

Accounting I



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

Accounting I

Participants must not have had more than two (2) semesters or one (1) semester equivalent to a full year in block scheduling in high school accounting instruction.

Objective Test Competencies

- Journalizing
- Account classification
- Terminology
- Concepts and practices
- Types of ownership
- Posting
- Income statements
- Balance sheets
- Worksheets
- Bank reconciliations
- Payroll
- Depreciation
- Manual and computerized systems
- Ethics

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 Accounting 1 Study Guide

Competency A: Journalizing	Minimum: 20
Tasks	
1. Prepare a multi-column journal for recording data.	
2. Record transactions such as accounts receivables and accounts payables in appropriate journals.	
3. Journalize or record business transactions in a journal (e.g., cash receipts, cash payments, purchases, sales, and general).	
4. Journalize adjusting and closing entries for a business.	
5. Prove and rule journals.	
Competency B: Account Classification	Minimum: 15
Tasks	
1. Evaluate assets and liabilities to determine their function in an accounting system.	
2. Identify asset accounts.	
3. Identify liability accounts.	
4. Identify capital or owner's equity accounts.	
5. Create a chart of accounts to reflect business needs and update as needed.	
6. Differentiate fixed assets, intangible assets, and current assets.	
7. Differentiate between current and long-term liabilities.	
Competency C: Terminology, Concepts, and Practices	Minimum: 15
Tasks	
1. Identify the steps in the accounting cycle.	
2. Identify and apply the accounting equation.	
3. Maintain knowledge of current financial laws, regulations, and policies to ensure compliance in financial practices.	
4. Identify resources to provide information on financial laws, regulations, and policies.	
5. Describe the different types of financial statements; explain their purpose and compare the difference.	
6. Define general accounting terms such as asset, liability, accounts payable, capital, income, expense, etc.	
7. Define double entry accounting, debits, and credits.	
8. Describe the purpose of accounting and the role it plays in our economy.	
9. Describe the purpose of the GAAP.	
Competency D: Income Statement	Minimum: 5
Tasks	
1. Apply income statement equation to determine revenue and expenses.	
2. Prepare an income statement that reports the results of operations for any entity.	
3. Interpret the information on an income statement.	

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Competency E: Posting	Minimum: 5
Tasks	
1. Post from journals to a general ledger.	
2. Post from journals to a subsidiary ledger.	
3. Record the posting in the journal and ledger reference columns.	
4. Balance and verify the ledger accounts.	
5. Prepare a trial balance.	
6. Post adjusting and closing entries.	
7. Prepare schedules for subsidiary ledgers.	
Competency F: Balance Sheet	Minimum: 5
Tasks	
1. Classify account titles into assets, liabilities, and owners equity for balance sheet.	
2. Prepare a balance sheet that reports the financial condition of the entity.	
3. Interpret the information found on a balance sheet.	
Competency G: Worksheet	Minimum: 5
Tasks	
1. Identify information needed in preparation of a worksheet.	
2. Record adjustments on the worksheet.	
3. Prepare trial balance, income statement, and balance sheet sections of the worksheet.	
Competency H: Bank Reconciliation	Minimum: 5
Tasks	
1. Maintain a check register.	
2. Compare checkbook to bank statement.	
3. Identify inequalities and make adjusting entry.	
4. Prepare a bank reconciliation statement.	
5. Journalize banking transaction.	
Competency I: Payroll	Minimum: 5
Tasks	
1. Identify methods used to determine gross earnings (e.g., piece-rate, hourly, commission).	
2. Explain the purposes of withholdings and other deductions.	
3. Verify time and wage documents (e.g., time cards, etc.).	
4. Compute employee gross earnings, deductions, and net pay.	
5. Maintain employee earnings record.	
6. Journalize payroll transactions.	
7. Record payroll earnings and deductions in a payroll register.	
8. Prepare payroll checks and vouchers.	
9. Complete federal and state employment forms such as W-4, W-2, quarterly reports, and unemployment tax forms.	

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Competency J: Types of Ownership	Minimum: 5
Tasks	
1. Identify types of business organizations and functions.	
2. Identify business reporting and information flow required for types of ownership.	
3. Explain the characteristics associated with corporations.	
4. Define the advantages and disadvantages of corporations.	
5. Explain the characteristics of partnerships.	
6. Define the advantages and disadvantages of partnerships.	
7. Explain the characteristics of sole proprietorships.	
8. Define the advantages and disadvantages of sole proprietorships.	
9. Compare the accounting implications for different types of business ownership.	
Competency K: Depreciation	Minimum: 5
Tasks	
1. Identify the appropriate method for calculating depreciation.	
2. Determine depreciation using straight-line, units of production, double-declining balance, and sum of the years' digits.	
3. Maintain records for depreciation of plant assets.	
4. Journalize and post depreciation on plant assets.	
Competency L: Manual and Computerized Systems	Minimum: 5
Tasks	
1. Operate appropriate financial software to generate useable data.	
2. Operate electronic spreadsheet software to create formulas and reports.	
3. Adapt accounting and recordkeeping functions to current computerized systems.	
4. Use a spreadsheet to prepare payroll, create worksheets, and other reports.	
5. Enter appropriate data and print checks to process payroll.	
6. Identify and review financial management software packages that meet company needs.	
Competency M: Ethics	Minimum: 5
Tasks	
1. Identify confidentiality concepts and policies.	
2. Identify characteristics of professional conduct.	
3. Identify and practice good ethical behavior.	
4. Differentiate between good and poor business ethics.	
5. Adhere to established company rules, regulations, and policies.	
6. Identify issues and trends affecting computers and information privacy.	
7. Implement security measures to minimize loss and to create trust (e.g., maintain data security, develop strategies to protect data, etc.).	

FBLA Accounting 1

References:

Business and Personal Finance Competency List. 2002. South Carolina Career and Technology, South Carolina Department of Education. Columbia, SC.

Career Cluster Resources for Marketing, Sales & Service. 2003. National Association of State Directors of Career Technical Education Consortium. Washington, DC

Career Cluster Resources for Business, Management and Administration. 2003. National Association of State Directors of Career Technical Education Consortium. Washington, DC.

Career Cluster Resources for Finance. 2003. National Association of State Directors of Career Technical Education Consortium. Washington, DC.

Career Cluster Resources for Information Technology. 2003. National Association of State Directors of Career Technical Education Consortium. Washington, DC.

Financial Services Task List. Career and Technical Education. KY Department of Education. Frankfort, KY.

Business Financial Occupations Skill Standards. Vocational Technical Education Consortium of States. Decatur, GA.

Accounting Task List. Vocational Technical Education Consortium of States. Decatur, GA.

Eisen, Peter J. *Accounting*, 5th ed. 2007. Barron's Educational Series. New York.

Accounting Task List. Virginia Department of Education. Richmond, VA.

ACCOUNTING I SAMPLE QUESTIONS

- 1) We sold inventory on account with terms 2/10, n/30. What account is credited when we record the sale happening?
 - A) Accounts Receivable
 - B) Inventory
 - C) Cash Discount
 - D) Accounts Payable

- 2) When a company sells a product on account, which account is debited?
 - A) Accounts Payable
 - B) Inventory
 - C) Accounts Receivable
 - D) Cash

- 3) Goodwill is an example of a(n) _____.
 - A) fixed asset
 - B) intangible asset
 - C) current assets
 - D) contribution

- 4) Assets which are purchased for long-term use and are **not** likely to be converted quickly into cash are called _____ assets.
 - A) fixed
 - B) tangible
 - C) intangible
 - D) current

- 5) Which of the following is **not** a financial statement?
 - A) Statement of Owner's Equity
 - B) Balance Sheet
 - C) Income Statement
 - D) Aging of Accounts Receivable

- 6) Customers who use the department store credit card to make purchases are classified as _____ by the department store.
 - A) accounts payable
 - B) uncollected accounts
 - C) sales
 - D) accounts receivable

- 7) In year 1, the company had fees earned of \$520,600, operating expenses of \$338,390, and operating income of \$182,210. In year 2, the same company had fees earned of \$674,350, operating expenses of \$472,045, and operating income of \$202,305. What percentage has operating income increased or decreased as a percentage of revenue?
- A) 11% increase
 - B) 5% increase
 - C) 5% decrease
 - D) 11% decrease
- 8) We have the following accounts: Accounts Receivable \$20,000, Sales Revenue \$40,000, Interest Expense \$500, Accumulated Depreciation \$500, Unearned Revenue \$1000, Interest Revenue \$100. What is the amount of revenue reported on the income statement?
- A) \$41,000
 - B) \$40,100
 - C) \$41,100
 - D) \$1,100
- 9) Prior to the adjusting process, accrued expenses have:
- A) been incurred, not paid, and not recorded
 - B) not yet been incurred, paid, or recorded
 - C) been paid but have not yet been incurred
 - D) been incurred, not paid, but have been recorded
- 10) Which of the following accounts is classified as a liability on the balance sheet?
- A) Drawing
 - B) Wages Payable
 - C) Cash
 - D) Accumulated Depreciation
- 11) When we record depreciation on the worksheet, what account is debited?
- A) Buildings
 - B) Accumulated Depreciation
 - C) Depreciation Expense
 - D) Income Summary
- 12) _____ is the journal used to record all of the checks, cash payments, and outlays of cash during an accounting period.
- A) Bank reconciliation
 - B) Bank deposit
 - C) Check register
 - D) Bank statement

- 13) The amount that an employee receives in their paycheck is called _____ pay.
- A) gross
 - B) accrued
 - C) net
 - D) overtime
- 14) _____ are individuals who are willing to take the risk of starting a business.
- A) Sole proprietors
 - B) Corporate employees
 - C) Partners
 - D) Stockholders
- 15) We have calculated depreciation on the building at \$10,000 for the year. What account is credited to record the depreciation?
- A) Accumulated Depreciation
 - B) Depreciation Expense
 - C) Cash
 - D) Building

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

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.