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| Instructor: | W. Marshall Frasier | Alex Heeke |
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Physical Office Hours: Frasier: 10:00-noon Tuesday, 9:00-11:00 am Wednesday, or by appointment
Heeke: 1:00-3:00 pm Monday or by appointment.

Textbooks: Financial Management in Agriculture
Peter J. Barry and Paul N. Ellinger.
Pearson Prentice Hall, 7th Edition, 2012.

Selected readings posted on Canvas (<http://canvas.colostate.edu>)

Description: This course is designed to cover different aspects of monetary affairs management of agribusiness and agricultural production enterprises. Emphasis will be given to credit institutions, procurement, investment, and management.

Prerequisites: AREC 305 Agricultural Business and Resource Enterprise Analysis

Course Objectives: Upon the completion of this course successful students will be able to:

1. analyze and communicate the financial standing of an agribusiness firm.
2. analyze a firm's financial information as indicators of performance.
3. link changes in performance to managerial resource allocation.
4. use debt financing strategically for a firm's growth and solvency.
5. characterize financial risk in a firm and develop risk mitigation strategies.
6. understand the credit evaluation process from the lender's perspective.
7. critically evaluate financial decision-making.
8. use technology and quantitative models to inform business decisions.

Learning Outcomes: The Department of Agricultural and Resource Economics is committed to providing a high quality educational experience that prepares students for a diverse set of career possibilities and the foundation for life-long learning within five principal areas (described on the fifth page of this document). This course contributes specifically to those outcomes as follows:

Professional Development: At several stages in the course, ag credit professionals will be making invited appearances in the course to provide relevant context. The Capital Budgeting project will also afford the opportunity to build awareness of real-world management issues and to network with industry professionals.

Technical Competence: throughout the term students will build mastery of widely accepted financial management standards and analytical techniques and appropriate methods for developing and analyzing these models.

Problem-solving Skills: through each course engagement (including all graded course activities) students will identify finance problems, formulate appropriate analytic models, and determine solutions to achieve stated objectives.

Communication Skills: in all graded activities students will provide written summaries and justification their conclusions based on their financial analysis of problems presented. The Capital Budgeting project will build written presentation skills of independent work.

Leadership Skills: students are encouraged to work collaboratively via the Canvas discussion boards and via other online collaboration tools providing the opportunity to sharpen team-building skills and initiative.

Grading Policy: Course grades will be based on examinations, quizzes, and problem sets. Two one-hour exams will be given. The components will be weighted as follows:

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|-------------------------------|-------------|--------|------------------------------|
| Problem sets | 300 | points | (best 5 of 6 @ 60 pts. each) |
| <u>Proctored</u> Exams | 600 | points | (3 @ 200 pts. each) |
| Capital Budgeting Project | <u>100</u> | points | (details forthcoming) |
| Total | <u>1000</u> | points | |

The date windows for all three exams (Thursday through Monday in every case) are advertised in the Course Outline on the last page of this document. You **MUST** arrange for these three paper-based exams to be proctored. ProctorU is **NOT** an option. More detailed directions will be provided via Canvas. Failure to complete exams at designated times without prior permission of the instructor will result in a score of zero without opportunity for makeup. Problem sets will be considered late beyond the stated deadline prescribed due and will not be graded if received after all other submissions are scored and/or the solutions are posted. Problem sets must be submitted by the deadline to **GUARANTEE** that they will be considered for grading (unless other arrangements have been made in advance with the instructor).

Deviations from advertised deadlines (meaning late work) will be approved **ONLY** when (1) you initiate a conversation with me (Frasier) regarding an upcoming conflict [**this means WELL BEFORE the deadline**], (2) following our email/chat/phone conversation you then send me a summary email stating the particulars of your conflict and the essence of the agreement that you believe we have forged, and (3) you receive my email confirmation that we have an accord. Exceptions only at my discretion.

Final grades will be assigned based on total point accumulations as follows: A = 90-100%; B = 80-89%; C = 70-79%; D= 60-69%; F = <60%. Requirements for each grade category may be adjusted downward but will not be raised. Pluses and minuses will be awarded at the instructors' discretion.

Academic Integrity: We take academic integrity seriously. Most simply, academic integrity means that no one will present another's work as their own. The CSU writing center defines plagiarism this way:

Plagiarism is the unauthorized or unacknowledged use of another person's academic or scholarly work. Done on purpose, it is cheating. Done accidentally, it is no less serious. Regardless of how it occurs, plagiarism is a theft of intellectual property and a violation of an ironclad rule demanding "credit be given where credit is due." Source: (Writing Guides: Understanding Plagiarism.

<https://writing.colostate.edu/guides/page.cfm?pageid=311&guideid=17> Accessed, January 16, 2019)

If you plagiarize in your work you will lose credit for the plagiarized work, fail the assignment, or fail the course. Plagiarism can result in expulsion from the university. Each instance of plagiarism, classroom cheating, and academic dishonesty in general will be addressed according to CSU published policies. (See: <http://catalog.colostate.edu/general-catalog/policies/students-responsibilities/>)

Of course, academic integrity means more than just avoiding plagiarism. It also involves doing your own reading and studying. This includes regular class attendance, careful consideration of all class materials, and engagement with the class and your fellow students. 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, we will ask to you sign the CSU Honor Pledge as part of completing all of our major assignments. You will be prompted to write and sign the following statement on all of your graded assignments and exams:

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

Visit <http://tilt.colostate.edu/integrity/resourcesFaculty/pledge/> to read more about CSU's Honor Pledge as well as finding links to other resources that address academic integrity.

Violations: There is no chance for accidental violation of academic integrity in this course. The activities here are designed for a single core purpose—to support your learning and growth of understanding of the material presented. As you will learn, I encourage collaboration in your non-exam exercises. You should feel free to discuss and ask questions of your classmates in these exercises. What is NOT acceptable is copying other's work, whether that be simply writing what they showed or told you or obtaining electronic copies of full or partial work that they've completed (from this semester or previous terms). In no case will copied work be acceptable. For each instance where work is determined to have been copied, those involved (meaning the copier and anyone facilitating the copying) will receive a score of zero for the exercise AND the reduction of a **minimum of a full letter grade for the course**. For severe violations, failure of the course and expulsion from the University are possible consequences.

Need Help?

CSU is a community that cares for you. If you are struggling with drugs or alcohol and/or experiencing depression, anxiety, overwhelming stress or thoughts of hurting yourself or others please know there is help available. Counseling Services has trained professionals who can help. Contact 970-491-6053 or go to <http://health.colostate.edu>. If you are concerned about a friend or peer, Tell Someone by calling 970-491-1350 to discuss your concerns with a professional who can discreetly connect the distressed individual with the proper resources (<http://supportandsafety.colostate.edu/tellsomeone>).

Principles of Community

The Principles of Community support the Colorado State University mission and vision of access, research, teaching, service and engagement. A collaborative and vibrant community is a foundation for learning, critical inquiry, and discovery. Therefore, each member of the CSU community has a responsibility to uphold these principles when engaging with one another and acting on behalf of the University

Inclusion: We create and nurture inclusive environments and welcome, value and affirm all members of our community, including their various identities, skills, ideas, talents, and contributions.

Integrity: We are accountable for our actions and will act ethically and honestly in all our interactions.

Respect: We honor the inherent dignity of all people within an environment where we are committed to freedom of expression, critical discourse, and the advancement of knowledge.

Service: We are responsible, individually and collectively, to give of our time, talents, and resources to promote the well-being of each other and the development of our local, regional, and global communities.

Social Justice: We have the right to be treated and the responsibility to treat others with fairness and equity, the duty to challenge prejudice, and to uphold the laws, policies and procedures that promote justice in all respects.

Undergraduate Program Outcomes

Agricultural and Resource Economics

Colorado State University

Mission

Undergraduate programs in Agricultural and Resource Economics provide a high-quality educational experience that prepares students for a diverse set of career possibilities and the foundation for life-long learning. Our programs blend applications of economic and business management tools with technical training in agricultural, environmental, and natural resource sciences. Graduates are prepared to work independently and in diverse teams solving problems faced in agricultural and natural resource management and the larger societal community. Our faculty members engage students in formal coursework designed to develop analytic and professional skills. Our faculty members also mentor students in experiential learning, particularly through extracurricular activities, that reinforce problem solving skills and foster personal responsibility.

Outcomes

Successful graduates from undergraduate programs in Agricultural and Resource Economics will exhibit the following characteristics:

Professional Development: Graduates will embody a general awareness of issues in agricultural and natural resource management and their implications in a larger societal context. Students will begin to develop a network of personal and professional connections which will foster an understanding of the culture surrounding professional expectations and conduct.

Technical Competence: Graduates will demonstrate technical competency including the ability to appropriately use economic theory in formulating analytical problems, identifying and gathering appropriate data, and employing appropriate economic methods to analyze those problems, utilizing appropriate available computer technology.

Problem-solving Skills: Graduates will demonstrate the ability to solve real-world problems beyond the context of the classroom. Students will be able to identify a problem and its scope, evaluate resources available to address the problem, formulate alternative solutions, and select the solution(s) most consistent with a stated objective.

Communication Skills: Graduates will demonstrate proficiency in oral and written communication in terms of substance, organization, mechanics, documentation, and synthesis. Proficient students will have the ability to clearly communicate findings, critically and analytically, at a professional level within their chosen career.

Leadership: Graduates will have developed leadership qualities that they will use in their professional, personal and community interactions leveraging the other competencies acquired in the program. These leadership qualities include vision, initiative, personal responsibility, team building, and motivating collective action.

Course Outline

| <u>Week</u> | <u>Topic</u> |
|-------------|---|
| 1-2 | I. <i>Introduction, Review of Financial Statements</i> (Barry & Ellinger, Ch 1, 2) |
| 2-4 | II. <i>Financial Analysis and Control; Financial Planning and Feasibility Analysis</i> (Barry & Ellinger, Ch 3, 4) |
| | Exam I, Thursday, February 14-Monday, February 18 |
| 5 | III. <i>Time Value of Money</i> (Barry & Ellinger, Ch 8) |
| 6-8 | IV. <i>Capital Budgeting</i> (Barry & Ellinger, Ch 9, 10, 11) |
| | Exam II, Thursday, March 14-Monday, March 18 |
| 9 | V. <i>Lender-Borrow Relationships</i> (Barry & Ellinger, Ch 5, 6) |
| 10-11 | VI. <i>Risk Management and Asset Valuation</i> (Barry & Ellinger, Ch 7, 12, 13) |
| 12 | VII. <i>Loan Pricing and Profitability Analysis</i> (Barry & Ellinger, Ch 17) |
| 13-14 | VIII. <i>Financial Intermediaries in Agriculture</i> (Barry & Ellinger, Ch 18) |
| | Exam III, Thursday, May 2-Monday, May 6 |
| 15 | IX. <i>Estate Transfer and Succession Planning</i> (selected readings) |

Capital Budgeting Project Due, Monday, May 13, 9:40 am

I have an "open door" policy for visitors in my office. You are always welcome to contact me if you have an issue that you wish to discuss with me. However, please realize that I have many other responsibilities beyond teaching this class, so I may be delayed in responding to you. Whenever possible, I always try to check my email several times per day and will try to respond both morning and afternoon. At the very latest, you should always receive a response from me or Alex within 48 hours of you sending a message.

I welcome you to this course and look forward to sharing the next 16 weeks with you. I hope for you a fruitful and prosperous semester. Good luck to you!

WAF