2026-2027 Competitive Events Guidelines

Foundations of Accounting

Colorado FBLA

Foundations of Accounting challenges members to demonstrate their understanding of fundamental accounting principles through an objective test. This event introduces key concepts such as the accounting cycle and financial statements, encouraging members to build a strong foundation in the field.

Educational Alignments

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

<table>
<tr><th colspan="2">Event Information:</th></tr>
<tr>
<td><u>National Leadership Conference:</u>
Timing Structure:
Test Duration: 50 Minutes

Important Notes:

Internet Access: Provided for testing time only.
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.

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<td><u>State Leadership Conference:</u>
Testing will take place prior to the State Leadership Conference. Testing must occur at school under the supervision of a proctor. Check the SLC Call to Conference for specific instructions and deadlines.</td>
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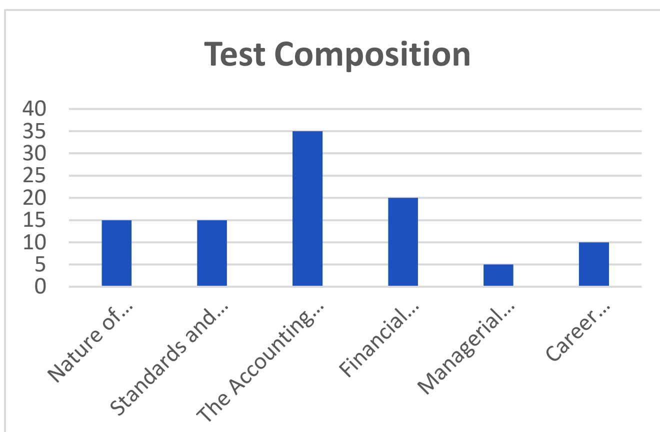
***** Event specifics are continued below. Review the document in its entirety.**

This event is intended for students who are early in their collegiate academic journey and just beginning their study of accounting. Only members who have completed no more than six credit hours on a semester schedule (or the equivalent number of quarter hours) of college-level accounting coursework by May 1, 2027, are eligible to compete.

Knowledge Areas

- Nature of Accounting
- Standards and Compliance
- The Accounting Cycle
- Financial Statements
- Managerial Accounting
- Career Opportunities

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.



National Leadership Conference

Required Competition Items

Items Competitor Must Provide	Items FBLA Provides On-site
• Sharpened pencil • Fully powered device for online testing • Conference-provided nametag • Photo identification • Attire that meets the FBLA Dress Code	• One piece of scratch paper per competitor • Internet access • Test login information (link & password provided at test check-in)

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.
- **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:
  - Two individual or team events, and
  - One chapter event (e.g., *Community Service Project* or *State of Chapter Presentation*).
- **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.
- **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

- A maximum of 10 entries (individuals or teams) may be recognized per event.

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 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 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.

Important FBLA Documents

- *Competitors should be familiar with the Competitive Events Operations Manual, Honor Code, Code of Conduct, and Dress Code.*

Study Guide: Knowledge Areas and Objectives

This study guide outlines the skills and knowledge assessed for this event. Objectives followed by a two-letter, three-digit code in parentheses are aligned to the National Business Administration Standards from MBA Research and Curriculum Center. Some objectives reference MBA Research's Learning Activity Packages (LAPs), which are instructional resources with readings, activities, and assessments available ***exclusively to teacher advisers****. For more information, visit MBAResearch.org/FBLA.*

Important Notice Regarding Test Preparation

MBA Research materials are ***not required*** *to study for or prepare for FBLA competitive event tests. MBA Research provides curriculum and instructional resources directly to teachers and does not administer or manage individual student testing or competition participation.*

Note for members and parents: *All questions related to tests, study materials, scores, or competition guidelines should be directed to the local FBLA adviser. Only teacher advisers should contact MBA Research directly.*

Nature of Accounting (15 test items)

1. Describe the need for financial information (FI:579, LAP-FI-579) (CS)
2. Explain the concept of accounting (FI:085, LAP-FI-085) (CS)
3. Discuss the role of ethics in accounting (FI:351, LAP-FI-351) (SP)
4. Explain the use of technology in accounting (FI:352) (SP)
5. Explain legal considerations for accounting (FI:353) (SP)

Standards and Compliance (15 test items)

1. Explain the nature of accounting standards (PD:158) (CS)
2. Explain financial disclosure regulations and policies (BL:153) (SP)
3. Discuss the roles and responsibilities of accounting-standards-setting bodies (i.e., SEC, FASB, IASB, GASB) (PD:295) (SP)
4. Discuss the levels and types of external financial reporting (PD:340) (SP)
5. Explain the purpose of internal accounting controls (FI:343, LAP-FI-343) (SP)
6. Explain the nature of audits and assurance engagements (FI:344) (SP)

The Accounting Cycle (35 test items)

1. Discuss the nature of the accounting cycle (FI:342) (CS)
2. Distinguish among types of business transactions (FI:673) (CS)
3. Distinguish among types of business documentation (FI:674) (CS)
4. Demonstrate the effects of transactions on the accounting equation (FI:378) (CS)
5. Prepare a chart of accounts (FI:379) (CS)
6. Explain the nature of special journals (FI:407) (CS)
7. Journalize business transactions (FI:381) (CS)
8. Post journal entries to general ledger accounts (FI:382) (CS)
9. Prepare a trial balance (FI:383) (CS)
10. Journalize and post adjusting entries (FI:384) (CS)

11. Journalize and post closing entries (FI:385) (CS)
12. Prepare a post-closing trial balance (FI:386) (CS)
13. Identify and correct accounting errors (FI:675) (SP)
14. Prepare worksheets (FI:387) (SP)

Financial Statements (20 test items)

1. Discuss the nature of annual reports (FI:388) (SP)
2. Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (FI:449) (SP)
3. Prepare cash flow statements (FI:092) (MN)
4. Prepare income statements (FI:149) (MN)
5. Prepare statements of changes to equity (FI:392) (MN)
6. Prepare balance sheets (FI:393) (MN)
7. Calculate financial ratios (FI:097) (MN)
8. Interpret financial statements (FI:102) (MN)

Managerial Accounting (5 test items)

1. Describe marginal analysis techniques and applications (FI:659) (SP)
2. Explain the nature of managerial accounting (FI:660) (SP)
3. Discuss the use of variance analysis in managerial accounting (FI:661) (SP)

Career Opportunities (10 test items)

1. Identify career opportunities in accounting (PD:337) (SP)
2. Explain the roles and responsibilities of accounting professionals (PD:338) (SP)
3. Discuss professional designations for accountants (e.g., CPA, CMA, CIA, CFE, etc.) (PD:168) (SP)
4. Describe the services of professional organizations in accounting (PD:339) (SP)

References

Schmidt, J. *Three financial statements.* https://corporatefinanceinstitute.com/resources/accounting/three-financial-statements/

Hayes, A. *Complete guide to the accounting cycle: Steps, timing, and utility.* https://www.investopedia.com/terms/a/accounting-cycle.asp

MBA Research and Curriculum Center. *National Business Administration Standards.* https://www.mbaresearch.org/local-educators/teaching-resources/standards/_

University of the Potomac. *What is financial accounting? Key principles, careers & more.* https://potomac.edu/what-is-financial-accounting/