AEB 5326 – AGRIBUSINESS FINANCIAL MANAGEMENT
Fall 2022 – Class number 26718 – 3 Credits

CLASS TIME AND LOCATION
Time TBA
https://ufl.zoom.us/j/7654140395 - password: worth

OFFICE HOURS
MWF, (11:00am – 12:00pm EST) MCCB 1083
Or by appointment.

PREREQUISITE
AEB 3122 or ACG 2071 (or equivalent).

INSTRUCTOR
Derek Farnsworth
Office: MCCB 1083
Phone: 352-294-7698
E-mail: dfarnswo@ufl.edu

TEACHING ASSISTANT
Md Azhar Uddin
Office: TBA
Hours: Thursday, 4 – 5 pm EST
Email: mdazharuddin@ufl.edu

COURSE DESCRIPTION
Basic financial statements, investment frameworks and theories of financial intermediation as applied to agricultural firms, along with an overview of financial institutions that provide capital to agriculture.

The goal of this course is to provide a basic understanding of corporate finance principles and build a foundation for other agribusiness courses. The course provides students with the tools to understand and solve basic financial problems faced by individuals and businesses today. Practical applications and problem-solving techniques are emphasized. The topics covered include basic financial statement analysis, time value of money, valuation of financial assets, investment frameworks, capital budgeting techniques, and capital structure theory.

E-LEARNING IN CANVAS
There will be an e-Learning webpage for this course. To access e-Learning you will need your Gatorlink username and password. E-Learning can be accessed via http://elearning.ufl.edu/. Should you have difficulties accessing e-Learning, please contact the UF Computing Help Desk at 352-392-4357 or via e-mail at helpdesk@ufl.edu.

REQUIRED TEXT AND MATERIALS
Calculator: Students should have a financial or graphing calculator (such as the HP 10bII+) as it will be essential for completion of homework assignments and exams. **Students are responsible for learning how to use their particular calculator.**

Please retain your textbook and calculator upon completion of the class. These materials are necessary for AEB 4138 - Advanced Agribusiness Management.

**LEARNING OBJECTIVES**

After completing this course, you will be able to:

1. Read and analyze financial statements for the purpose of evaluating investment decisions.

2. Describe the principle of time-value of money and apply this concept to valuing annuities, perpetuities, loan values, bond values, stock values, and capital investment opportunities.

3. Describe the conceptual relationship between the expected return and the relevant risk of individual assets and a portfolio of assets.

4. Describe the concept of cost of capital and role of leverage and apply these concepts in the determination of the optimal capital structure.

**COURSE OUTLINE**

1. Introduction to Financial Management (CH1)
2. Financial Statements (CH2)
3. Working with Financial Statements (CH3)
4. Time Value of Money (CH4)
   EXAM 1 (CH1 – CH4)

5. Discounted Cash Flows (CH5)
6. Bond Valuation (CH6)
7. Equity Valuation (CH7)
   EXAM 2 (CH5 – CH7)

8. Net Present Value and Other Investment Criteria (CH8)
9. Capital Markets (CH10)
10. Risk and Return (CH11)
11. Cost of Capital (CH12)
   EXAM 3 (CH8, CH10 – CH12)
GRADES
Your final course grade is determined by the following components:

Exams (3 at 15% each) 45%
Homework (8 at 5% each) 40%
Discussions (3 at 5% each) 15%
Total 100%

Grades will be awarded as follows:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Grade</th>
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<tbody>
<tr>
<td>93% or greater</td>
<td>A</td>
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<tr>
<td>90% to 92.99%</td>
<td>A-</td>
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<tr>
<td>87% to 89.99%</td>
<td>B+</td>
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<tr>
<td>83% to 86.99%</td>
<td>B</td>
</tr>
<tr>
<td>80% to 82.99%</td>
<td>B-</td>
</tr>
<tr>
<td>77% to 79.99%</td>
<td>C+</td>
</tr>
<tr>
<td>73% to 76.99%</td>
<td>C</td>
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<tr>
<td>70% to 72.99%</td>
<td>C-</td>
</tr>
<tr>
<td>67% to 69.99%</td>
<td>D+</td>
</tr>
<tr>
<td>63% to 66.99%</td>
<td>D</td>
</tr>
<tr>
<td>60% to 62.99%</td>
<td>D-</td>
</tr>
<tr>
<td>Below 60%</td>
<td>E</td>
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Please note that grades are not “rounded” in any way at the end of the term. However, a curve may be implemented at the instructor’s discretion.

For general information about grading and grading policy at the University of Florida, please refer to: https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx

Exams
There will be three take-home exams during the semester. Each exam is worth 15% of your grade. The exams consist of short answer questions. The exams may be based on material covered in class, material from the textbook, or concepts implied by the material covered. The exam dates are tentatively scheduled as follows:

- Exam 1: September 27
- Exam 2: November 1
- Exam 3: December 12

Note: Posted exam dates are subject to change, it is your responsibility to listen to class announcements and check e-Learning for any changes in exam dates.
Homework
There will be nine homework assignments given throughout the semester. Each homework is worth 5% of your grade and one homework assignment grade will be dropped. Homework is due at midnight. It is your responsibility to submit assignments on time and follow the instructions for the assignment submission. A grading rubric is available on the course site. Late submissions will receive half credit.

Each homework assignment will be accompanied by suggested problems. Suggested problems are not turned in for a grade. These questions are provided so that students can practice solving additional problems.

OTHER COURSE POLICIES
If you have a question about the grading of your assignment and/or exam, you must contact me immediately. If you believe there has been a grading mistake, you can appeal points that you earned in an assignment and/or exam (i.e., get more points). To appeal, you must state your case in writing within one week of the day I return the assignment or exam. Turn the entire assignment or exam in, along with a written description of your concern and your expected resolution of the problem. Be aware that when you do this, I will re-grade the entire assignment or exam.

Our class sessions may be audio visually recorded. Students who participate with their camera engaged or utilize a profile image are agreeing to have their video or image recorded. If you are unwilling to consent to have your profile or video image recorded, be sure to keep your camera off and do not use a profile image. Likewise, students who un-mute during class and participate orally are agreeing to have their voices recorded. If you are not willing to consent to have your voice recorded during class, you will need to keep your mute button activated and communicate exclusively using the "chat" feature, which allows students to type questions and comments live. The chat will not be recorded or shared. As in all courses, unauthorized recording and unauthorized sharing of recorded materials is prohibited. Zoom will be used to broadcast and record lectures (https://zoom.us/privacy).

SUPPLEMENTAL INFORMATION

Attendance and Make-Up Work
Requirements for class attendance and make-up exams, assignments and other work are consistent with university policies that can be found at: https://catalog.ufl.edu/UGRD/academic-regulations/attendance-policies/ In general, you are expected to be in class each day and submit all work on time on e-Learning.

Students Requiring Accommodations
Students with disabilities who experience learning barriers and would like to request academic accommodations should connect with the Disability Resource Center. It is important for students to share their accommodation letter with their instructor and discuss their access needs, as early as possible in the semester.
Course Evaluation
Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at https://gatorevals.aa.ufl.edu/students/. Students are notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via https://ufl.bluera.com/ufl/. Summaries of course evaluation results are available to students at https://gatorevals.aa.ufl.edu/public-results/.

In-Class Recording
Students are allowed to record video or audio of class lectures. However, the purposes for which these recordings may be used are strictly controlled.

The only allowable purposes are: (1) for personal educational use, (2) in connection with a complaint to the university, or (3) as evidence in, or in preparation for, a criminal or civil proceeding. All other purposes are prohibited. Specifically, students may not publish recorded lectures without the written consent of the instructor.

A “class lecture” is an educational presentation intended to inform or teach enrolled students about a particular subject, including any instructor-led discussions that form part of the presentation, and delivered by any instructor hired or appointed by the University, or by a guest instructor, as part of a University of Florida course. A class lecture does not include lab sessions, student presentations, clinical presentations such as patient history, academic exercises involving solely student participation, assessments (quizzes, tests, exams), field trips, private conversations between students in the class or between a student and the faculty or lecturer during a class session.

Publication without permission of the instructor is prohibited. To “publish” means to share, transmit, circulate, distribute, or provide access to a recording, regardless of format or medium, to another person (or persons), including but not limited to another student within the same class section. Additionally, a recording, or transcript of a recording, is considered published if it is posted on or uploaded to, in whole or in part, any media platform, including but not limited to social media, book, magazine, newspaper, leaflet, or third party note/tutoring services. A student who publishes a recording without written consent may be subject to a civil cause of action instituted by a person injured by the publication and/or discipline under UF Regulation 4.040 Student Honor Code and Student Conduct Code.

University Honesty Policy
UF students are bound by The Honor Pledge: “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: “On my honor, I have neither given nor received unauthorized aid in doing this assignment.” The Conduct Code specifies a number of behaviors that are in violation of this code and the possible sanctions. Click here to read the Conduct Code. If you have any questions or concerns, please consult with the instructor or TAs in this class.
Software Use
All faculty, staff, and students of the University are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate. We, the members of the University of Florida community, pledge to uphold ourselves and our peers to the highest standards of honesty and integrity.

Student Privacy
There are federal laws protecting your privacy with regards to grades earned in courses and on individual assignments. For more information, please see the Notification to Students of FERPA Rights.

Campus Resources:

Health and Wellness
_U Matter, We Care_: If you or someone you know is in distress, please contact umatter@ufl.edu, 352-392-1575, or visit U Matter, We Care website to refer or report a concern and a team member will reach out to the student in distress.

_Counseling and Wellness Center_: Visit the Counseling and Wellness Center website or call 352-392-1575 for information on crisis services as well as non-crisis services.

_Student Health Care Center_: Call 352-392-1161 for 24/7 information to help you find the care you need, or visit the Student Health Care Center website.

_University Police Department_: Visit UF Police Department website or call 352-392-1111 (or 9-1-1 for emergencies).

_UF Health Shands Emergency Room / Trauma Center_: For immediate medical care call 352-733-0111 or go to the emergency room at 1515 SW Archer Road, Gainesville, FL 32608; Visit the UF Health Emergency Room and Trauma Center website.

Academic Resources
_E-learning technical support_: Contact the UF Computing Help Desk at 352-392-4357 or via e-mail at helpdesk@ufl.edu.

_Career Connections Center_: Reitz Union Suite 1300, 352-392-1601. Career assistance and counseling services.

_Library Support_: Various ways to receive assistance with respect to using the libraries or finding resources.

_Teaching Center_: Broward Hall, 352-392-2010 or to make an appointment 352-392-6420. General study skills and tutoring.
**Writing Studio:** 2215 Turlington Hall, 352-846-1138. Help brainstorming, formatting, and writing papers.

**Student Complaints On-Campus:** [Visit the Student Honor Code and Student Conduct Code webpage](#) for more information.

**On-Line Students Complaints:** [View the Distance Learning Student Complaint Process](#).

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**APPROXIMATE COURSE OUTLINE BY WEEK**

<table>
<thead>
<tr>
<th>Week</th>
<th>Tuesday</th>
<th>Thursday</th>
<th>Material/Notes</th>
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</thead>
<tbody>
<tr>
<td>8/21</td>
<td>No Class</td>
<td></td>
<td>Class Introduction</td>
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<tr>
<td>8/28</td>
<td></td>
<td>Discussion 1</td>
<td>Chapter 1: Introduction to Financial Management</td>
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<tr>
<td>9/4</td>
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<td>HW 1</td>
<td>Chapter 2: Financial Statements</td>
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<tr>
<td>9/11</td>
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<td>HW 2</td>
<td>Chapter 3: Working with Financial Statements</td>
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<tr>
<td>9/18</td>
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<td>HW 3</td>
<td>Chapter 4: Time Value of Money</td>
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<td>9/25</td>
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<td>Exam 1</td>
<td>Chapter 5: Discounted Cash Flows</td>
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<tr>
<td>10/2</td>
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<td>Discussion 2</td>
<td>Chapter 6: Bond Valuation</td>
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<tr>
<td>10/9</td>
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<td>HW 4</td>
<td>Calculator Practice</td>
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<tr>
<td>10/16</td>
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<td>HW 5</td>
<td>Chapter 7: Equity Valuation</td>
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<td>10/23</td>
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<td>HW 6</td>
<td>Chapter 8: NPV and Other Investment Criteria</td>
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<tr>
<td>10/30</td>
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<td>Exam 2</td>
<td>Chapter 10: Capital Markets</td>
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<tr>
<td>11/6</td>
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<td>Discussion 3</td>
<td>Chapter 11: Risk and Return</td>
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<tr>
<td>11/13</td>
<td></td>
<td>HW 7</td>
<td>Chapter 12: Cost of Capital</td>
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<tr>
<td>11/20</td>
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<td>No Class</td>
<td>Fall Break</td>
</tr>
<tr>
<td>11/27</td>
<td></td>
<td>HW 8</td>
<td>Class Review</td>
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<tr>
<td>12/4</td>
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<td>HW 9</td>
<td>No Class Reading Days</td>
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<td>12/11</td>
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<td>Exam 3</td>
<td>Finals Week</td>
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*All homework and exams are due by midnight on the assigned date. The schedule is subject to change according to the instructor’s discretion.*