

AEB 4138

Advanced Agribusiness Management

Purpose: Integration of finance and management to solve problems faced by agricultural firms and agribusinesses. In addition to lectures, students will work in small groups to identify and to analyze case studies from agricultural and rural businesses.

Instructor: Charles B. Moss
Office: 1175 McCarty
Phone: 294-7630
Email: cbmoss@iufl.edu

Office Hours: My office hours are Monday and Wednesday from 8:30 to 12:00 and Tuesday 1:30 to 3:00. I will meet with students by appointment outside these hours if I receive a request by Email at least 24 hours in advance.

Overview: This class meets three times a week (Tuesday 10:40 – 11:30 and Thursday 10:40 – 11:30 & 11:45 – 12:35). Course grades will be assigned based on weekly homework, three examinations and class participation. Homework will be due in a week increment.

Textbooks: There are primary textbooks used in this course is

Moss, Charles B. 2013. *Agricultural Finance* Boca New York: Routledge Press.

Supplementary Material: I will use Canvas to manage attendance and homework. Other materials such as lecture notes will be made available on my personal server <http://www.charlesbmoss.com:8080/AgFinance> .

Class Attendance and Make-up Policy: Class attendance is expected and I will follow the Attendance Policy found in University of Florida's Undergraduate Catalog - <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx> .

Grading: Grades will be assigned according to the following weights

Course Grade Weights	
Activity	Percent of Final Grade
Homework	15 %
Two Midterm Examinations	50%
Final Examination	30%
Class participation	5 %

Grades will be assigned based on the following scale

Grading Scale*		
Grade	Percentage of Total Points	Numeric GPA
A	96-100	4.00
A-	92-96	3.67
B+	88-92	3.33
B	84-88	3.00
B-	80-84	2.67
C+	76-80	2.33
C	72-76	2.00
C-	68-72	1.67
D+	64-68	1.33
D	60-64	1.00
D-	56-60	0.67
E	<56	0

*I reserve the right to lower the scale for any grade level.

University Honesty Policy: In 1995 the UF student body enacted a new 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 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 Code: 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.

Students should report any condition that facilitates dishonesty to the instructor, department chair, college dean or Student Honor Court. (*Source: 2007-2008 Undergraduate Catalog*)

Software and Computer Access: Often I will ask students to bring laptop computer to class. The primary numerical tool we will use is R which is publically available at (<http://www.r-project.org>). We will also be interested in code that provides analytical solutions. I suggest that students look into Mathematica™. However, a free ware program that does several applications is Maxima (<http://maxima.sourceforge.net>).

Support Resources: A list of campus resources for a variety of concerns can be found at <http://oas.aa.ufl.edu/programs/campus-resources>. Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize the university’s counseling resources. Material on Counseling and Wellness is available online at <https://counseling.ufl.edu/>. Career Counseling resources is available online at <https://www.crc.ufl.edu/>.

Students with Disabilities: 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.

0001 Reid Hall, 392-8565, www.dso.ufl.edu/drc/

Outline

I. Financial Institutions in Agriculture

- a. Interaction between Lenders and Borrowers – [Moss 9 – 20]
- b. Banks as Institutions Agriculture Lenders – [Moss 21-50]
- c. Agricultural Lenders – [Moss 51-55]
- d. Agricultural Credit and Monetary Policy – [Moss 216-238]
- e. Review of Agricultural Financial Institutions

II. Accounting Concepts

- a. Understanding the Balance Sheet and Measuring Income – [Moss 58 – 58]
- b. Comparing Cash and Accrual Income – [Moss 69 – 70]
- c. Cash Flow and Owner's Equity Position – [Moss 70 – 74]
- d. Accounting for Farm Businesses and Pro Forma Statement – [Moss 75 – 80]
- e. Cash Versus Market Valued Balance Sheets – [Moss 243-258]
- f. Review of Accounting Concepts

First Midterm 2/13

III. Ratio Analysis

- a. Basics of the DuPont Expansion – [Moss 88 – 91]
- b. Profitability Ratios and Asset Management– [Moss 97 – 98]
- c. Solvency, Liquidity and Firm Growth – [Moss 102 – 104]
- d. Common Sized Balance Sheets – [Moss 105 – 109]

Spring Break March 3 - 10

IV. Capital Budgeting

- a. The Mechanics of the Time Value of Money – [Moss 111 – 115]
- b. Net Present Value and Multiple Projects – [Moss 116 – 123]
- c. Advanced Topics in Investment Analysis – [Moss 123 – 138]
- d. Other Methods of Investment Analysis – [Moss 139 – 143]
- e. Review of Capital Budgeting

Second Midterm 3/20

V. Valuing Investment Under Risk

- a. Expected Utility and Certainty Equivalent – [Moss 150 -154]
- b. Diversification/Portfolio Analysis – [Moss 155 – 158]
- c. Market Valuation of Risk – [Moss 2168 – 166]
- d. Stochastic Net Present Value – [Moss 267 – 270]

VI. Debt Choice

- a. Cost and Benefits of Debt – [Moss 171 – 172]
- b. Debt Choice – [172 – 183]
- c. A Numerical Example of Debt Choice – [Moss 183 – 187]

Final May 3, 3:00 – 5:00 [3D]