

2023-24 Competitive Events Guidelines

Exploring Economics



Exploring Economics provides members with the opportunity to demonstrate knowledge around introductory competencies in economics. This competitive event consists of an objective test. It aims to inspire members to learn about the various areas of economics.

Event Overview

Division: Middle School

Event Type: Individual

Event Category: Objective Test, 50-multiple choice questions (breakdown of question by competencies below)

Objective Test Time: 30 minutes

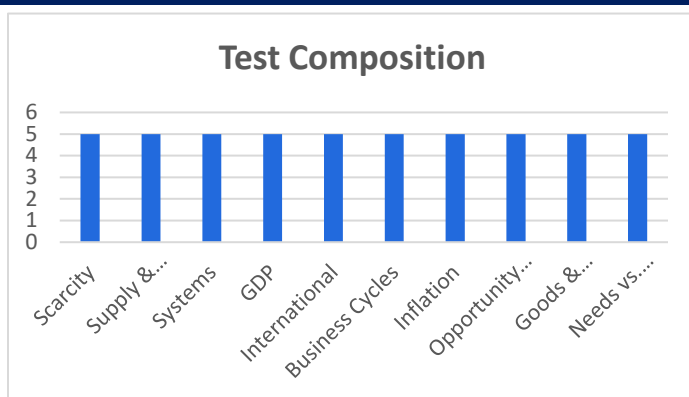
NACE Connections: Career & Self-Development

Equipment Competitor Must Provide: Pencil

Equipment FBLA Provides: One piece of scratch paper per competitor

Competencies

- Scarcity
- Supply and Demand
- Economic Systems
- Gross Domestic Product
- International Trade
- Business Cycles
- Inflation
- Opportunity Costs
- Goods and Services
- Needs vs. Wants



State

Testing will happen prior to the state conference. Check the Call to Conference for any other specific competitive events information and deadlines.

National

Policy and Procedures Manual

- Competitors should be familiar with the Competitive Events Policy & Procedures Manual, found on the Competitive Events page on www.fbla.org.

Eligibility

- FBLA membership dues are paid by 11:59 pm Eastern Time on March 1 of the current program year.
- Members may compete in an event at the National Leadership Conference (NLC) more than once if they have not previously placed in the top 10 of that event at the NLC. If a member places in the top 10 of an event at the NLC, they are no longer eligible to compete in that event.

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- Members must be registered for the NLC and pay the national conference registration fee in order to participate in competitive events.
- Members must stay in an official FBLA hotel to be eligible to compete.
- Each state may submit four entries per event.
- Each member can only compete in one individual/team event and one chapter event (Annual Chapter Activities Presentation or Community Service Presentation).
- If competitors are late for an objective test, they will be allowed to compete until such time that results are finalized, or the accommodation would impact the fairness and integrity of the event. Competitive event schedules cannot be changed. Competitive events start in the morning before the Opening Session of the NLC.

Recognition

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

Event Administration

- This event is an objective test administered online at the NLC.
- No reference or study materials may be brought to the testing site.
- No calculators may be brought into the testing site; online calculators will be provided through the testing software.

Tie Breaker

- Ties are broken by comparing the correct number of answers to 10 pre-determined questions on the test. If a tie remains, answers to 20 pre-determined questions on the test will be reviewed to determine the winner. If a tie remains, the competitor who completed the test in a shorter amount of time will place higher.

Americans with Disabilities Act (ADA)

- FBLA meets the criteria specified in the Americans with Disabilities Act for all competitors with accommodations submitted through the conference registration system by the registration deadline.

Penalty Points

- Competitors may be disqualified if they violate the Competitive Event Guidelines or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late to the testing site.

Electronic Devices

- All electronic devices such as cell phones and smart watches must be turned off before competition begins.

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Study Guide: Competencies and Tasks

- A. Scarcity
 - 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.
- B. Supply and Demand
 - 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 show 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.
- C. Economic Systems
 - 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.
- D. Gross Domestic Product
 - 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.
- E. International Trade
 - 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.

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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.
- F. Business Cycles
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).
- G. Inflation
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.
- H. Opportunity Costs
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.

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- I. Goods and Services
 - 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.
- J. Needs vs. Wants
 - 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.