



# INSTITUTE OF APPLIED AGRICULTURE

## Course Syllabus INAG 203: Agricultural Finance Fall 2016

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### COURSE INFORMATION

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<b>Instructor:</b>	Larisa Cioaca Phone: 301.405.4693 Email: <a href="mailto:lcioaca@umd.edu">lcioaca@umd.edu</a> Office: 2110 Jull Hall Office Hours: Mon-Wed-Fri, 3-4:00 p.m. ET or by appointment
<b>Course Website:</b>	<a href="https://myelms.umd.edu/">https://myelms.umd.edu/</a>
<b>Required Textbook:</b>	Barry, P. J., & Ellinger, P. N. (2012). <i>Financial Management in Agriculture</i> (7 <sup>th</sup> edition). Upper Saddle River: NJ. Prentice Hall. ISBN-13: 978-0-13-503759-1.
<b>Required Technology:</b>	Laptop or tablet with spreadsheet software (e.g., Microsoft Excel 2013); financial calculator (e.g., Texas Instruments TI-30X IIS Scientific Calculator)
<b>Prerequisites:</b>	None

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### COURSE DESCRIPTION, GOALS AND EXPECTATIONS

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#### Course Description

This course introduces fundamental concepts related to the financial management of an agricultural business. Topics include financial statement analysis, financial planning, the relationship between risk and return, the time value of money, costs associated with borrowed funds, sources of capital, financial markets and intermediaries in agriculture, and personal finance, among others. Students will gain financial knowledge and skills necessary for managing a profitable agricultural business.

As a Chesapeake Project Faculty Fellow, the instructor has joined other faculty from across the University who are working to integrate sustainability into their courses.

#### Student Learning Outcomes

- Demonstrate an understanding of the principles of financial management, including the time value of money and capital depreciation
- Demonstrate an understanding of the Triple Bottom Line accounting framework (people, planet, and profits)
- Demonstrate the ability to prepare and analyze basic financial statements (e.g., budget, balance sheet, statement of cash flows)
- Demonstrate an understanding of the sources of capital in the agricultural sector and the costs associated with borrowed funds

- Demonstrate the ability to identify strategies and methods for mitigating capital risks of agricultural businesses

### Course Schedule

Week No.	Class No.	Before Class	During Class
1	1		Introduction to INAG 203
	2	Read Chapter 1	Introduction to Agricultural Finance
	3	Select a Case Study Company	Discuss the Individual Project
2	4	LABOR DAY HOLIDAY (NO CLASS)	
	5	Read Chapter 2	Financial Statements: <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Income Statement</li> <li>• Statement of Owner Equity</li> <li>• Statement of Cash Flows</li> <li>• Cash Flow Budget</li> </ul>
	6		
3	7		
	8		
	9		Exercises Quiz #1
4	10	Read Chapter 3	Financial Analysis  Triple Bottom Line Accounting Framework
	11		
	12		
5	13	Read Chapter 4	Financial Planning  Exercises Quiz #2
	14		
	15		
6	16	Read Chapter 5	Credit Risk Assessment
	17	Read Chapter 6	Leverage and Financial Risk
	18	Read Chapter 7	Risk Management
7	19	Review notes from classes 1-18	Review of Chapters 1-7
	20	Prepare for Exam #1	Exam #1
	21	Read Chapter 8	The Time Value of Money  Exercises Quiz #3
8	22		
	23		
8	24	Read Chapter 9	Informal Class Feedback
	9	25	Investment Analysis

Week No.	Class No.	Before Class	During Class
	26	Read Chapter 10	Costs of Financial Capital
	27	Read Chapter 11	Inflation
10	28	Read Chapter 12	Ownership vs. Leasing
	29	Read Chapter 13	
	30		Exercises Quiz #4
11	31	Read Chapter 14	Agricultural Markets
	32	Read Chapter 15	Financial Markets
	33	Read Chapter 18	Financial Intermediaries in Agriculture
34			
12	35	Review notes from classes 21-34	Review of Chapters 8-15 and 18
	36	Prepare for Exam #2	Exam #2
	37	Read Chapter 20	Business Organization in Agriculture
13	38	THANKSGIVING RECESS (NO CLASSES)	
	39		
14	40	Read Chapter 21	Equity Capital in Agriculture
	41	Work on Individual Project	Discuss Progress on Individual Project
	42	Work on Individual Project	Personal Finance
15	43	Work on Individual Project	Course evaluations using CourseEvalUM
	44	Work on Individual Project	
	45	Post the Individual Project on ELMS <u>and</u> email it to the instructor by 6 p.m. on Dec. 8.	Discuss Lessons Learned from Individual Project
16	46	Review notes from all previous classes	Review of Chapters 1-15 and 18, 20, 21
		Prepare for Final Exam	Final Exam (Cumulative) at 1:30-3:30 p.m. ET

**Note:** This course schedule is subject to revision and adjustment by the instructor during the semester.

### Course Assignments and Due Dates

This course includes the following graded elements:

- Three exams (worth 30% of the final grade),
- Four short quizzes (worth 20% of the final grade),
- Several homework assignments (worth 20% of the final grade),
- An individual project (worth 20% of the final grade), and
- Two course participation grades (worth 10% of the final grade).

The three exams and four quizzes may be taken on the designated days only, as outlined in the course schedule. The homework assignments are due at the beginning of class on the dates designated by the instructor. The final individual project write-up (with supporting materials) must be posted on ELMS and emailed to the instructor by 6 p.m. on Dec. 8. For each day (or fraction thereof) that the homework assignments and individual project write-up are late, they will be automatically penalized with 10% of the assigned points.

### Grading Procedures

Each assignment has a maximum point value, as indicated below:

Assignment No.	Assignment Type	Points
1	Quiz #1	50
2	Quiz #2	50
3	Quiz #3	50
4	Quiz #4	50
5	Homework Assignments	200
6	Exam #1	100
7	Exam #2	100
8	Final Exam	100
9	Course Participation #1 (weeks 1-7)	50
10	Course Participation #2 (weeks 8-15)	50
11	Individual Project	200

Students will earn points for quizzes/exams/homework assignments by correctly answering the multiple choice, matching and/or computational questions included in each quiz/exam/homework assignment. The point value of each question will be clearly marked on the quiz/exam/homework assignment sheet. The points for course participation and the individual project will be calculated using the Course Participation Rubric and the Individual Project Rubric, respectively.

Points earned are converted to percentages for the purpose of calculating grades. Grades are awarded according to the scale below. Please note that the final course grades will not be adjusted upward based upon fractions of percentages or factors unrelated to course performance.

Grade	Percentage Range	Explanation
A+	97 to 100	Excellent mastery of the subject
A	93 to 96.99	
A-	90 to 92.99	
B+	87 to 89.99	Good mastery of the subject
B	83 to 86.99	

Grade	Percentage Range	Explanation
B-	80 to 82.99	Acceptable mastery of the subject
C+	77 to 79.99	
C	73 to 76.99	
C-	70 to 72.99	
D+	67 to 69.99	Borderline understanding of the subject
D	63 to 66.99	
D-	60 to 62.99	
F	0 to 59.99	Failure

Final course quality points are awarded according to the University of Maryland's four-point plus/minus grading system (see <http://www.testudo.umd.edu/plusminusimplementation.html>).

### Expectations for Students

The following guidelines support a successful student experience in this course:

- **Attendance:** Students are expected to attend each class, arrive on time and be fully prepared.
- **Participation:** Students are expected to actively engage in every class and online course activity. Participation points will not be awarded to students who do not actively participate in class sessions, regardless of the reason. Participation points cannot be made up.
- **Absences:** Students are expected to notify the instructor by email, in a timely manner, before they will be absent. Students are responsible for all information covered during their absence, and should make arrangements to obtain all materials from their classmates.
- **Electronic devices:** Cell phones, laptops, tablets, audio or video recorders, or other electronic devices may not be used during classes unless specifically authorized by the instructor. Students violating this policy will not receive credit for participation on the day of a policy violation. More than one violation of this policy will subject the student to a 10% penalty on the final course grade.
- **Calculators:** Students may use financial calculators (but not smartphones) during classes. Financial calculators may not be shared between classmates.

### Course Evaluation

Student feedback is very important to the instructor. Students will have two opportunities to evaluate this course: an informal feedback session during class #23, and the formal evaluation through CourseEvalUM during class #43.

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## COURSE PROCEDURES AND POLICIES

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### Attendance

Regular attendance and active classroom participation are essential to grasping the concepts being discussed and earning a good grade in this course. The instructor will not offer substitute assignments or give students make-up assessments unless the failure to perform was due to an excused absence.

University of Maryland policies excuse the absences of students that result from: illness of the student (or illness of a dependent as defined by Board of Regents policy on family and medical leave); religious observance (where the nature of the observance prevents the student from being present during the class period); participation in university activities at the request of university authorities; and, compelling circumstance beyond the student's control.

For every excused absence from class, students should make every effort to notify the instructor before the class. When returning to class, students must bring a note identifying the date of and reason for the absence, and acknowledging: (a) that the information provided is true and correct, and (b) that providing false information to University officials is a violation of the Code of Student Conduct.

Students who have more than two consecutive absences due to illness (or are absent on days when quizzes or exams are scheduled) are required to provide written documentation of the illness from a health care provider. Students are responsible for informing the instructor of any intended absences for religious observances in writing within the first two weeks of the semester.

### **Academic Integrity**

The University of Maryland's policy on academic integrity will be strictly enforced. The University has a nationally recognized [Honor Code and Honor Pledge](#), administered by the Student Honor Council, that prohibits students from cheating on exams, plagiarizing papers, submitting the same paper for credit in two courses without authorization, buying papers, submitting fraudulent documents and forging signatures. Students are responsible for upholding these standards.

The Honor Pledge reads: *I pledge on my honor that I have not given or received any unauthorized assistance on this examination (or assignment).*

Unless students are specifically advised to the contrary, the Honor Pledge statement should be handwritten and signed on the front cover of all papers, projects or other academic assignments submitted for evaluation in this course. Students who fail to write and sign the Honor Pledge will be asked to confer with the instructor. Allegations of academic dishonesty should be reported directly to the Student Honor Council at 301.314.8450.

### **Disabilities**

To receive accommodations, students with disabilities must first register with the [Disability Support Service \(DSS\)](#) and have their disabilities documented by DSS. The DSS office will prepare an Accommodation Letter for the instructor. Students are responsible for presenting this letter to the instructor by the end of the drop/add period.

### **Inclement Weather and Other Emergencies**

The instructor will use email and the course website to communicate with students in the event of inclement weather or other emergencies that require adjustments to the class location or schedule.

### **Copyright**

The instructor's lectures and course materials, including PowerPoint presentations, tests, outlines and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own use. Students may not (and may not allow others to) reproduce or distribute lecture notes and course materials publicly, whether or not a fee is charged, without the instructor's written consent.

Students who publicly distribute or display, or help others publicly distribute or display copies or modified copies of the instructor's course materials may be considered in violation of the Code of Student Conduct.