

# 2023-24 Competitive Events Guidelines



## Business Law

Business Law provides members with the opportunity to gain knowledge about legal systems and implications in the business world. This competitive event consists of an objective test. This event aims to inspire members to learn about legal aspects in the business world.

### Event Overview

**Division:** High School

**Event Type:** Individual

**Event Category:** Objective Test, 100-multiple choice questions (breakdown of question by competencies below)

**Objective Test Time:** 50 minutes

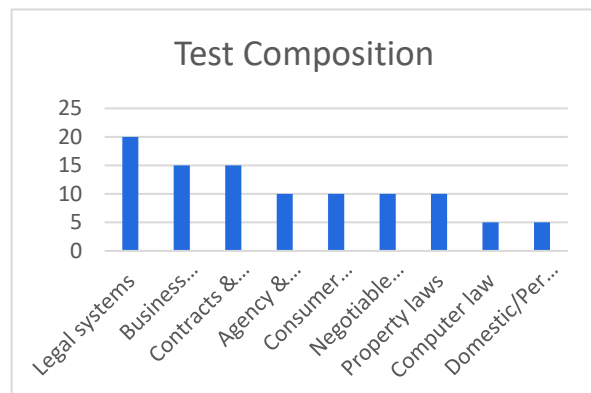
**NACE Connections:** Career & Self-Development

**Equipment Competitor Must Provide:** Pencil

**Equipment FBLA Provides:** One piece of scratch paper per competitor

### 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



### District

Testing will take place prior to the District Leadership Conference. Check the Call to Conference for your District for specific instructions and deadlines.

### State

Any events with a test will have an online testing component on-site at the State Leadership Conference. Students will need to have access to a personal device (preferably a laptop) to be connected to the Internet for online testing.

### 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](http://www.fbla.org).

### Eligibility

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- 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.
- 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 (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, Partnership with Business Project).
- Picture identification (physical or digital driver's license, passport, state-issued identification, or school-issued identification) is required when checking in for competitive events.
- 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.

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- 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.

### **Study Guide: Competencies and Tasks**

#### A. Legal System

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.

#### B. Business Organization

1. Describe the legal forms of business organization and identify their respective advantages/disadvantages.

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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 SEC 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.
- C. Contracts and Sales
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.

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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.
- D. Agency and Employment Law
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, law affecting minors, and collective bargaining).
  5. Identify legislation that regulates employment conditions and worker benefits (OSHA, workers' compensation, 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 reasons 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.
- E. Consumer Protection, Product/Personal Liability
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 of service.
  8. Distinguish between implied and express warranties and between full and limited warranties and describe the protection they provide.
- F. Negotiable Instruments, Insurance, Secured Transactions, and Bankruptcy
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.

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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.
- G. Property Laws
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.
- H. Computer Law
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.
- I. Domestic/Personal Law
1. Define marriage and explain the rights and obligations that are involved in marriage.
  2. Understand concepts related 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.

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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.