**; e.g., “Which of the following is **not** includible in gross income?”
  - c. **Determine the correct answer** before looking at the answer choices.
    - 1) By adhering to these steps, you know what is required and which are the relevant facts.
    - 2) However, some multiple-choice items are structured so that the answer cannot be determined from the stem alone.
  - d. **Read the answer choices** carefully.
    - 1) Even if answer (A) appears to be the correct choice, review the remaining answer choices. You may discover that answer (B), (C), or (D) is a better choice.
    - 2) Treat each answer choice as a true/false question.
  - e. **Select the best answer.** For many of the multiple-choice questions, two answer choices can be eliminated with minimal effort.
4. After completing your first pass through all 100 questions, return to the questions that you “marked.”
  5. While answering questions, make sure you are within your time budget so you will have enough time to review your answers in an unhurried manner.

### **If You Don't Know the Answer**

The EA exam often includes questions that are poorly worded or confusing. In addition, the exam may cover topics that are uniquely specific. For example, a question may test a tax law unique to a specific geographic location, etc. “Expect the unexpected” and move forward. Educated guessing is a must. When you encounter such a question on the exam, do not let it affect your concentration or take up too much time. Use your best guess and move on. Gleim will continue to improve review material based on customer feedback and information releases from the test administrator.

**NOTE:** Our recommendation is to take multiple-choice and true/false quizzes in *EA Gleim Online* BEFORE YOU STUDY EACH STUDY UNIT.

If you don't know the answer, make an educated guess. First, rule out answers that you feel are obviously incorrect. Second, speculate on the IRS's purpose and/or the rationale behind the question. These steps may lead you to the correct answer. Third, select the best answer, or guess between equally appealing answers. Mark the question by clicking on the “mark” button in case you have time to return to it for further analysis. However, unless you made an obvious mistake or computational error, try to avoid changing answers at the last minute. Your first guess is usually the most intuitive.

If you cannot make an educated guess, pick the best or most intuitive answer. Never leave a question unanswered. Do **not** look at the previous answer to try to detect an answer. The answers are random, but it is possible to have four or more consecutive questions with the same answer letter, e.g., answer (B).

**NOTE:** Do not waste time beyond the amount budgeted. Stay on or ahead of schedule.

## TAKING THE EA EXAM

### EA Examination Preparation Checklist

1. Apply to take the exam as far in advance as possible. If space permits, you may register and schedule up to 2 days prior to your test date.
2. Acquire your study materials. Rely on Gleim's EA Complete System as your primary study source.
3. Plan your study program.
4. Locate a suitable place to study.
5. Implement your study program.
6. Periodically review, reassess, and revise your study program as needed.
7. Recognize that an orderly, controlled study program builds confidence, reduces anxiety, and produces success!
8. **Attend and pass the examination!**

### Exam Psychology

Plan ahead for the exam and systematically prepare for it. Go to the exam and give it your best. Neither you nor anyone else can expect more. If you have undertaken a systematic preparation program, you will do well.

Maintain a positive attitude and do not become depressed if you encounter difficulties before or during the exam. An optimist will usually do better than an equally well-prepared pessimist. Remember, you are not in a position to be objective about your results during the exam. Many well-prepared examination candidates have been pleasantly surprised by their scores. Indeed, you should be confident because you are competing with many less-qualified persons who have not prepared as well as you. Optimism and a fighting spirit are worth points on every exam, and fear or depression tends to impair performance.

### Logistical and Health Concerns

As soon as you have scheduled your examination site, plan to visit the site prior to your examination date. Make sure you know where it is and how to get there. Have everything settled before the day of the exam. You should locate the restroom to avoid confusion if you need to use it during the exam.

For \$30, Prometric provides a 30-minute real world, end-to-end practice run, which they refer to as a "Test Drive." During the run-through, you will participate in

1. The scheduling and registration process
2. The complete check-in process
3. An introduction to test center staff and surroundings
4. A live 15-minute sample test demonstrating the testing process
5. Full preparation for the real test

Gleim recommends taking advantage of this product by Prometric. Following a Test Drive, you will be less likely to be distracted by your surroundings and will feel more at ease with the whole testing experience. Thus, you may devote all your energy to the content of the exam.

Confine your last-minute study to a brief review of the major points covered in the next day's exam session. Concentrate on the sideheadings and key terms in **EA Review**. For most EA candidates, the best advice is to relax the evening before and get a good night's rest. Sleep disturbance is less likely if you follow your normal routines. However, individual tastes vary, and you should do what you know has led to exam success in the past.

Proper exercise, diet, and rest during the weeks before the exam are very important. High energy levels, reduced tension, and a positive attitude are among the benefits. A good aerobic fitness program, a nutritious and well-balanced diet, and a regular sleep pattern will promote your long-term emotional and physical well-being as well as contribute significantly to a favorable exam result. Of course, the use of health-undermining substances should be avoided.

### **Pencils, Calculators, Other Materials, and Items**

Your examination will be taken on a computer at a Prometric testing center.

You do not need any computer experience or typing skill to take your examination. Before you start the examination, you will receive a personalized introduction to the testing system. You can also take a pre-examination tutorial if you wish.

To ensure that all candidates are tested under equally favorable conditions, the following regulations and procedures will be observed at each testing center. Failure to follow any of these security procedures may result in the disqualification of your examination and forfeiture of testing fees. Prometric reserves the right to audiotape and videotape any examination session.

Candidates will not be able to leave the testing room with a copy of the examination or with notes taken during the examination. Copies of the examination will not be made available to candidates after testing in order to ensure the security of the examination process.

1. No reference materials, papers, or study materials are allowed at the test center. If you are found with these or any other aids, you will not be allowed to continue the examination and your answers will not be scored. Some examination questions may contain excerpts from the Internal Revenue Code or Income Tax Regulations. You will be provided scratch paper and pencils/pen for use during the exam.
2. Calculators and slide rules are not allowed. Candidates will be able to use an onscreen scientific calculator during the examination.

Prometric is not responsible for items left in the reception area of the testing center. While lockers are provided, it is recommended that personal items not be brought into the testing center. Note the following:

1. Electronic equipment, such as cameras, tape recorders, cell phones, PDAs, pagers, etc., are not permitted in the testing room and must be powered off while stored in a locker.
2. Pocket items, such as keys, wallet, etc., must remain in your pocket or be stored in a locker during testing.
3. Other personal items, such as digital watches, outerwear that is not being worn while testing (sweater, jacket, etc.), briefcases, purses, etc., are not permitted in the testing room.
4. Weapons are not allowed at the testing center.

### **EA Examination Tactics**

1. Arrive 15-30 minutes before your scheduled examination appointment. This allows time for you to sign in and for staff to verify your identification.
2. Identification
  - a. You must present a valid, nonexpired form of identification before you can test. That identification document **must**
    - 1) Be government-issued (e.g., driver's license, passport, state-issued identification card or military identification card),

- 2) Contain **both** a current photo and your signature (if it does not, you must present two identification cards: one with your photo and one with your signature),
    - 3) Have a name that exactly matches the name used to register for the examination (including designations such as Jr. and III).
  - b. You must provide a digitized fingerprint in addition to the valid identification described above. The fingerprint is only an algorithmic representation taken by the Biometric Identity Management System (BIMS) and will be permanently erased from the BIMS database within 48 hours after your test is completed. The benefits of this requirement include the following:
    - 1) Higher level of security during the testing experience,
    - 2) More efficient check in/out during breaks, and
    - 3) Less exposure of identification information.
  - c. Failure to provide either a valid identification or a digitized fingerprint at the time of the examination is considered a missed appointment. As a result, you forfeit your fees. If you cannot provide the identification listed above, contact Prometric **before** scheduling your appointment to arrange an alternative way to meet this requirement.
3. Dressing for exam success means emphasizing comfort, not appearance. Be prepared to adjust for changes in temperature. Do not bring notes, books, etc., to the exam; books are not allowed in the exam room. You will only make yourself nervous and confused by trying to cram during the last 5 minutes before the exam.
4. Other policies: If you leave the testing room while an examination is in progress, you must sign out/in on the roster, and you will lose examination time. You are not allowed to use any electronic devices or phones during breaks. No guests, visitors, or family members are allowed at the testing center. Candidates who engage in any kind of misconduct or disruptive or offensive behavior may be dismissed from the examination. Examples include: giving or receiving help, taking part in an act of impersonation, removing test materials or notes from the testing room, using rude or offensive language, and behavior that delays or interrupts testing. Test center administrators are not allowed to answer any questions pertaining to the examination content. If you do not understand a question on the examination, you should answer the question to the best of your ability.
5. Maintain your high level of confidence. Think positive! Remember that you are as competent as other candidates and are well-prepared for the exam.
6. Read the exam instructions carefully.
7. Answer the 100 questions in numerical order.
8. After you work through all 100 questions, you should return to the questions you have marked and select the best answer.
9. After you have answered all 100 questions, review each question carefully. If you made an obvious mistake, e.g., misread the question, make the correction. **DO NOT**, however, begin changing answers and second-guessing yourself. Your first answer to each question should be based on the systematic question-answering technique that you have practiced throughout your preparation program.
10. As soon as you complete the exam, we would like you to email, fax, or write to us with your comments on our materials.
11. Re-review this tactics list and be confident in maximizing your score.

### **Mistakes to Avoid**

Most candidates who FAIL the EA exam have not adequately prepared prior to the exam. Remember, all you have to do to PASS is to follow the instructions at “[Preparing to Pass the EA Exam](#),” and “[Taking the EA Exam](#).”

Conversely, you may benefit by reading the following list of what NOT TO DO:

1. Arrive at the exam site upset, late, tired, etc. -- Get there early and be in control.
2. Lack confidence -- No matter how little or how much you have studied, do the best you can (no one can ask for more).
3. Lose track of time -- Stay on schedule.
4. Forget to answer “marked” questions.

### **Feedback**

You will be surveyed at the conclusion of the examination.

If you wish to receive a written response, you must make an official written request. The request must include your name, PTIN number, the examination title, the date you tested, and the details of your concern, including all relevant facts. Be sure to include your return address. Mail your letter to:

**Prometric**

Attn: SEE Feedback  
1260 Energy Lane  
St. Paul, MN 55108

In order to provide the best *EA Review*, we ask that you provide your comments on the exam and any response you might receive from Prometric or the IRS to Gleim Publications, Inc. Please address to:

Gleim Publications, Inc.  
P.O. Box 12848  
University Station  
Gainesville, FL 32604

Your comments are greatly appreciated and of great worth in improving our products.