

Exploring Economics



FBLA Middle School Competitive Events Guidelines

2022–2023

Objective Test Events

Overview

These events consist of a 45-minute test administered during the National Leadership Conference (NLC).

Eligibility

Each state may submit two entries in each event. Competitors must have paid FBLA national and state dues by 11:59 p.m. Eastern Time on March 1 of the current school year. These events are for individual competitors only.

NLC Registration

Participants must be registered for the NLC and pay the national conference registration fee to participate in competitive events.

Business Etiquette
Career Exploration
Digital Citizenship
Exploring Computer Science
Exploring Economics
Exploring Technology
FBLA Concepts
Financial Literacy
Interpersonal Communication
Leadership
Learning Strategies
Running an Effective Meeting

Exploring Economics

Objective Test Competencies

- Scarcity
- Supply and demand
- Economic systems
- Gross domestic product
- International trade
- Business cycles
- Inflation
- Opportunity costs
- Goods and services
- Needs vs. wants

Objective Test Guidelines

- No materials may be brought to the testing site.
- No calculators may be brought into the testing site; calculators will be provided.
- Electronic devices must be turned off and out of sight.
- Bring a writing instrument.

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Competency A: Scarcity	NEEDS: 10
Tasks	
1. Define economic scarcity.	
2. Explain how scarcity impacts production, consumption, and exchange.	
3. Explain why scarcity requires individuals, governments, and societies to make choices.	
4. Explain how scarcity leads to economic policy and allocation.	
5. Explain how scarcity requires choices.	
6. Evaluates the trade-offs for scarcity.	
7. Explain how economic decisions involving scarcity need to consider opportunity cost.	
Competency B: Supply and Demand	NEEDS: 10
Tasks	
1. Explain the law of supply.	
2. Explain the law of demand.	
3. Define economic equilibrium.	
4. Demonstrate an understanding of the supply and demand curves that shows increases and decreases in quantity supplied and quantity demanded.	
5. Describe how consumer, government, environment, and technology factors impact consumer demand.	
6. Explain the relationship between prices and consumer purchases.	
7. Define economic elasticity.	
8. Explain how government enforced price ceilings and floors cause product shortages or surpluses.	
Competency C: Economic Systems	NEEDS: 10
Tasks	
1. Define the basic elements of capitalism.	
2. Explain how, in a free enterprise system, individuals attempt to maximize their profits based on their role in the economy.	
3. Define the characteristics of a market system (e.g., profit, competitive markets, and private ownership of property).	
4. Compare and contrast economic systems (e.g., traditional, market, command).	
5. Analyze how economic systems, resources, and culture affect each other.	
6. Explain how decisions are made in a command economy.	
7. Explain how decisions are made in a traditional economy.	
8. Explain the difference between capitalism, socialism, and communism.	
9. Define a mixed economy.	

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Competency D: Gross Domestic Product	NEEDS: 10
Tasks	
1. Define Gross Domestic Product (GDP).	
2. Explain three ways to calculate GDP.	
3. Explain why GDP is an important economic measurement.	
4. Describe how the health of a country is impacted by GDP.	
5. Explain the relationship between economic growth and GDP.	
6. Explain how GDP is related to the health of a country's economy.	
7. Explain the difference between nominal and real GDP.	
8. Describe the impact that GDP has on the stock market.	
Competency E: International Trade	NEEDS: 10
Tasks	
1. Analyze the impact of world trade and relate it to the U.S. free enterprise system.	
2. Explain the basic characteristics of international trade, including absolute and comparative advantage, barriers to trade, exchange rates, and balance of trade.	
3. Analyze why trade barriers and why exchange rates affect the flow of goods and services among nations.	
4. Explain how currency exchange rates affect international trade.	
5. Discuss the advantages, disadvantages, and distribution effects of trade restrictions (e.g., tariffs, quotas, and embargoes).	
6. Analyze the impact of international issues and concerns on personal, national, and international economics.	
7. Explain how specialization promotes international trade and how international trade increases total world output and interdependence among nations.	
8. Explain the role of credit in a market economy.	
9. Compare the advantages and disadvantages of using various forms of credit and the determinants of credit history.	
Competency F: Business Cycles	NEEDS: 10
Tasks	
1. Define circular flow, interdependence, product market, and factors of production.	
2. List and define the six business cycles (expansion, peak, recession, depression, trough, recovery).	
3. Describe the role of businesses and individuals in the circular flow.	
4. Explain how change in one component of the circular flow of economic activity affects other components.	
5. Describe the role of government in the circular flow (e.g., taxation, services, and national debt).	

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Competency G: Inflation	NEEDS: 10
Tasks	
1. Define inflation.	
2. Define demand-pull inflation.	
3. Define cost-push inflation.	
4. Explain built-in inflation.	
5. Describe the role of the Consumer Price Index when measuring the rate of inflation.	
6. Define Consumer Price Index (CPI) and Wholesale Price Index (WPI).	
7. Explain how inflation can be viewed positively or negatively.	
8. Explain how inflation has a favorable impact on tangible assets like property or stock commodities.	
9. List the causes and effects of inflation.	
10. Define Product Price Index.	
11. Explain the pros and cons of inflation.	
12. Explain how monetary policy is used to control inflation.	
13. Explain the effects of inflation.	
14. Define hyperinflation.	
15. Explain hedging against inflation.	
Competency H: Opportunity Costs	NEEDS: 10
Tasks	
1. Explain how economic decision making is impacted by opportunity cost and scarcity.	
2. Define opportunity cost.	
3. Define a pure service.	
4. Define a convenience good.	
5. Define a shopping good.	
6. Define a specialty consumer good.	
7. List examples of fast-moving consumer goods.	
Competency I: Goods and Services	NEEDS: 10
Tasks	
1. Define consumer goods.	
2. Define a durable good.	
3. Define a nondurable good.	
4. Explain how the Federal Reserve System uses its control over the reserve ratio, open market operations, and the discount rate to control the money supply and the implementation of tight and easy money policy.	
5. Determine how inflation, unemployment, and gross domestic product statistics are used in policy decisions.	
6. Describe how fiscal, monetary, and regulatory policies affect overall levels of employment, output, and consumption.	

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Competency J: Needs vs. Wants	NEEDS: 10
Tasks	
1. Explain the difference between a need and a want.	
2. Explain the importance of needs and wants for a budget.	
3. Explain the difference between fixed and flexible expenses.	
4. List examples of needs and wants.	
5. Explain the 50/30/20 budgeting rule.	
6. Explain strategies to reduce amounts spent on wants.	
7. Explain why needs are fixed and wants are discretionary.	

General Competitive Event Guidelines

The general event guidelines below are applicable to all FBLA Middle School national competitive events. Please review and follow these guidelines when competing at the national level. When competing at the state level, check the state guidelines since they may differ.

All members and advisers are responsible for reading and following competitive event guidelines.

Eligibility

- **Dues:** Competitors must have paid FBLA national and state dues by 11:59 p.m. Eastern Time on March 1 of the current school year.
- **NLC Registration:** Participants must be registered for the NLC and pay the national conference registration fee to participate in competitive events.
- **Deadlines:** The state chair, or designee, must register each state competitor on the official online entry forms by 11:59 p.m. Eastern Time on the second Tuesday in May.
- Each state may submit two entries in all events.
- Each competitor can only compete in one event.
- Each competitor must compete in all parts of an event for award eligibility.
- A team shall consist of two or three members.
- All members of a team must consist of individuals from the same chapter.
- If competitors are late for a competitive event, there are no guarantees they will get to compete. Competitive event schedules cannot be changed. PLEASE NOTE that competitive events start in the morning before the opening session of NLC.
- Competitors may be disqualified if they violate competitive event guidelines.

General Competitive Event Guidelines

Repeat Competitors

- Members may compete in an event at NLC more than once if they have not previously placed in the top ten of that event at NLC. If a member places in the top ten of an event at NLC, they are no longer eligible to compete in that event.
- **Modified Events:** A competitor may compete in the same event when the event is modified, regardless of placement at a National Leadership Conference. Note, if the only modification is a name change, competitors may not compete in the renamed event if they have previously placed in the top ten at the National Leadership Conference.
- **Chapter Events:** Competitors may compete in a chapter event as many times as they wish, regardless of placement at a previous National Leadership Conference (Annual Chapter Activities Presentation, Community Service Presentation).

Breaking Ties

- **Objective Tests:** Ties are broken by comparing the correct number of answers to the last 10 questions on the exam. If a tie remains, the competitor who completed the test in a shorter amount of time will place higher. If this does not break the tie, answers to the last 20 questions will be reviewed and determine the winner.

- **Performances:** Judges must break ties and all judges' decisions are final.

National Deadlines

- State chair/adviser must register all competitors for NLC competitive events online by 11:59 p.m. Eastern Time on the second Tuesday in May.
- All prejudged components must be received by 11:59 p.m. Eastern Time on the second Tuesday in May.
- State chair/adviser may make name changes only (no additional entries) by 11:59 p.m. Eastern Time on the first Tuesday in June. Competitor drops are the only changes allowed after this date and onsite.

National Awards

- The number of competitors will determine the number of winners. The maximum number of winners for each competitive event is 10.

Americans With Disabilities Act (ADA)

- FBLA-PBL meets the criteria specified in the Americans with Disabilities Act for all participants who [submit an accommodation form](#).
- The form must be submitted by 11:59 p.m. Eastern Time on the second Tuesday in May.

General Competitive Event Guidelines

Recording of Presentations

- No unauthorized audio or video recording devices will be allowed in any competitive event. Participants in the performance events should be aware the national association reserves the right to record any performance for use in study or training materials.