VORAPREP | 2026 CPA FAR RAPID-REVIEW CHEAT SHEET

CPA FAR: Financial Accounting and Reporting

Official Body: AICPA & NASBA | Time: 4 Hours | 2026 Blueprint

Free FAR Practice ->

Passing Standard: 75 on a 0-99 psychometrically scaled score (Not a percentage)

Section Format: 50 MCQs + 7 Task-Based Simulations (50% MCQ / 50% TBS) (Prometric)

1. OFFICIAL 2026 FAR BLUEPRINT DOMAINS & WEIGHTINGS

FAR-I: Conceptual Framework, Standard-Setting & Financial Reporting	**Weight: 5-15%**
FAR-II: Select Financial Statement Accounts (Assets, Liabilities, Equity)	**Weight: 30-40%**
FAR-III: Select Transactions (Revenue, Leases, Taxes, EPS, Cash Flows)	**Weight: 25-35%**
FAR-IV: State and Local Governments (GASB)	**Weight: 5-15%**

2. HIGH-YIELD FAR FORMULAS, ORDERING RULES & MNEMONICS

* **ASC 842 Leases (OWNES Criteria)**
  Finance lease if ANY met: Ownership transfers, Written purchase option (reasonably certain), Net PV >= 90% FMV, Economic life >= 75%, Specialized asset. Both Operating & Finance leases record ROU Asset + Lease Liability.

* **ASC 606 Revenue (5-Step Model)**
  1) Identify contract, 2) Identify separate performance obligations, 3) Determine transaction price, 4) Allocate by standalone selling price, 5) Recognize over time or at point in time.

* **ASC 326 Credit Losses (CECL) & Bonds**
  CECL measures lifetime expected credit losses using historical data + current conditions + reasonable forecasts. Effective Interest = Carrying Value x Market Yield at issuance.

* **GASB Fund Accounting (Modified vs Full Accrual)**
  Governmental funds (GRaSPP) use Current Financial Resources + Modified Accrual (property tax revenue if collected within 60 days). Proprietary (SE) & Fiduciary (CIPPOE) use Full Accrual.

EXAM TRAP TO AVOID: Never leave an Operating Lease (>12 months) off the balance sheet, never recognize a gain contingency before realization (ASC 450), and classify GAAP cash interest paid under Operating Activities (ASC 230).

Test yourself on CPA FAR questions free (no credit card required) at VoraPrep:

1. Practice FAR Free ->
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