

# 2023-24 Competitive Events Guidelines

## Accounting I



Accounting I provides competitors with the opportunity to demonstrate knowledge around introductory competencies in accounting. This competitive event consists of an objective test. It aims to inspire members to learn about accounting.

### 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

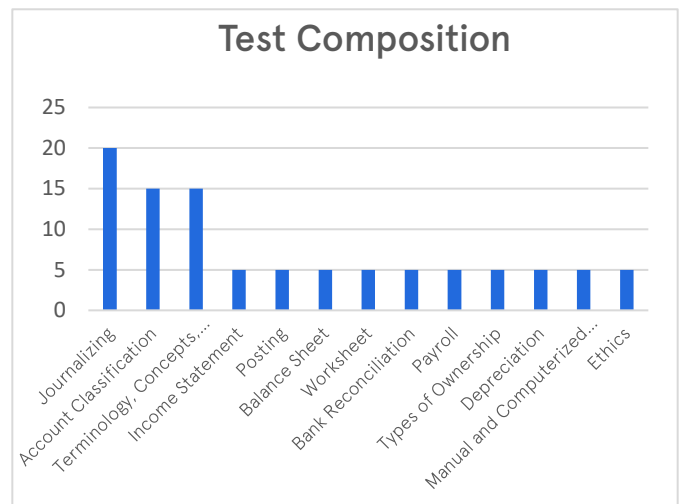
**Equipment Competitor Must Provide:** Pencil

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

*Competitors 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
- Income Statement
- Posting
- Balance Sheet
- Worksheet
- Bank Reconciliation
- Payroll
- Types of Ownership
- Depreciation
- Manual and Computerized Systems
- Ethics



### District/Region/Section

Check with your District/Region/Section leadership for District/Region/Section-specific competition information.

### State

Check with your State Leader for state-specific competition information.

# 2023–24 Competitive Events Guidelines

## Accounting I



### 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*

- 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.

# 2023–24 Competitive Events Guidelines

## Accounting I



### *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.

### Study Guide: Competencies and Tasks

#### A. Journalizing

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.

#### B. Account Classification

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 among fixed assets, intangible assets, and current assets.
7. Differentiate between current and long-term liabilities.

#### C. Terminology, Concepts, and Practices

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 GAAP.

#### D. Income Statement

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.

#### E. Posting

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.

# 2023–24 Competitive Events Guidelines

## Accounting I



- F. Balance Sheet
  - 1. Classify account titles into assets, liabilities, and owner's 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.
- G. Worksheet
  - 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.
- H. Bank Reconciliation
  - 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 transactions.
- I. Payroll
  - 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., timecards, 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.
- J. Types of Ownership
  - 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.
- K. Depreciation
  - 1. Identify the appropriate method for calculating depreciation.
  - 2. Determine depreciations using straight-line, units of production, double-declining balance, and sum of the years' digits.
  - 3. Maintain records for depreciations of plant assets.

# 2023-24 Competitive Events Guidelines

## Accounting I



4. Journalize and post depreciation on plan assets.
- L. Manual and Computerized Systems
1. Operate appropriate financial software to generate usable data.
  2. Operate electronic spreadsheet software to create formulas and reports.
  3. Adapt accounting and record-keeping 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.
- M. Ethics
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.).