

2025–2026 Competitive Events Guidelines

Foundations of Entrepreneurship



Foundations of Entrepreneurship challenges members to demonstrate their understanding of key entrepreneurial concepts through an objective test. This event covers topics such as business planning, innovation, opportunity recognition, risk management, and the fundamentals of launching and managing a business venture.

Event Overview

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

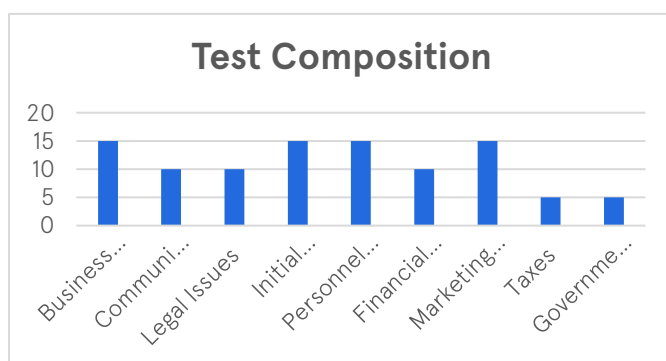
Educational Alignments

Career Cluster Framework Connection	Management & Entrepreneurship
NACE Competency Alignment	Career & Self-Development, Communication, Critical Thinking, Leadership, Professionalism, Technology

This event is intended for students who are early in their collegiate academic journey and just beginning their study of entrepreneurship. 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 entrepreneurship coursework by May 1, 2026, are eligible to compete.

Knowledge Areas

- Business Plan
- Community/Business Relations
- Legal Issues
- Initial Capital and Credit
- Personnel Management
- Financial Management
- Marketing Management
- Taxes
- Government Regulations



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.

State

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

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National

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)

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.
- 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).

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- **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.

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Study Guide: Knowledge Areas and Objectives

A. Business Plan

1. Explain the benefits and liabilities of starting a business.
2. Evaluate the types of business ownership/organization structure and understand the advantages and disadvantages of each.
3. Conduct initial feasibility studies by identifying industry trends, competition, and market segment using various research techniques.
4. Select a business opportunity based on research.
5. Create a company vision, mission, and short-and long-term strategic goals and plans.
6. Develop and implement financial/budgeting plans including start-up costs and funding needed to begin the business.
7. Prepare a management plan that incorporates legal requirements, business protection, quality control, operations, milestone strategy, and harvesting the business.
8. Develop an organizational chart with staffing/human resource plans including job descriptions and recruitment techniques.
9. Prepare an in-depth presentation for potential investors including banks and venture capitalists.
10. Develop account reports for a two-year period.

B. Community/Business Relations

1. Recognize the importance of union-management relationships and contracts to ensure business continuity.
2. Develop and implement a public relations program for the company.
3. Develop an ethical code of conduct and implementation process to include business relationships and community activities.
4. Explain the role of business in the community.
5. Develop appropriate methods to communicate business activities with the community and clients/customers.

C. Legal Issues

1. Develop procedures for the legal review of documents and procedures, such as contracts.
2. Develop procedures to retain accurate records.
3. Demonstrate knowledge of social, ethical, and legal issues for small business.
4. Demonstrate knowledge of the implementation of consumer protection laws.
5. Apply legal interpretations to employee situations, retention of records, safety and security issues, and financial data.
6. Develop an expressed and implied warranty for sale and return of goods.

D. Initial Capital and Credit

1. Identify types of sources of credit and credit terms.
2. Compare costs, qualifications, and procedures for various forms of credit.
3. Describe concepts of risk management including factors that affect business risk and rate of return.
4. Complete credit forms and applications.
5. Describe methods of solving credit problems.

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6. Identify and maintain records of the initial capital assets (current assets, investments, property, plant, and equipment, and intangible assets).
- E. Personnel Management
1. Prepare organizational charts and job descriptions to expedite workflow.
 2. Develop, explain, and maintain written personnel policies, rules, and procedures including a grievance system, to ensure consistency and to help employees perform their jobs.
 3. Evaluate the effects of employee absenteeism, errors, or other negative employee relations on business productivity.
 4. Plan, develop, and implement employee orientation and ongoing training programs.
 5. Develop employee recruitment plans to obtain qualified employees.
 6. Develop and manage an organization's salary administration and benefits program to service employees with options and benefits.
 7. Develop and implement a plan for evaluation of employee performance and productivity.
 8. Develop separation, termination, and transition procedures for processing employee personnel actions.
 9. Plan and manage work schedules and personnel to maximize operations.
 10. Maintain safe and healthy working conditions in compliance with OSHA standards.
 11. Identify and develop a professional growth plan for employees.
- F. Financial Management
1. Select an accounting system consistent with GAAP standards.
 2. Plan and maintain a budget.
 3. Record business transactions to track business activities and manage cash and banking procedures.
 4. Interpret financial data and statements to develop short-and long-term budgetary plans, to determine point of profitability and viability, and to analyze cash flow forecast.
 5. Apply computational skills to computerized financial documents.
- G. Marketing Management
1. Define industry characteristics, major competitors, and market segment.
 2. Determine, maintain, and improve the marketing mix.
 3. Apply strategies for determining and adjusting prices to maximize return and meet customer perception of value.
 4. Develop a process for delivering effective customer relation skills.
 5. Establish selling philosophies to develop customer loyalty and profitability.
 6. Disseminate information about products, services, and the firm to achieve a desired outcome for a product or service.
 7. Gather, access, synthesize, evaluate, and disseminate marketing information to make business decisions.
 8. Identify current business trends to recognize changes needed in business operations.
 9. Develop and implement a strategic plan for supply chain management.

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H. Taxes

1. Demonstrate knowledge of the current state and federal regulations to apply the tax due.
2. Use tax preparation procedures to determine tax liability for the organization.
3. Analyze tax structure and consequences to assist in business decision making.
4. Apply regulations regarding employee/employer taxes.

I. Government Regulations

1. Define, interpret, and apply federal, state, and local regulations to small business ownership.
2. Exhibit ethical conduct in business negotiations and decisions.
3. Understand the role of government in business.
4. Identify and keep current with laws and regulations that affect business practices.