

ABUS 465: Agricultural Finance

Term

Spring 2012

Instructor

Dr. Jacob Brimlow

Office Hours and Contact Information

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Office Hours: MTWR: 10a – 1050a, and by appointment.

Course Description :

Financing of agricultural enterprises. Principles, methods, and institutions involved in financing farming enterprises and related agricultural industries. Coordinated financial statements. Capital budgeting. *ABUS 101 and ABUS 261.*

Course Objective:

Using practical applications of financial accounting theories, students will:

- A. Discuss the importance of the financial aspects of an agribusiness;
- B. Investigate methodologies useful in analyzing current and future financial operations. Specifically, students will have the opportunity to:
 - a. Use spreadsheet software to investigate financial management concepts by completing lab activities which cover such topics as: financial records and statements, budgeting, the time value of money, risk assessment, etc.;
 - b. Utilize capital budgeting procedures to compare capital investment alternatives;
 - c. Survey sources of financial capital and analyze their value and impact; and
- C. Understand how and why financial derivatives (e.g., options and swaps) are used to manage agricultural risk.

Textbook

Financial Management in Agriculture, Sixth Edition, Peter Barry, et. al., ISBN: 9780813431765.

Note: additional readings will be posted on Blackboard.

Course Management/Policies

Students are expected to read and adhere to all course policies found the College of Agriculture Common Course Policies found at:

<http://www.csuchico.edu/ag/assets/documents/syllabi/COACCommonSyllabusPolicies.pdf> These policies include things like: turn off your cell phone during class.

Unless approved by me on a case-by-case basis, NO LATE WORK WILL BE ACCEPTED, AND NO MAKE-UP ASSIGNMENTS OR EXTRA CREDIT WILL BE OFFERED. Generally, if you miss an assignment with a serious and *documented* excuse, such as a medical or family emergency (this does not include colds and flu), then that assignment will be omitted from your grade and more weight will be placed on another assignment.

Grading

Grades will be determined by:

	Approximate Percentage
Class Project/Presentation	30%
Quizzes/Homework/Activities	25%
Midterm	20%
Final Exam (comprehensive)	25%

Grades will be assigned using the following scale:

93% - 100%	A
90% - 92%	A-
87% - 89%	B+
83% - 86%	B
80% - 82%	B-
77% - 79%	C+
73% - 76%	C
70% - 72%	C-
67% - 69%	D+
60% - 66%	D
Below 60%	Failure

Book Chapters/Course Topics*

Chapter 1: Nature and Scope of Financial Management

Chapter 3: Financial Statements and Information Flows

Chapter 4: Financial Analysis and Control

Financial Ratios

Chapter 5: Financial Planning and Feasibility Analysis

- Financing Fixed and Variable Assets
- Loan Repayment
- Chapter 9: The Time Value of Money
- Chapter 10: Capital Budgeting Methods
 - Analyzing Alternative Investments
 - Net Present Value
- Chapter 11: Capital Budgeting: Inflation, Risk, and Financial Planning
 - Incorporating Inflation and Risk into Planning Decisions
- Chapter 12: Controlling Farm Land
 - Farm Real Estate Values
 - How Management Affects Value
- Chapter 13: Leasing Non-Real Estate Assets
 - Leasing vs. Credit Purchase
- Risk Management
 - Futures and Options Markets
 - Topics as Time Permits

* This is a rough outline of potential course coverage, and is subject to change. The material we cover in the course will ultimately be determined by time and student interest.