

Business Law



FBLA High School Competitive Events Guidelines

2022–2023

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

Business Law

Objective Test Competencies

- Legal systems
- Contracts and sales
- Business organization
- Property laws
- Agency and employment laws
- Negotiable instruments, insurance secured transactions, bankruptcy
- Consumer protection and product/personal liability
- Computer law
- Domestic and private law

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 Business Law Study Guide

Competency A: Legal System	Minimum: 20
Tasks	
1. Identify ethical character traits: honesty, integrity, compassion, respect, responsibility, citizenship, and justice.	
2. Explain the relationship between law and ethics and why they sometimes conflict.	
3. Explain the differences between local, state and federal government and the powers and limitations of each.	
4. Define statutory law, identify the purpose of statutory law, and describe how a bill becomes a statute under federal law.	
5. Identify ways laws affect individuals, sources of law, constitutional rights and responsibilities of U.S. citizens, and the responsibilities of government.	
6. Distinguish between different types of courts.	
7. Distinguish between the roles of legal professionals (e.g., judges, lawyers, and paralegals).	
8. Identify the elements of criminal, civil, and business law, including trial procedures.	
9. Define crimes such as embezzlement, larceny, robbery, burglary, assault, battery, forgery, white collar, extortion, bribery, conspiracy, etc.; and classify it based on the severity of the punishment.	
10. Explain the difference between crimes and torts.	
11. Define “negligence per se” and give examples of circumstances under which it applies.	
12. Define tort of assault, battery, false imprisonment, mental distress, invasion of privacy, defamation of character, trespass to land and personal property, conversion negligence, and strict liability.	
13. Identify crimes that occur in the business environment.	
14. Understand the purpose and uses of a variety of common legal documents.	
15. Recognize situations that call for legal advice.	
16. Possess a working vocabulary of most frequently used legal terms, such as litigation, arbitration, mediation and conciliation, etc.	
17. Explain how disputes can be settled without resort to the courts.	
18. Complete legal documents with notarization as required.	
19. Define environmental law, energy regulation and conservation, and explain the purpose and need.	

FBLA Business Law Study Guide

Competency B: Business Organization	Minimum: 15
Tasks	
1. Describe the legal forms of business organization and identify their respective advantages/disadvantages.	
2. Describe the types of organizational structures and management levels.	
3. Examine the ways businesses can be created including their rights, limitation, and liabilities.	
4. Distinguish between a limited partnership and general partnership.	
5. Differentiate between types of corporations and describe the functions of the board of directors and officers of a corporation.	
6. Identify shareholder rights and explain the nature of the shareholder liability.	
7. Differentiate between types of corporate expansion (e.g. mergers, consolidations, and conglomerates).	
8. Describe the characteristics of a franchise and analyze where it fits in the economic and legal framework.	
9. Define a limited liability company and explain the steps in forming it.	
10. Discuss the role of the S. E. C. and identify potential consequences of violating S. E. C. regulations.	
11. Discuss ways that government regulation and legal issues in businesses have affected each of us.	
12. Develop an understanding of a business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions (anti-trust laws, organized labor, and regulatory agencies).	
13. Identify, apply, and keep current with laws and regulations such as those that affect business practices like financial and accounting records and storage and retention of records.	
14. Identify the legal issues and agencies related to managing a business in the global environment.	
15. Identify trade regulations and unfair trade practices regulated by the Federal Trade Commission.	

FBLA Business Law Study Guide

Competency C: Contracts and Sales	Minimum: 15
Tasks	
1. Explain the nature and importance of contracts.	
2. Identify the elements of a contract (e.g., offer, acceptance, genuine agreement, consideration, capacity, and legality).	
3. List and analyze the steps to creating a legal and binding contract.	
4. Discuss the requirements of an offer and acceptance and how the offer can be terminated/discharged/assigned.	
5. Identify the classifications of contracts: valid, void, voidable, unenforceable, express, implied, oral, and written.	
6. Define consideration and list examples of valid consideration.	
7. Differentiate among the ways that a contract can be disrupted, such as fraud, nondisclosure, misrepresentation, mistake, duress, and undue influence.	
8. Explain a minor's rights regarding contracts.	
9. List contracts that should be in writing under the Statute of Frauds and identify the consequences for failure to comply.	
10. Define breach of contract and name legal remedies available for resolution.	
11. Define sale and explain how the UCC governs the sale of goods.	
12. Distinguish between payment, delivery, and transfer of title of goods.	
13. Explain who may transfer ownership of goods and what is required for the transfer of ownership.	
14. List and define the performance obligations of the seller and buyer in a typical sales transaction.	
Competency D: Agency and Employment Law	Minimum: 10
Tasks	
1. Explain agency relationships and list the ways agency relationships may be created.	
2. Distinguish between an agent and individuals such as independent contractors, real estate brokers, bailees, and trustees.	
3. Identify the duties, scope of authority, responsibilities, and liabilities of agents.	
4. Identify legislation that regulates employee rights (e.g., employment interview, testing, laws affecting minors, and collective bargaining).	
5. Identify legislation that regulates employment conditions and worker benefits (OSHA, workers' comp., unemployment compensation, etc.).	
6. Identify legislation (e.g., civil rights, right to privacy, and ADA) affecting personnel practices (compensation, promotion, recruitment, selection, termination, and training and development).	
7. Describe legal reason for terminating employees (e.g., employment at will, embezzlement, and violation of company policy).	
8. Analyze contracts and company's position to assist management in labor contract negotiations and monitor implementation of contract for compliance.	
9. Discuss the impact of immigration relations to the operation of businesses.	

FBLA Business Law Study Guide

Competency E: Consumer Protection, Product/Personal Liability	Minimum: 10
Tasks	
1. Identify and state the purpose of legislation that regulates consumer credit, debt collection, privacy, and electronic credit transactions.	
2. Describe laws and agencies that provide consumer protection.	
3. Define common, unfair and deceptive practices such as: bait and switch, usury, identity theft, deceptive service estimates, and fraudulent misrepresentations.	
4. Identify the regulatory agencies established to protect consumers against unsafe products and deceptive trade practices.	
5. Explain the concept of strict, absolute, and vicarious liability.	
6. Explain the relationship of business ethics to product service management. (e.g., product packaging, quality assurance, grades and standards, and product promotion).	
7. Apply “truth in advertising” and “government instituted laws” to promotion of a product or service.	
8. Distinguish between implied and express warranties and between full and limited warranties and describe the protection they provide.	
Competency F: Negotiable Instruments, Insurance, Secured Transactions, and Bankruptcy	Minimum: 10
Tasks	
1. Explain the essential elements of negotiable instruments, the different types of negotiable instruments, and specify their respective advantages/disadvantages.	
2. Distinguish between primary parties and secondary parties.	
3. Describe presentment for payment and presentment for acceptance.	
4. Compare and contrast the different types of insurance.	
5. Identify laws associated with different types of insurance.	
6. Compare/contrast insurance policies and coverage to determine advantages and disadvantages.	
7. Describe a secured transaction and requirements for creating a valid security interest.	
8. Discuss the different types of mortgages, liens, and their purposes.	
9. Explain the rights of debtors and creditors.	
10. Identify the reasons for bankruptcy laws.	
11. Compare bankruptcy with other alternatives.	
12. Describe the principal features of bankruptcy such as Liquidation and Reorganization of Debts, Chapter 7, 11, 12, and 13 Bankruptcy Codes.	

FBLA Business Law Study Guide

Competency G: Property Laws	Minimum: 10
Tasks	
1. Discuss the benefits and burdens of ownership of property.	
2. Define real property, personal property, and fixtures and explain why property distinctions are important.	
3. Compare different legal rights and methods of acquiring property and transferring title (e.g., renting, leasing, or purchasing, contract for sale, deed, title search, abstract of title, mortgage, etc.) including the effects of liens.	
4. Describe and distinguish liens, licenses, and easements.	
5. Describe legal aspects of a real estate transaction.	
6. Describe the legal characteristics of a lease.	
7. Define the different types of intellectual property (e.g., patents, copyrights, and trademarks).	
8. Describe the civil and criminal consequences for infringing on the intellectual property rights of another.	
9. Explain the impact of zoning regulations on the use of property.	
10. Explain how a bailment is created and describe the standard of care different bailees are required to exercise over bailed property.	
Competency H: Computer Law	Minimum: 5
Tasks	
1. Explain ethical and legal behavior of computer law as it relates to computer hacking, software piracy, source code, software license, copyright law, Internet, and e-mail.	
2. Discuss existing laws, jurisdiction considerations, and disputes regarding E-commerce.	
3. Define different types of computer crime and discuss the various types of federal and state statutes designed to combat computer crime.	
4. Discuss various statutes that deal with the effects and use of computer records and privacy matters.	

FBLA Business Law Study Guide

Competency I: Domestic/Personal Law	Minimum: 5
Tasks	
1. Define marriage and explain the rights and obligations that are involved in marriage.	
2. Understand concepts relating to marriage such as age requirements, prenuptial agreements, common law, and types of marriage prohibited by law.	
3. Contrast annulment, divorce, and dissolution proceedings and explain some of the typical grounds for divorce.	
4. Describe the law as it related to the distribution of property in divorce as well as child custody and child and spousal support.	
5. Describe the legal rights and duties of minors and their parents/guardians.	
6. Explain protections provided by estate planning (power of attorney, will, trusts, living will, right to die, etc.).	
7. Identify the requirements of a valid will and indicate the ways a will can be revoked or altered.	
8. Identify the responsibilities of a personal representative, executor, or administrator in the settlement of an estate.	

BUSINESS LAW SAMPLE QUESTIONS

- 1) _____ define how the company will govern itself.
 - A) Bylaws
 - B) Goals
 - C) Mission statements
 - D) Objectives

- 2) Which of the following is **not** a court with a specialized jurisdiction?
 - A) trial court
 - B) juvenile court
 - C) small claims court
 - D) probate court

- 3) The right or license granted by a company to an individual or group to market its products or services in a specific territory is a
 - A) cooperative.
 - B) partnership.
 - C) franchise.
 - D) corporation.

- 4) Which of the following is **not** an objective for the Federal Trade Commission?
 - A) protect consumers
 - B) encourage international trade
 - C) advance performance
 - D) maintain competition

- 5) At the end of his one-year lease, Tony continued to occupy his apartment and failed to procure another lease. What type of tenancy does Tony have?
 - A) none
 - B) tenancy at will
 - C) tenancy at sufferance
 - D) tenancy from month to month

- 6) If the court requires that the terms of the acceptance exactly match the terms contained in the offer in order for the contract to be legally enforceable, the court is imposing the
 - A) matching acceptance rule.
 - B) unilateral rule.
 - C) bilateral rule.
 - D) mirror image rule.

- 7) A common contractual term for an employee and an independent contractor would be
- A) length of term.
 - B) promise to pay.
 - C) supervision and control.
 - D) payment terms.
- 8) The person or party to whom goods are delivered for a purpose, such as custody or repair, without transfer of ownership is the _____.
- A) bailee
 - B) trustee
 - C) real estate broker
 - D) independent contractor
- 9) All of the following are ethical character traits **except** _____.
- A) creativity
 - B) honesty
 - C) integrity
 - D) responsibility
- 10) Capacity to contract means that the person
- A) has the ability, according to law, to understand the contract and the consequences thereof.
 - B) requires an executor to make contractual decisions.
 - C) has a genuine need for the goods or services purchased.
 - D) has ample room to store goods that are purchased.
- 11) For an instrument to be negotiable, it must, among other requirements
- A) contain a conditional promise.
 - B) be postdated.
 - C) be in writing and signed by the maker or drawer.
 - D) be signed by a witness.
- 12) The insurance company _____ the injured party or makes good on the loss to the suffering party.
- A) satisfies
 - B) awards
 - C) indemnifies
 - D) secures

- 13) Ownership of natural or man-made increases to personal property is acquired by
- A) adaptation.
 - B) adoption.
 - C) accession.
 - D) annexation.
- 14) Parties who may, because of their status, have the right to disaffirm a contract include all of the following except
- A) the mentally incapacitated.
 - B) individuals on welfare.
 - C) minors.
 - D) the intoxicated.
- 15) If only one party wants out of the marriage contract,
- A) the woman always gets to keep the engagement ring.
 - B) a breach-of-promise suit may be brought by the other party in some states.
 - C) all gifts exchanged during the relationship must be returned.
 - D) the courts require the marriage to take place.

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

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.

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.

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.