

2025–2026 Competitive Events Guidelines

Business Law (High School)



Business Law challenges members to demonstrate their understanding of the legal system and its impact on business operations through an objective test. This event covers topics such as contracts, ethics, employment law, and consumer protection, encouraging members to explore the legal foundations of business.

Event Overview

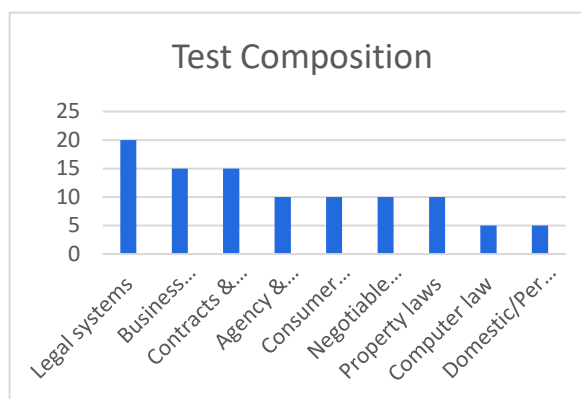
Division	High School
Event Type	Individual
Event Category	Objective Test
Event Elements	50-minute test, 100-multiple choice questions

Educational Alignments

Career Cluster Framework Connection	Public Service & Safety, Management & Entrepreneurship
NACE Competency Alignment	Career & Self-Development, Critical Thinking, Communication, Professionalism

Knowledge Areas

- 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



Test questions are based on the knowledge areas and objectives outlined for this event. Detailed objectives can be found in the study guide included in these guidelines.

District

Testing will take place prior to the District Leadership Conference. Testing must occur at school under the supervision of an adult proctor. Check the Call to Conference for your District for specific instructions and deadlines.

2025–2026 Competitive Events Guidelines

Business Law (High School)



State

Any event with a test will have an online testing component on-site at the State Leadership Conference. See below for list of required competition items; Colorado FBLA requires the same items set by National FBLA at our State Leadership Conference. Colorado FBLA will also provide the items listed below.

National

Required Competition Items

<u>Items Competitor Must Provide</u>	<u>Items FBLA Provides On-site</u>
<ul style="list-style-type: none">• Sharpened pencil• Fully powered device for online testing• Conference-provided nametag• Photo identification• Attire that meets the FBLA Dress Code	<ul style="list-style-type: none">• One piece of scratch paper per competitor• Internet access• Test login information (link & password provided at test check-in)

Important FBLA Documents

- Competitors should be familiar with the Competitive Events [Policy & Procedures Manual](#), [Honor Code](#), [Code of Conduct](#), and [Dress Code](#).

Eligibility Requirements

To participate in FBLA competitive events at the National Leadership Conference (NLC), the following criteria must be met:

- **Membership Deadline:** FBLA national membership dues must be paid to the specific division by 11:59 p.m. Eastern Time on March 1 of the current school year.
- **Repeat Competitors:** Members may only compete in an event at the 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 at future NLCs, unless the event has been modified beyond a name change. Chapter events are exempt from this procedure.
- **Conference Registration:** Members must be officially registered for the NLC and must pay the national conference registration fee to participate.
- **Official Hotel Requirement:** To be eligible to compete, competitors must stay within the official FBLA housing block.
- **State Entry Limits:** Each state may submit up to four entries per event.
- **Event Participation Limits:** Each member may participate in:
 - One individual or team event, and
 - One chapter event (e.g., *Community Service Project* or *Local Chapter Annual Business Report*).
- **Participation Requirement:** To be eligible for an award, each competitor must complete all components of the event at the National Leadership Conference.
- **Identification at Check-in:** Competitors must present valid photo identification (physical or digital) that matches the name on their conference name badge. Acceptable forms include a driver's license, passport, state-issued ID, or school ID.

2025–2026 Competitive Events Guidelines

Business Law (High School)



- **Late Arrivals:** Competitors will be allowed to compete until such time that the results are finalized, or participation would impact the fairness and integrity of the event, as determined by Competitive Events staff. Five penalty points will be assessed for late arrivals in any competitive event.
- **Event Schedule Notes:**
 - Some events may begin before the Opening Session.
 - All schedules are posted in local time for the NLC host city.
 - Schedule changes are not permitted.

Event Administration

- **Test Duration:** 50 minutes
- **Format:** This event consists of an online objective test that is proctored and completed on-site at the National Leadership Conference (NLC).
- **Materials:** Reference or study materials are not permitted at the testing site.
- **Calculators:** Personal calculators are not allowed; an online calculator will be available within the testing platform.
- **Question Review:** Competitors may flag questions within the testing platform for review prior to the finalization of results at the NLC.

Scoring

- Each correct answer is worth one point.
- No points are deducted for incorrect answers.
- Tiebreakers are determined as follows: (1) The number of correct responses to 10 pre-selected tiebreaker questions will be compared. (2) If a tie remains, the number of correct responses to 20 pre-selected questions will be reviewed. (3) If a tie still remains, the competitor who completed the test in the shortest amount of time will be ranked higher.
- Results announced at the National Leadership Conference are considered official and will not be changed after the conclusion of the National Leadership Conference.

Penalty Points

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

Recognition

- 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 complies with the Americans with Disabilities Act (ADA) by providing reasonable accommodations for competitors. Accommodation requests must be submitted through the conference registration system by the official registration deadline. All requests will be

2025–2026 Competitive Events Guidelines

Business Law (High School)



reviewed, and additional documentation may be required to determine eligibility and appropriate support.

Electronic Devices

- Unless approved as part of a documented accommodation, all cell phones, smartwatches, electronic devices, and headphones must be turned off and stored away before the competition begins. Visible devices during the event will be considered a violation of the FBLA Honor Code.

Sample Preparation Resources

- Official sample test items can be found in [FBLA Connect](#). These sample items showcase the types of questions that may be asked on the test and familiarize competitors with the multiple-choice item options.

2025–2026 Competitive Events Guidelines

Business Law (High School)



Study Guide: Knowledge Areas and Objectives

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.
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).

2025–2026 Competitive Events Guidelines

Business Law (High School)



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.
 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.

2025–2026 Competitive Events Guidelines

Business Law (High School)



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.
 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.

2025–2026 Competitive Events Guidelines

Business Law (High School)



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.
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.