

# 2025–2026 Competitive Events Guidelines

## Advanced Accounting



Advanced Accounting allows members to demonstrate their knowledge of higher-level accounting concepts through an objective test. This event covers topics such as corporate accounting, managerial accounting, and financial analysis, preparing members for advanced study and careers in the accounting field.

### Event Overview

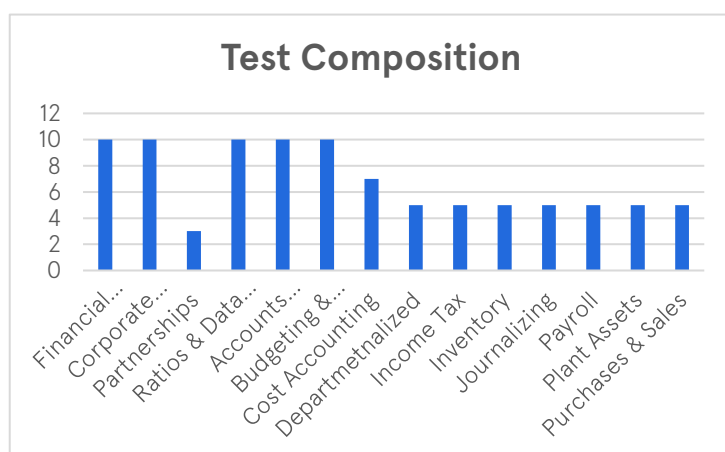
Division	High School
Event Type	Individual
Event Category	Objective Test
Event Elements	50-minute test, 100-multiple choice questions

### Educational Alignments

<a href="#">Career Cluster Framework Connection</a>	Financial Services
<a href="#">NACE Competency Alignment</a>	Career & Self-Development, Critical Thinking, Professionalism, Technology

### Knowledge Areas

- Financial statements
- Corporate accounting
- Partnerships
- Ratios and analysis
- Accounts receivable and payable
- Budgeting and cash flow
- Cost accounting/manufacturing
- Departmentalized accounting
- Ethics
- Income tax
- Inventory
- Journalizing and posting
- Payroll
- Plant assets and depreciation
- Purchases and sales



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/Region/Section

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

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### State

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

### National

#### *Required Competition Items*

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

#### *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. **Competitors who placed in the top ten in Accounting II at a previous National Leadership Conference are not eligible to compete in this event.**
- 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.
- 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

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

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### *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.

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### Study Guide: Knowledge Areas and Objectives

#### A. Financial Statements

1. Describe the different types of financial statements; explain their purpose and compare the difference.
2. Prepare a trial balance, a worksheet (8 and 10 columns), and an adjusted trial balance.
3. Prepare and interpret an income statement.
4. Prepare and interpret a balance sheet that reports the financial condition of the entity.
5. Prepare a statement of Owner's Equity/Partner's Equity/Retained Earnings.
6. Explain the purposes of each financial statement and describe the way they articulate with each other.
7. Analyze the effects of revenue on financial statements.
8. Use manual and computerized accounting systems for preparing financial statements and evaluating the effect of changes.
9. Determine acceptable levels of financial performance to be used as a basis for management decisions.
10. Define terminology and classifications necessary for financial statements.

#### B. Corporate Accounting

1. Identify the methods for forming a corporation and complete the various steps of the accounting cycle for a corporation or for a not-for-profit business.
2. Identify and describe the different classes of stock and explain the rights afforded each class of stock.
3. Journalize transactions: capital stock issuance, organization costs, stock subscriptions, and dividend declaration and payment to stockholders.
4. Differentiate between stock splits and stock dividends and explain how each affect equity.
5. Determine stockholder's equity and earnings per share and prepare a statement of stockholders' equity for a corporation.
6. Perform all of the functions of the closing process, journalize and post the closing entries, prepare the post-closing trial balance, and prepare all of the appropriate financial statements and reports for a corporation.
7. Apply appropriate accounting techniques for the formation, allocation, and distribution of earnings and dissolution of corporations.
8. Describe the purposes of the revenue, expense, and drawing accounts and illustrate the effects on capital/owner's or stockholder's equity.
9. Describe the different levels of liability and taxation for Subchapter S Corporations and Limited Liability Corporations.
10. Analyze the information derived from the corporate financial statements.

#### C. Partnerships

1. Identify the characteristics of a partnership and the steps for forming a partnership and admitting new partners.
2. Create financial statements for partnerships including end-of-fiscal-period worksheet, income statement, distribution of net income statement/owner's

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equity statement, balance sheet, adjusting and closing entries, and post-closing trial balance.

3. Apply appropriate accounting techniques for the formation, allocation, and distribution of earnings and dissolution of a partnership.

### D. Ratios and Data Analysis

1. Compute financial ratios and analyze financial statements using horizontal analysis, vertical analysis, and commonly used financial ratios.
2. Analyze and describe how a change in an independent variable can produce a change in a dependent variable.
3. Calculate financial strength analysis by determining current ratio of assets to liabilities, acid-test ratio, debt ratio, working capital, equity ratio, and equity and earnings per share.
4. Apply differential analysis to make decisions such as buying or making a product; leasing or buying an asset; discontinuing a department, plant, or product; replacing or repairing equipment; or offering discounted prices on special orders.

### E. Accounts Receivable and Payable

1. Analyze and journalize transactions of merchandise sold for cash, on account, or by credit card; post to proper ledger accounts; and prove subsidiary ledger by preparing a schedule of accounts receivable.
2. Analyze and journalize purchases of merchandise on account; demonstrate knowledge of net purchases; post to proper ledger accounts; and prove subsidiary ledger by preparing a schedule of accounts payable.
3. Record transactions and journalize entries to write off uncollectible accounts using the direct write-off and allowance method.
4. Prepare adjustments using aging accounts receivable, percentage of sales, and percentage of accounts receivable methods.
5. Explain the purpose of notes payable and notes receivable and calculate, record transactions, and journalize interest and payment of notes payable and receivable.
6. Prepare adjusting and reversing entries for prepaid and accrued expenses and unearned and accrued revenue.

### F. Budgeting and Cash Flow

1. Review revenues, expenditures, trends, priorities, and projections in preparation of a budget.
2. Prepare master and flexible budgets and describe how they are each used.
3. Compare the projected budgeted amounts with the actual amounts through preparation of a performance report.
4. Use cost-volume-profit and contribution margin analysis to plan operations.
5. Prepare budget analysis using spreadsheet software.
6. Calculate and prepare cash flow statements.
7. Determine cash flows from operating activities, investing activities, and financing activities.

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### G. Cost Accounting/Manufacturing

1. Define managerial accounting and understand the terminology and techniques related to cost accounting.
2. Interpret and explain costs and accounts that are unique to the manufacturing process.
3. Calculate manufacturing cost of finished goods by determining cost of direct materials, labor, and factory overhead.
4. Prepare a schedule of cost of goods manufactured and explain its relationship to the income statement.
5. Journalize entries that summarize cost records at the end of the fiscal year.
6. Use various allocation methods to allocate overhead and indirect costs.
7. Explain the difference between variable, mixed, and fixed costs.
8. Compute break-even and cost-revenue analysis values and understand how to interpret the results.
9. Prepare a materials ledger and a finished goods ledger for a manufacturing business.
10. Apply appropriate software to prepare and maintain cost accounting records.

### H. Departmentalized Accounting

1. Define terminology related to departmentalized accounting.
2. Analyze and journalize departmental purchases/cash payments and sales/cash receipts in special journals and posts to ledgers.
3. Create a departmental statement of gross profit, financial statements, and end-of-period work.
4. Prepare and maintain payroll records for a departmentalized business.
5. Journalize and post adjusting and closing entries for a departmentalized business.
6. Apply appropriate software to maintain departmentalized records.

### I. Ethics

1. Describe the importance of integrity, confidentiality, and high ethical standards in preparation of financial statements, and in interpretation and use of data.
2. Explain the importance of ethical business decisions.
3. Adhere to financial laws and regulations and to established company rules, regulations, and policies.
4. Utilize security measures to minimize loss and to create trust (e.g., maintain data security, develop strategies to protect data).

### J. Income Tax

1. Complete various basic business-related tax forms, such as 941, 940, payroll, etc.
2. Identify differences between pretax financial income and taxable income.
3. Identify special issues related to deferred income taxes, explain the effect of various tax rates on deferred income taxes, and describe their presentation in financial statements.
4. Differentiate between taxation at personal and business levels, including tax-planning strategies.

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5. Calculate federal income tax expense, record the adjustment, and complete the corporate worksheet.
  6. Identify the basic differences between Generally Accepted Accounting Principles (GAAP) and tax law.
  7. Distinguish between tax avoidance and tax evasion.
  8. Evaluate accrual methods, inventory methods, and depreciation options to determine tax effects.
  9. Analyze current business decisions to determine the impact on taxes.
- K. Inventory
1. Explain the importance of an inventory system and its valuation.
  2. Determine the value of inventory using various costing methods, such as LIFO, FIFO, or Weighted Average method.
  3. Estimate the cost of inventory using the retail and the gross profit methods.
  4. Calculate and analyze merchandise turnover ratio.
  5. Determine costs of obsolete inventory and/or materials.
- L. Journalizing and Posting
1. Analyze and journalize cash receipts and cash payment transactions and post to proper ledger accounts.
  2. Analyze and journalize purchases and sales on account.
  3. Analyze and journalize transactions for the return of merchandise and post to the appropriate ledger accounts.
  4. Journalize and post the adjusting and closing entries for a business.
  5. Record business transactions in the general journal and the special journals using appropriate correction methods.
  6. Post business transactions to the general and subsidiary ledger accounts and prove their accuracy.
  7. Journalize business transactions using multicolumn journals.
  8. Journalize adjustments of prepaid (deferred) expenses as assets or expenses, of prepaid (deferred) revenue as liabilities or income, and of accrued expenses and accrued revenue.
  9. Prove and rule journals.
  10. Prepare a post-closing trial balance.
  11. Journalize entries in a voucher system.
- M. Payroll
1. Calculate earnings at an hourly and piece rate; and on a salary, commission, and salary/commission basis.
  2. Calculate and journalize deductions including federal income tax, social security tax, Medicare tax, state income tax, and other deductions to determine net pay.
  3. Calculate and journalize employer's payroll taxes (e.g., social security, Medicare, federal unemployment, state unemployment) and employee benefits paid by the employer.
  4. Prepare payroll checks and vouchers.
  5. Record payroll earnings and deductions in a payroll register.
  6. Maintain employee earnings record.



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7. Complete federal and state employment tax forms such as W-4, W-2, quarterly reports, and unemployment tax forms.
- N. Plant Assets and Depreciation
1. Explain the need for recording the depreciation of assets.
  2. Calculate and journalize annual and partial-year depreciation for plant assets using straight line, sum-of-the-year's digits, declining balance, production unit, MACRS, and depletion of natural resources.
  3. Record disposition of plant assets through buying, selling, or trading.
  4. Explain, compare, and analyze various depreciation methods and their effect on the value of assets.
  5. Identify property, plant, and equipment assets; and record their initial costs.
- O. Purchases and Sales
1. Evaluate a business's sales and purchasing activities to minimize expenses.
  2. Differentiate between cost of sales and general operating expenses.
  3. Compare and contrast transactions recorded as assets versus expense, such as supplies inventory/supplies expense.
  4. Calculate sales dollars and sales units required to earn a set amount of net income.
  5. Calculate the contribution margin rate, breakeven point, sales dollars, and units required to earn a planned amount of net income.
  6. Describe the effects of changes in sales volume, unit costs, and unit sales prices on net income.
  7. Calculate the cost of goods sold for a specified period.
  8. Calculate amount due with given terms of sales, sales tax, discounts, etc.
  9. Calculate cash discounts/trade discounts with given terms of sale, shipping, etc.
  10. Identify the difference between debit and credit memorandums.