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# AREC 408 AGRICULTURE FINANCE SYLLABUS

## INSTRUCTOR INFORMATION

Instructor: Dr. James Pritchett  
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Dept. of Agriculture and Resource Economics  
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## COURSE TIME AND LOCATION

Class Time: 9 am to 9:50 am on MWF  
Monday & Wednesday in Glover 201, Friday in Shepardson 118

## OFFICE HOURS

MWF: 10 am to 11 am  
B327 Clark Building

Feel free to make an appointment. Drop-ins are welcome, but I may not be able to meet immediately, so we can make arrangements for another time as needed.

## COURSE DESCRIPTION

***What financial tools are necessary for managing capital, financing and credit evaluation of the sole proprietorship or a medium-sized agribusiness?*** This course focuses attention on the tools of managerial finance: credit evaluation, analysis of financial statements, ratio analysis and benchmarking, profitability analysis, debt management, capital budgeting and risk management. We'll emphasize problem solving, critical decision making and interpretation of information with homework and lab assignments.

## COURSE PREREQUISITES

AREC 305/EA 305 Enterprise Analysis

## REQUIRED TEXTS

Barry, P., P. Ellinger and B. Sherrick. Financial Management in Agriculture. Seventh Edition. Pearson Prentice Hall. Upper Saddle River, NJ: 2012. ISBN-13: 9780135037591/ ISBN: 013503759X

## OTHER REQUIRED OR SUPPLEMENTAL MATERIALS

Additional readings are provided electronically on the course website.

## Course Goals

Upon the completion of this course, you should be able to:

- Develop skills to understand, analyze and communicate the financial standing of a sole proprietorship and/or medium sized firm, as well as generalize these findings to all of American Agriculture.
- Become better acquainted with how a firm's financial information (line items, statements and ratios) are indicators of performance, and how changes in performance result from the manager's allocation of resources or factors beyond the firm's control.
- Understand the credit evaluation process from the lender's perspective. Calculate loan payment schedules, loan interest rates, and examine the creditworthiness of the firm and pledged collateral.
- Explore the role that debt financing plays in a firm's growth and solvency.
- Characterize financial risk in a firm, and understand how balancing production activities might lead to risk mitigation via diversification.
- Gain a firm grasp of time value of money concepts, and then apply these concepts to capital budgeting, lease versus buy decisions, optimal asset replacement and real estate appraisal.

## COURSE PRESENTATION AND PROCEDURES

The course is organized into 15 modules that generally take a week to complete. The modules include lecture materials, readings from the textbook or other electronic resources, homework assignments, discussion posts and module quiz assessments. The module titles and materials are explained in the course outline document.

## GRADING

As a student enrolled in this course, one of your responsibilities is to submit course work by the due dates. With that said, I take my role as your instructor very seriously, and, in fact, I care about how well you do in this course and that you have a satisfying, rewarding experience.

To that end, it is my commitment to you to respond individually to the work you submit in this class and to return your work in a timely manner. Smaller, weekly assignments and quizzes will be returned within 7 days and major assignments, exams, and essays will be returned within 10 days. If, however, due to unforeseeable circumstances, the grading of your work takes longer than the times I have listed here, I will keep you informed of my progress and make every effort to return your work with feedback as soon as I can.

## **COURSE ACTIVITIES DETAILS**

Three opportunities are offered in order to reinforce skills and competencies discussed in a class:

### *EXERCISES AND QUIZZES*

Periodic exercises will be used in class to apply agribusiness finance concepts. These exercises are graded and may be individual or group projects. Exercises might include problems and readings from the textbook. Short quizzes may also be given without warning.

### *HOMEWORK ASSIGNMENTS*

A set of homework assignments will be completed using Excel. Importantly, lab assignment grades will require both successful completion of the homework objectives and an ability to effectively communicate and interpret answers to questions. Effective written communication will be important in your future endeavors!

### *EXAMS*

Exams are a terrific opportunity to display your skills. Exams are tentatively scheduled for the following weeks, but may be rescheduled by the instructor if it enhances learning opportunities. These exams are to be proctored, and we'll need to arrange the proctoring location with you.

- Exam I: Wednesday, October 2<sup>nd</sup>, 2013 from 9:00 am to 9:50 am
- Exam II: Wednesday, October 30<sup>th</sup>, 2013 from 9:00 am to 9:50 am
- Exam III: Wednesday, December 4<sup>th</sup>, 2013 from 9:00 am to 9:50 am
- Final Exam: December 18, 11:50 to 1:50 pm

## **PARTICIPATION EXPECTATIONS**

Active participation in this course is expected. Successful students spend a minimum of nine hours per week reading, completing assignments and studying course materials. Students are expected to participate in discussion posts as they are assigned in the class.

## **GRADES**

Final grades will be assigned based on weighted point accumulations as follows: A = 94-100%; A- = 90 – 93%; B+ = 88 – 89%; B = 84-87%; B- = 80–83%; C+ = 78–79%, C = 74-77%; C- = 70-73% D= 60-69%; F = <60%.

## **MAKE UP POLICY**

Course assignments may not be made up if deadlines are missed. If extenuating circumstances apply, the student must contact the instructor in advance.

## ACADEMIC INTEGRITY POLICY

This course will adhere to the CSU Academic Integrity [Policies and Guiding Principles](#) as found in the General Catalog and the [Student Conduct Code](#).

- Cheating—includes using unauthorized sources of information and providing or receiving unauthorized assistance on any form of academic work or engaging in any behavior specifically prohibited by the faculty member.
- Plagiarism—includes the copying of language, structure, ideas, or thoughts of another, and representing them as one's own without proper acknowledgment.
- Unauthorized Possession or Disposition of Academic Materials—includes the unauthorized selling or purchasing of examinations or other academic work; stealing another student's work; unauthorized entry to or use of material in a computer file; and using information from or possessing exams that an instructor did not authorize for release to students.
- Falsification—includes any untruth, either verbal or written, in one's academic work.
- Facilitation—includes knowingly assisting another to commit an act of academic misconduct.

At a minimum, violations will result in a grading penalty in this course and a report to the Office of Conflict Resolution and Student Conduct Services.

## CSU HONOR PLEDGE

Academic integrity lies at the core of our common goal: to create an intellectually honest and rigorous community. Because academic integrity, and the personal and social integrity of which academic integrity is an integral part, is so central to our mission as students, teachers, scholars, and citizens, I will ask that you affirm the CSU Honor Pledge as part of completing your work in this course. *While you will not be required to affirm the honor pledge, you will be asked to affirm the following statement at the start of your exams:*

*"I have not given, received, or used any unauthorized assistance."*

Further information about Academic Integrity is available at CSU's [Practicing Academic Integrity](#).