

University of Florida
College of Agricultural and Life Sciences
Food and Resource Economics Department

AEB4138: Advance Agribusiness Management

Fall Term 2019

3 Credit Hours

Location: Room 139, UF Plant City, FL, 33563.

Class Times: Tuesdays

Class Lecture: 9:00 – 10:00 am
Laboratory: 10:00 am – 11:00 am
Presentations: 11:00 am – 11:30 am

Instructor and Contact Information

Instructor: Luis Moisés Peña Lévano, Ph.D.
Office: UF Plant City Campus, Office # 104
E-mail: lpenalevano@ufl.edu
Office Hours: In Person: Tuesdays 11 – 11:30 am
Online: By appointment (via Zoom)

Communication must include 'AEB4138 – UNIT # ___ + (YOUR LAST NAME AND FIRST NAME)' in order to be answered. Use **Canvas Email** to contact the instructor. Any email must be sent during NORMAL HOURS: Monday to Fridays 8:00 am – 5:00 pm. Emails sent outside the normal hours, or not using the title '**AEB4138**' **may not be answered.**

The emails will need to go through the following procedure:

1. Summarize in **one paragraph** of no more than three lines the e-mail question so that I can more effectively address your concerns. If you are stuck on a specific procedure, send me the picture of the problem and where you are specifically having the issue. This will help me to provide feedback. If you do not put an effort in attempting to solve the question, I will not provide you the hints to solve it
2. **Courteous and professional** e-mails may expect a prompt reply.
3. There will be 15 minutes before the class starts to solve any doubts from the previous week.

The professor reserves the right to change the terms and dates stated in this Course Syllabus depending on upcoming or unexpected events. Any changes will be communicated in class, via the Gatorlink e-mail listserv, and posted on E-Learning Canvas. It is solely the student's responsibility to stay informed of any changes

General Course Information

Required Textbook:

You will need a copy of this book. Please note that there are several editions of the book, all with different covers. Any version would work:

Corporate Finance, by Stephen Ross. Publisher: McGraw-Hill Higher Education. ISBN: 978-1-259-91894-0

Recommended Textbook:

We will cover several chapters of this book. Therefore, this is totally recommended:

International Financial Management, by Cheol Eun. ISBN: 978-1-259-71778-9

Suggested Textbook:

Agribusiness Management, by Freddie Barnard, Jay Akridge, Frank Dooley, John Foltz and Elizabeth Yeager.

Course Description: This course is intended to apply economics, finance, agribusiness and statistics on applied agribusiness and financial cases providing a senior-level capstone experience. This class uses the skills acquired from previous courses and is intended to strength the knowledge of business, economics, management and finance. This class prepare students with different real case problems such as optimization of resources, business management decisions, preparation of business plans, detention of potential areas of improvements on a company, national and international competition, globalization and decision making as a manager.

This is an upper-division course and it is structured and taught accordingly. The importance in the curriculum means you should plan on spending time outside to review the in-class and online lectures. During exam weeks, the time-commitment will be significantly higher. A lower study input will more than likely adversely affect your grade.

Prerequisites: AEB3103 – Introduction to Food and Resource Economics.

AEB3144 – Introduction to Agricultural Finance

It is also expected that students must have basic knowledge of Excel and mathematical tools, especially linear equations, derivatives and linear programming. It is also expected that students can use financial tools and understand financial statements.

Course objectives: *This course focuses on teaching how to address issues relating to agricultural finance, agribusiness, trade, financial policy, management international finance.* The course will equip students with the tools necessary to develop business plans, take business decisions, act as consultants and understand how to use finance in their day by day life. It will also help to understand why a firm may engage in multinational activities such as exports, foreign direct investment or merge and acquisition. The course focuses on business finance and management with applications to agriculture and manufacture. Thus, after successful completion of this course, students should be able to:

1. Analyze financial statements and make decisions based on those statements
2. Understand how to develop amortization plans for housing and leasing.
3. Suggest improvements for liquidity, profitability and efficiency.
4. Detect places for improvement inside a company
5. Develop a business model including sensitivity analysis
6. Explain why international agricultural trade is often regulated.
7. Relate international economic events to the operations of agribusiness firms.

Brief Course Outline: The material in AEB4138 is divided in four modules

MODULE I: FRAMEWORK OF BUSINESS FINANCE

1. Financial corporation and Agribusiness Management
2. Financial statements and Cash Flows
3. Analysis of financial ratios
4. Time value of money

MODULE II: BUSINESS PLANS

5. Strategic market planning
6. Capital investments
7. Risk of investment and Cost of Capital
8. Marketing decision tools for agribusiness
9. Operation and human resource management tools for business

MODULE III: INVESTMENTS & INTERNATIONAL MARKETS

10. Bonds and Credit Risk
11. Stocks valuation
12. Futures and Option Markets

MODULE IV: OPTIMIZATION IN FINANCE

13. Optimal capital structure & Breakeven analysis
14. Linear Programming: Application in Economics
15. Integer Programming in Financial Decisions

Final presentations (December 8th).

Unit	Description	Class	Quiz	Review session	Homework
1	Financial corporation and Agribusiness Management	Aug 20	Aug 27		
2	Financial statements and Cash Flows	Aug 27	Sep 3		Sep 10
3	Financial model analysis	Sep 3	Sep 10		
4	Time value of money	Sep 10		Sep 17	Sep 17
MIDTERM SESSION 1					Sep 24
5	Strategic market planning	Sep 17			
6	Capital investments	Sep 24	Oct 1		Oct 8
7	Risk of investment and Cost of Capital	Oct 1	Oct 8		
8	Marketing decision tools for agribusiness	Oct 8			Oct 22
9	Operation, financial and human resource management tools for business	Oct 15	Oct 22	Oct 15	
MIDTERM SESSION 2					Oct 29
10	Bonds and Credit Risk	Oct 22	Nov 1		
11	Stocks valuation	Oct 29	Nov 5		Nov 12
12	Futures and Option Markets	Nov 5	Nov 12	Nov 12	
MIDTERM SESSION 3					Nov 19
13	Optimal capital structure & Breakeven analysis	Nov 12	Nov 19		
14	Linear Programming: Application in Economics	Nov 19		Nov 19	Dec 3
15	Integer Programming in Financial Decisions	Nov 26			
FINAL PRESENTATION		Nov 26			Dec 9

Evaluation of Performance and Grading

Grades: You have the *opportunity* to earn up to **1000** points throughout the semester. Your final grade in AEB4138 will be based composed by the following items described on the right figure.

1. Mid-terms sessions: There will be three regular exams ('Mid-term sessions') offered during the semester. Each exam is worth **100 points**. The exams will consist of different multiple-choice, essay and math financial-solving questions. Midterms are scheduled to last **75** minutes (at 10:10 am – 11:25 am on the scheduled day). You are allowed to bring **one cheat sheet** for each midterm.

Description	Quantity	Unit Value	Total
Midterm Sessions	3	100	300
Assignment	6	50	300
Quizzes	10	5	50
Small Presentations	5	10	50
Business Plan	1	200	200
Final Presentation	1	100	100
TOTAL			1000

2. Homework Assignments: There are 6 assignments, overall one per week. All assignments must be clearly written showing the reasoning step by step. All assignments are expected to be submitted by **11:59 pm of the due date**. Late homework submissions do not receive credit, and there are **no make-up opportunities** given. Please note that homework assignments are **30% of your total grade**. All homework must be submitted via online through canvas using the following title: **AEB4238 ASSIGNMENT #_____ %LAST NAME% %FIRST NAME%**

Note: Excel skills are expected on this class, please review this software ahead of time.

3. Quizzes: There are ten quizzes. The duration is 15-20 minutes, and these are 3-5 short questions. These are open book. Submission deadline is at **11:59 pm**.

4. Small presentation: There are five small presentations for this class which will be presented during the semester. The topics will be provided in class sessions.

5. Business plan and Presentation: This class does not have a final exam. However, there is a business plan which is worthy 300 points: 200 points come from the written plan and 100 points from the final presentation. The business plan must follow the format of a proper plan that must be presented to a bank or professional conference. This plan is up to your choice. There will be evaluation of the progress of the business plan, as described on the right figure (indicated with the points). The business plan is due on **Tuesday November 26th, 2019**. The final presentation will be in front of judges on **December Monday 9th at 5 pm**.

Description	Class	Pts
Draft 1: Idea, mission, vision	Sep 10	25
Draft 2: Market, Major Cash Flow	Oct 1	25
Draft 3: Financial statements	Oct 15	25
Draft 4: Sensitivity Analysis	Nov 5	25
Final Business Plan	Nov 26	100

Final Grade	Minimum Score
A	930
A-	900
B+	870
B	830
B-	800
C+	770
C	730
C-	700
D+	670
D	630
D-	600
F	0

Bonus points: On the other side, there are three ways to obtain bonus points:
 (1) If all the class fills the class evaluation at the end of the semester, this will provide a special study guide that can provide up to **30 extra points** due the last day of classes (**December 3rd**).
 (2) Participation actively in class provides up to **10 possible extra points**.
 (3) The best small presentation of each cycle receives **2 extra bonus point**.
 This means that there are many opportunities to obtain bonus points. This can make a change in letters (from B to A for example). No other opportunities to increase your score will be given.

Final course grades will have the following benchmarks out on **1000** possible grade points as described on the left figure. Please note that grades are **not 'rounded' or 'adjusted'** at the end of the term.

Haggling over grades at the end of the semester is NOT entertained. Of course, if I did a mistake in grading your exam I will gladly give you the correct points. If you believe that your exam is incorrectly graded or that your grade is incorrectly posted, please contact me via e-mail (i.e., in writing) as soon as possible. You have **7 days** after the grade has been posted to voice your concern. After 7 days have passed, your **posted grade will be assumed to be correct and accurate.**

For general information about grading and grading policy at the University of Florida, please refer to: <http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

Extenuating Circumstances

Exception Exceptions to the Missed Assignment Policy reflect excused University events that fall under the 12-day rule or are of a very serious nature. These exceptions are referred to as “Extenuating circumstances” and require formal, letter-head documentation from a physician, hospital, UF faculty/academic advisor, or an email from the UF Dean of Students Office sent to the instructor’s UF email address, within 24 hours of assignment deadline. A health-clinic note on the day an assignment is due does not warrant extenuating circumstances and the “Missed Assignment” Policy (above) will apply.

Student Responsibility for Online Submissions

Students are responsible for ensuring and verifying that all of their assignment files are uploaded successfully in to Canvas. The instructor cannot be responsible for internet connections or failures.

Students are strongly advised against using wireless connections to complete quizzes or upload assignments. Wireless connections have been problematic in previous semesters with students losing all points due to upload failure. A hard -wired connection can be located at any UF computer lab on campus or any public library to submit graded assignments. **TO REPEAT**, wireless connections are problematic, and quizzes or assignment uploads may not be saved (without any warning) and therefore locating a hard-wired connection is recommended to submit any graded assignments.

Online course evaluation: Student assessment of instruction is an important part of efforts to improve teaching and learning. As a motivation, if all the class fills out the faculty evaluation, there will be given a study guide worthy of **30 extra bonus points question due on December 3rd at 11:59 pm.** At the end of the semester, students are expected to provide feedback on the quality of instruction in this course using a standard set of university and college criteria. These evaluations are conducted online at <https://evaluations.ufl.edu>. Evaluations are typically open for students to complete during the last two or three weeks of the semester; students will be notified of the specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results>

Other Important Information

Students are responsible for all deadlines/critical dates and policies set forth by the University of Florida. Deadlines/critical dates are published on the University of Florida Office of the University Registrar's website, <http://www.registrar.ufl.edu/>. Current academic policies are presented in the University of Florida Undergraduate Catalog, <https://catalog.ufl.edu/ugrad/current/Pages/home.aspx>. Please familiarize yourself with this information.

Students Requesting Classroom Accommodation: The Disability Resource Center coordinates the needed accommodations of students with disabilities. This includes registering disabilities, recommending academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services, and mediating faculty-student disability related issues. Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester. This must be done at least 10 days prior to any accommodation is needed.

UF Counseling Services: The life of a college student can sometimes be overwhelming. Resources are available on-campus to help students manage personal issues or gain insight into career and academic goals. Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize the university's various counseling resources. The following resources are available for all UF students:

- For general student affairs: Dean of Students Office, 392-1261 (after hours, please call 392-1111);
- For mental health consultations: Counseling & Wellness Center, 392-1575 (24/7 phone access);
- For students experiencing distress: U Matter, We Care, 294-2273, www.umatter.ufl.edu;
- For physical health consultations: Student Health Care Center, 392-1161;
- For victims of sexual assault: Office of Victim Services, 392-5648 (after hours, please call 392-1111);
- For career guidance: Career Resource Center, 392-1602, www.crc.ufl.edu.

Software Use: All faculty, staff, and students of the University of Florida 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.

Academic Honesty: In 1995 the UF student body enacted an honor code and voluntarily committed itself to the highest standards of honesty and integrity. When students enroll at the university, they commit themselves to the standard drafted and enacted by students. In their words, **the Honor Code Preamble:** In adopting this honor code, the students of the University of Florida recognize that academic honesty and integrity are fundamental values of the university community. Students who enroll at the university commit to holding themselves and their peers to the high standard of honor required by the honor code. Any individual who becomes aware of a violation of the honor code is bound by honor to take corrective action. The quality of a University of Florida education is dependent upon community acceptance and enforcement of the honor code.

The Honor Pledge: We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

On all work submitted for credit by students at the university, the following pledge is either required or implied: **"On my honor, I have neither given nor received unauthorized aid in doing this assignment."** The university requires all members of its community to be honest in all endeavors. A fundamental principle is that the whole process of learning and pursuit of knowledge is diminished by cheating, plagiarism and other acts of academic

dishonesty. In addition, every dishonest act in the academic environment affects other students adversely, from the skewing of the grading curve to giving unfair advantage for honors or for professional or graduate school admission. Therefore, the university will take severe action against dishonest students. Similarly, measures will be taken against faculty, staff and administrators who practice dishonest or demeaning behavior.

Student Responsibility: Students should report any condition that facilitates dishonesty to the instructor, department chair, college dean or Student Honor Court.

Faculty Responsibility: Faculty members have a duty to promote honest behavior and to avoid practices and environments that foster cheating in their classes. Teachers should encourage students to bring negative conditions or incidents of dishonesty to their attention. In their own work, teachers should practice the same high standards they expect from their students.

Administration Responsibility: As highly visible members of our academic community, administrators should be ever vigilant to promote academic honesty and conduct their lives in an ethically exemplary manner. This policy will be vigorously upheld at all times in this course.

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Any instances of academic dishonesty will be reported to Student Judicial Affairs.

Student complaints: The University of Florida believes strongly in the ability of students to express concerns regarding their experiences at the University. The University encourages its students who wish to file a written complaint to submit that complaint directly to the department that manages that policy.

- For a residential course, please read the following link:
https://www.dso.ufl.edu/documents/UF_Complaints_policy.pdf
- For an online course, please follow this link:
<http://www.distance.ufl.edu/student-complaint-process>

By enrolling in this course, you are agreeing to the terms outlined in this syllabus.

I wish everyone a rewarding and productive semester 😊