

# Economics



# FBLA High School Competitive Events Guidelines

2022–2023

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# Objective Test Events

## Overview

These events consist of a 60-minute test administered during the National Leadership Conference (NLC).

### ELIGIBILITY

Each state may submit four entries. 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.

Accounting I  
Accounting II  
Advertising  
Agribusiness  
Business Calculations  
Business Communication  
Business Law  
Computer Problem Solving  
Cyber Security  
Economics  
Health Care Administration  
Human Resource Management  
Insurance & Risk Management  
Introduction to Business Communication  
Introduction to Business Concepts  
Introduction to Business Procedures  
Introduction to FBLA  
Introduction to Financial Math  
Introduction to Information Technology  
Introduction to Marketing Concepts – **NEW**  
Introduction to Parliamentary Procedure  
Journalism  
Networking Infrastructures  
Organizational Leadership  
Personal Finance  
Political Science  
Securities & Investments  
Supply Chain Management  
UX Design

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## Economics

### Objective Test Competencies

- Basic economic concepts and principles
- Monetary and fiscal policy
- Productivity
- Macroeconomics
- Market structures
- Investments and interest rates
- Government role
- Types of businesses/economic institutions
- Business cycles/circular flow
- Supply and demand
- International trade/global economics

### 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.

FBLA Economics Study Guide

Competency A: Basic Economic Concepts and Principles	Minimum: 25
Tasks	
1. Define money (characteristics, role, and forms) and trace how money and resources flow through the American economic system.	
2. Utilize decision-making models to make economic choices and determine the opportunity cost of those choices.	
3. Describe how trade-offs are made during the decision-making process.	
4. Use basic economic concepts (such as supply and demand; production, distribution, and consumption; labor, wages, and capital; inflation and deflation; market economy and command economy) to compare and contrast local, regional, and national economics across time and at the present time.	
5. Define the basic elements of capitalism.	
6. Explain how, in a free enterprise system, individuals attempt to maximize their profits based on their role in the economy.	
7. Define characteristics of a market system (e.g., profit, competitive markets, and private ownership of property).	
8. Compare and contrast economic systems (e.g., traditional, market, command, and mixed) based on criteria such as freedom, efficiency, equity, security, employment, stability, and growth.	
9. Analyze how economic systems, resources, and culture affect each other.	
10. Analyze how a nation's wealth and trade potential are tied to its resources.	
11. Suggest what a nation or business should do if economic resources are underutilized.	
12. Identify the location of concentrations of selected natural resources and describe how their acquisition and distribution generates trade and shapes economic patterns.	
13. Analyze the concepts of trade-offs and opportunity cost.	
14. Evaluate the trade-offs of alternatives for solving societal problems according to economic goals (e.g., economic growth, equity, efficiency, security, employment, stability, and freedom).	
15. Explain how the United States' economy has changed from a rural to an industrial economy to a leader in the global economy.	
16. Identify and explain various points of view concerning economic issues, such as taxation, unemployment, inflation, the national debt and distribution of income.	
17. Describe how personal decisions can have a global impact on issues such as trade agreements, recycling, and conserving the environment.	
18. Recommend what a nation or business could do to stimulate economic growth.	
19. Define and explain economic scarcity as it applies to production, consumption, and exchange.	
20. Ascertain why scarcity faces people at all times and interpret the relationship between trade-offs and opportunity costs.	
21. Explain why scarcity requires individuals, governments, and societies to make choices.	
22. Analyze how scarcity creates the need for economic policy and allocation.	

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Competency B: Productivity	Minimum: 10
Tasks	
1. Define factors of production (e.g., labor, capital, entrepreneurship, and natural resources).	
2. Explain the principle of diminishing returns and how it relates to productivity and consumption.	
3. Describe how investments in human and physical capital, including new technology, affect standard of living, quality of life, and increase productivity.	
4. Describe the impact of worker productivity (output per worker) on business, the worker, and the consumer.	
5. Explain how wages are affected by the market value and productivity of the individual working.	
6. Define specialization and identify how specialization may affect the economy.	
7. Give examples to explain how businesses and industry depend upon workers with specialized skills to make production more efficient.	
8. Discuss the effects of government expenditures, regulations, and tax policies on productivity.	
9. Analyze the impact of political actions, natural phenomena (e.g., wars, legislation, and natural disaster), and the investments in research and development on producers and production decisions.	
10. Analyze and discuss economic indicators that reflect productivity.	

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Competency C: Macroeconomics	Minimum: 10
<b>Tasks</b>	
1. Differentiate between microeconomists' and macroeconomists' approach to the economy and their solutions to economic problems.	
2. Analyze factors that are studied in determining the economic health of our economy.	
3. Discuss how changes in disposable income affect the economy.	
4. Explain the effects of leading economic indicators on a personal financial plan.	
5. Identify and analyze leading economic indicators and the methods of using the indicators to validate opinions about the state of the economy in the near future.	
6. Illustrate and measure the impact of inflation and recession.	
7. Evaluate the impact of employment/unemployment on production, consumption, and exchange.	
8. Define gross domestic product (GDP) and interpret fluctuations in the GDP.	
9. Discuss major factors that affect the level of a country's gross domestic product (GDP) (e.g., quantity and quality of natural resources, quantity and quality of human capital, and quantity and quality of capital stock).	
10. Locate the per capita GDP of various nations to compare the levels of economic well-being.	
11. Differentiate between GNP, NDP, NI, PI, and DI.	
12. Explain how the Consumer Price Index measures the rate of inflation and interpret its relationship to purchasing power.	
13. Interpret economic data depicted through illustrations (e.g. tables, curves, graphs, ratios, percentages, indexes, and values)	
14. Construct tables and graphs depicting economic information (e.g., financial statements, pie charts, line graphs, and bar graphs).	
Competency D: Supply & Demand (Markets & Prices)	Minimum: 5
<b>Tasks</b>	
1. Explain the law of supply, the law of demand, and equilibrium price.	
2. Demonstrate an understanding of the supply and demand curves that show increases and decreases in quantity supplied and quantity demanded.	
3. Appraise the effects of technological changes, changes in consumer preferences, price inputs, environment, and legislation on supply and demand and price of goods/services.	
4. Describe the concept of elasticity and inelasticity and analyze elasticity as it applies to supply and demand and consumer decisions.	
5. Explain how efficient production and allocation of goods and services in a market economy are based on pricing information.	
6. Describe how relative prices affect the buying and selling decisions of consumers and producers and illustrate how a change in price affects quantity demanded or quantity supplied.	
7. Describe how price ceilings and floors cause shortages or surpluses.	

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Competency E: International Trade/Global Economics	Minimum: 5
<b>Tasks</b>	
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 and disadvantages and distributive 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.	
Competency F: Market Structures (monopoly, oligopoly, etc.) and Competition	Minimum: 10
<b>Tasks</b>	
1. Differentiate the factors of competition in a free enterprise system and describe how those factors affect the everyday function of a business.	
2. Analyze the role that supply and demand, competition, prices, incentives, and profits play in determining what is produced and distributed in a competitive market system.	
3. Explain how changes in the level of competition in different markets affect individuals and the economy.	
4. Explain how competition among sellers of a good or service generally results in lower prices for buyers and lower profits for sellers.	
5. Describe how competition among buyers of a good or service generally results in higher prices for buyers and higher profits for sellers.	
6. Discuss the major barriers to new firms entering a market and how the barriers affect the level of competition in an industry.	
7. Explain how competition is maintained in the U.S. economy and how the level of competition varies in differing market structures (e.g., monopoly, oligopoly, monopolistic, and perfect competition).	
8. Compare and contrast the different types of market structure.	
9. Describe the characteristics of monopolistic and oligopolistic competition and identify examples in the current market.	
10. Determine the role of government in preventing private monopolies and regulating public monopolies.	

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Competency G: Investments and Interest Rates	Minimum: 10
<b>Tasks</b>	
1. Describe and explain the role of money, banking, and savings in everyday life.	
2. Interpret stock market purpose and function and analyze stock market performance.	
3. Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials.	
4. Describe how interest rates balance savings and borrowing and affect consumer purchasing power.	
5. Identify the risk/return trade-offs for saving and investing.	
6. Evaluate the impact of employment/unemployment on investment and savings.	
7. Describe how saving and investing influence economic growth (capital formation).	
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 H: Role of Government	Minimum: 10
<b>Tasks</b>	
1. Analyze the changing relationships among business, labor, and government and how each has affected production, distribution, and consumption.	
2. Distinguish between private goods and services (family car or a local restaurant) and public goods and services (interstate highway systems or U.S. Postal Service), and explain how and why public goods and services are provided.	
3. Explain how government's redistribution of income through taxation, spending, and assistance/entitlement programs affects the well-being of people and businesses in an economy.	
4. Identify the types of taxes levied by differing levels of government (e.g., income tax, sales tax, and property tax).	
5. Analyze the relationship between the federal deficit and the national debt and how they are affected by the sources of national income and international trade.	
6. Identify the impact of the political structure on economic systems.	
7. Explain how laws and government policies (e.g., property rights, contract enforcement, and standard weights/measurements) establish rules that help a market economy function effectively.	
8. Explain how government intervention with market prices can cause shortages or surpluses of a good or service (e.g., minimum wage policies, rent freezes, and farm subsidies).	
9. Identify and evaluate how stabilizers (e.g., unemployment compensation, welfare benefits, Social Security, subsidies, and tax rates) affect economies in transition.	



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<b>Competency I: Monetary and Fiscal Policy</b>	<b>Minimum: 5</b>
<b>Tasks</b>	
1. Differentiate between monetary and fiscal policies and identify when it may be appropriate to use a given policy.	
2. Identify the organization and functions of the Federal Reserve System and their influences on the economy.	
3. Explain how federal budgetary policy and the Federal Reserve System’s monetary policies influence overall levels of employment, interest rates, production, and prices.	
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.	
<b>Competency J: Types of Business/Economic Institutions</b>	<b>Minimum: 5</b>
<b>Tasks</b>	
1. Compare and contrast different types of business ownership (e.g., corporation, partnership, and sole proprietorship).	
2. Define the role of profit-making and not-for-profit companies in the U.S. economy.	
3. Describe different kinds of economic institutions in the U.S. economy (e.g., households, businesses, financial institutions, government agencies, labor unions, and nonprofit organizations).	
4. Explain the role of banks in facilitating the exchange of financial resources (e.g., loans, creating money, checking accounts, and Federal Reserve System).	
5. Explain how and why people who start new businesses take risks to provide goods and services, considering profits as an incentive.	
6. Explain the concept of organized labor and business.	
<b>Competency K: Business Cycles/Circular Flow</b>	<b>Minimum: 5</b>
<b>Tasks</b>	
1. Define circular flow, interdependence, product market, and factors of production market.	
2. Describe the role of businesses and individuals in the circular flow.	
3. Explain how change in one component of the circular flow of economic activity affects other components.	
4. Describe the role of government in the circular flow (e.g. taxation, services, and national debt).	
5. Define business cycle, prosperity, recession, depression, and recovery.	
6. Compare and contrast the different stages of the business cycle (e.g. recover, expansion, trough, and peak).	

## ECONOMICS SAMPLE QUESTIONS

- 1) \_\_\_\_\_ is a cost that you have already incurred and cannot recover.
  - A) Positive cost
  - B) Lost cost
  - C) Negative cost
  - D) Sunk cost
  
- 2) Being able to do something using fewer resources than other producers require would give you a(n) \_\_\_\_\_.
  - A) disadvantage
  - B) monopoly
  - C) comparative advantage
  - D) absolute advantage
  
- 3) \_\_\_\_\_ means producing the maximum possible output from available resources.
  - A) Maximization
  - B) Productivity
  - C) Efficiency
  - D) Equilibrium
  
- 4) A shift outward of the production possibilities frontier reflects economic \_\_\_\_\_.
  - A) growth
  - B) weakness
  - C) stability
  - D) retraction
  
- 5) \_\_\_\_\_ focuses on the performance of the economy as a whole
  - A) Macroeconomics
  - B) Microeconomics
  - C) Gross national product
  - D) Gross domestic product
  
- 6) Which of the following statements is **not** valid about gross domestic product?
  - A) it includes production in the United States by foreign firms
  - B) it can be used to compare economies of various countries
  - C) it includes production of U.S. firms in foreign countries
  - D) it measures production during the year by businesses and individuals

- 7) Which situation shows the law of diminishing marginal utility at work?  
A) You are willing to pay the same price for every succeeding slice of pizza you purchase.  
B) You will only purchase succeeding slices if they cost less.  
C) Each piece of pizza you purchase gets smaller.  
D) You are willing to pay more for every succeeding slice of pizza you purchase.
- 8) Trade restrictions usually \_\_\_\_\_.  
A) benefit domestic consumers  
B) increase imports  
C) lower tariffs  
D) benefit domestic producers
- 9) \_\_\_\_\_ might cause a shift in the supply curve to the right in the grain business.  
A) An increase in the cost of harvesting grain  
B) Discovery of a substitute for grain  
C) A technological breakthrough to increase yields  
D) A decrease in the number of farms
- 10) The ability of a firm to raise its price without losing sales to competitors is called \_\_\_\_\_.  
A) recession  
B) profit  
C) market power  
D) inflation
- 11) Which factor is responsible for credit card interest being so high?  
A) abundance of credit cards  
B) lack of collateral on the debt  
C) low administration costs  
D) large line of credit
- 12) The largest source of revenue for local governments is from \_\_\_\_\_.  
A) property tax  
B) sales tax  
C) income tax  
D) state and federal aid

- 13) Disposable income is \_\_\_\_\_.  
A) income before taxes  
B) extra income  
C) inflated income  
D) income after taxes
- 14) Of the 25 million businesses in the U.S., most \_\_\_\_\_.  
A) consist of one self-employed person  
B) will grow into larger businesses  
C) employ more than 25 people  
D) will become corporations
- 15) The \_\_\_ shows how much output U.S. producers are willing and able to supply at each price level.  
A) real GDP per capita  
B) aggregate demand curve  
C) aggregate supply curve  
D) equilibrium market

- 1) D
- 2) D
- 3) C
- 4) A
- 5) A
- 6) C
- 7) B
- 8) D
- 9) C
- 10) C
- 11) B
- 12) D
- 13) D
- 14) A
- 15) C

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# General Competitive Events Guidelines

The general event guidelines below are applicable to all FBLA High 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 in order 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 four entries in all events.
- Each competitor can only compete in one individual/team event and one chapter event.
- Each competitor must compete in all parts of an event for award eligibility.
- A team shall consist of two or three members. The exception is Parliamentary Procedure, which must be a team of four or five 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.
- Picture identification (drivers' license, passport, state-issued identification, or school-issued identification) is required when checking in for competitive events.

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# General Competitive Events 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. This eliminates the exceptions for team events that were previously in place, as this change will now affect all events.
- **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 (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, and Partnership with Business Project).
- **Pilot Event:** Competition in a pilot event does not disqualify a competitor from competing in the same event if it becomes an official competitive event. The participant may compete in another event as well as a pilot event.

## 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 to determine the winner.
- **Objective and Production Tests:** The production test scores will be used to break a tie.
- **Objective Tests and Performances:** The objective test score will be used to break a tie based on the tie-breaking criteria of objective tests.
- **Reports/Projects and Performances:** The report/project scores will be used to break a tie.
- **Performances:** Judges must break ties and all judges' decisions are final.

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# General Competitive Events Guidelines

## 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 (reports and projects) must be submitted by 11:59 p.m. Eastern Time on the second Tuesday in May.
- All prejudged projects and reports must be submitted electronically.
- All production tests must be submitted by 11:59 p.m. Eastern Time on the third Tuesday in May.
- All production tests must be uploaded online on the required platform.
- 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.

## 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.