Introduction to Business Concepts provides members with the opportunity to demonstrate knowledge around introductory competencies in business. This competitive event consists of an objective test. It aims to inspire members to learn about the different functions of businesses.

**Event Overview**
- **Division**: High School (9th & 10th graders only)
- **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**
- Money Management, Banking, and Investments
- Consumerism
- Characteristics and Organization of Business
- Economic Systems
- Right and Responsibilities of Employees, Managers, Owners, and Government
- Career Awareness
- Insurance
- Ethics
- Global (International) Business

**Test Composition**

**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.

**National**
**Policy and Procedures Manual**
• 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.
- 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. Money Management, Banking, and Investments

1. Discuss the nature of monetary policy and the role of the Federal Reserve System.
2. Discuss the general methods of financing business ventures and various sources of financing.
3. Develop, evaluate, and modify a spending/savings plan.
4. Describe the purpose of budgets and identify the steps in preparing a good budget.
5. Demonstrate proper procedures for managing a checking account (e.g., writing checks, balancing check register, making deposits, electronic funds transfers, and debit cards).
6. Compare services provided by banks, credit unions, and other financial institutions.
7. Define the difference between fixed expenses and variable expenses.
8. Prepare and interpret financial statements such as a balance sheet and an income and expenditure record.
9. Evaluate savings and investment options (e.g., stocks, bonds, mutual funds, real estate, etc.) to meet short- and long-term goals.
10. Describe source of securities information.
11. Compare and contrast various sources of credit.
12. Explain the advantages and disadvantages of using credit.
13. Compute simple interest loans.
14. Explain how a good credit record can be established and maintained.

B. Consumerism

1. List sources of consumer information.
2. Identify rights and responsibilities of consumers and list ways to protect consumer rights.
3. Explain the function of organizations such as the Better Business Bureau and the Federal Trade Commission.
4. Analyze the characteristics, motivations, and behaviors of consumers.
5. Interpret financial elements to determine impact on consumer behavior.
6. Describe the use of advertisements and other marketing strategies.
7. Explain the importance of comparative shopping.
8. Describe the difference between a promotional and a clearance sale.

C. Characteristics and Organization of Business

1. Define the main goals and functions of a business.
2. Explain the difference between gross profit and net profit.
3. List and describe the steps in organizing a business.
4. Define the main features, advantages, and disadvantages of various types of business ownership.
5. Describe the major functions of business and their relationship to one another.
6. Identify current business trends to recognize changes needed in business operations.
7. Develop a business plan that facilitates growth and business success.

D. Economic Systems
1. Define key economic terms.
2. Analyze the role of supply and demand in the economy.
3. Identify major components of the free enterprise system.
4. Explain the economic role played by business in satisfying customer needs and wants in a free enterprise system.
5. Recognize effects of competition on businesses, consumers, and society.
6. Explain characteristics, including strengths and weaknesses of various types of economic systems (e.g., traditional, communist, socialist, etc.).
8. Explain the importance of productivity and how finances, labor, and technology affect productivity.
9. Identify economic trends/indicators to measure economic conditions.
10. Examine current events (regional, national, and international) to determine their impact on business.
11. Analyze the economic impact of e-commerce.

E. Rights and Responsibilities of Employees, Managers, Owners, and Government
1. Identify ways for businesses to demonstrate their social responsibility.
2. Identify ways to improve employee morale and customer satisfaction.
3. Discuss procedures and consequences when on-the-job rules and laws are not followed.
4. Identify basic principles of organized labor and describe its influence on government and business.
5. Explain the impact of equal employment opportunity and affirmative action on business.
6. Recognize bias, vested interest, stereotyping, and the manipulation and misuse of information.
7. Determine the relationship between government and business to ascertain government’s role in a market economy.

F. Career Awareness
1. Identify personal qualities and characters and match to business careers.
2. Identify factors affecting the future of the workforce.
3. Identify sources of information about careers and job leads.
4. Write a letter of application.
5. Prepare a resume or personal data sheet.
6. Demonstrate how to properly fill out a job application form.

G. Insurance
1. Identify reasons for buying personal and business insurance.
2. Distinguish among the various types of insurance (e.g., home, life, medical automobile, liability, disability, etc.).
3. Compare basic types of insurance policies to determine appropriate use.
4. Implement safety, health, and environmental controls to minimize loss and risk.

H. Ethics
1. Identify current and emerging ethical issues in the global business environment and the consequences of unethical business dealings.
2. Exhibit legal and ethical behaviors when using information and technology and discuss consequences of misuse.
3. Apply a professional code of ethics to a workplace problem or issue.
4. Apply ethics and government regulations to protect the business.
5. Explain the relationship of business ethics to product/service management.
6. Examine the role of ethics and social responsibility on decision making.

I. Global (International) Business
1. Explain the difference between foreign trade and domestic trade.
2. Describe some of the ways in which social, cultural, economic, legal, and political differences among nations affect international business.
3. Discuss how current world events impact international business.
4. Recognize the impact of international trade on business.
5. Demonstrate an understanding of global competition.
6. Describe how tariffs, quotas, and embargoes affect world trade.