

University of Florida - College of Agricultural and Life Sciences  
**Food and Resource Economics**

## AEB 3144 – Introduction to Agricultural Finance Summer B 2020

**3 Credit Hours** – Online Format via Zoom Session

**Class times:** Monday (6:00 – 8:30 pm), Tuesday (6:00 – 7:30 pm) & Wednesday (6:00 – 8:30 pm)

**Readings:** 1 hour per chapter



### Professor Information

<b>Instructor:</b>	Luis Moisés Peña Lévano, Ph.D.
<b>Communication:</b>	Canvas Email ( <i>Luis Pena-Levano</i> )
<b>Office hours:</b>	<i>Online</i> – Tuesdays (5 - 6 pm) only by appointment.

**Course Description:** AEB3144 is an upper-division course that provides the basic notions on financial statements, investment theory and application of finance to agricultural firms, along with an overview of financial institutions that provide capital to agribusiness. The importance in the curriculum means you should plan on spending time reviewing the lectures. This is an online live class session held via Zoom. Lectures are recorded so students may watch it later for review at their convenience.

**Prerequisites:** AEB3122 – Financial Planning for Agribusiness.

**Objectives:** This course provides a basic understanding of corporate finance principles and build a foundation for other agribusiness courses. The specific goals are to:

1. Provide tools to understand and solve basic financial problems faced by individuals and businesses today.
2. Teach practical applications and problem-solving techniques.
3. Develop an understanding of financial statements and the time value of money
4. Apply cash flow analysis in agribusiness projects
5. Learn valuation of financial assets and capital budgeting techniques

**Required Textbook:** Ross, Stephen A., Westerfield, and Jordan. *Essentials of Corporate Finance*, 10th Edition, 2020, McGraw-Hill. The reading and assignments of the book are accessed online through Connect and Canvas.

**Software:** This class requires the use of **Microsoft Excel**. It is expected familiarity with the basic commands.

**Communication:** must be only via Canvas email during business hours (*Monday to Friday from 9 am to 4:30 pm*). The email must be concise and clearly state your concerns. If you are stuck on a procedure, please send the picture of the problem and where you are specifically having the issue. This will help to answer efficiently any doubts. If you do not show effort, I will not provide hints in how to solve it – **Courteous and professional** e-mails may expect a prompt reply. Emails outside business hours will be answered the next business day.

**Attendance and Participation:** are mandatory for this class. Every student is allowed to one absence without penalty, although the student is required to watch the Zoom video and finish the practical problems to earn the attendance and participation points.

**Cell Phone Policy:** Text messaging and cellphone calls are not allowed in class and exams. Violation of this rule will count as an unexcused absence.

*The professors reserve the right to change the terms and dates stated in this Syllabus. Any changes will be communicated on E-Learning Canvas. It is solely the student's responsibility to stay informed and review the announcements.*

### General Course Information

**Brief Course Outline:** The material in AEB3144 is divided in twelve class sessions

Material/Notes	Day
Chapter 1: Introduction to Financial Management	7/6
Chapter 2: Financial Statements	7/6, 7/7
Chapter 3: Working with Financial Statements	7/8
Chapter 4: Time Value of Money	7/13
Chapter 5: Discounted Cash Flows	7/14, 7/15
<b>Midterm 1 – Chapters 1 – 4</b>	<b>7/18</b>
Chapter 6: Bond Valuation	7/20, 7/21
Chapter 7: Equity Valuation	7/21, 7/22
<b>Midterm 2 – Chapters 5 – 7</b>	<b>7/28</b>
Chapter 8: NPV and Other Investment Criteria	7/27, 7/29
Chapter 9: Capital Investment Decisions	8/3, 8/4
Chapter 10: Capital Markets	8/4, 8/5
<b>Midterm 3 – Chapters 8 – 10</b>	<b>8/8</b>
Chapter 11: Risk and Return	8/10, 8/11
Chapter 12: Cost of Capital	8/11
Final Review	8/12
<b>Comprehensive Final Exam – 6 pm - 8pm</b>	<b>8/14</b>

### Evaluation of Performance and Grading

**Grades:** Based on 1000 points throughout the semester. Final scores are not ‘rounded’ or ‘adjusted’ at the end of the term. You have **2 business days** after any grade has been posted for reevaluation, afterwards is final. The scores are composed by:

DESCRIPTION	AMOUNT	VALUE	TOTAL
Homework Assignment	6	50	300
Quizzes	11	20	220
Pre-lab Activity	12	10	120
Attendance & Participation	12	5	60
Midterms	3	50	150
Final Exam	1	150	150
<b>TOTAL</b>			<b>1000</b>

- Assignments:** are generally due **Fridays** at **11:59** pm. Solutions must be meticulously and clearly written. Late homework submissions are **no accepted** and there are **no make-up opportunities** given.
- Quizzes:** Each chapter has a short quiz through Canvas-Connect. Dates will be posted in Canvas.
- Pre-lab Activities:** Students must read the chapters that will be covered before coming to class. To ensure this, there are questions for each chapter that must be answered by the student, one set of activities per chapter. Approximately, each activity should be covered in 1-2 hours per chapter.
- Attendance and participation:** are mandatory for this class. Twelve class sessions are scheduled for Summer B 2020. Attendance is worthy 2 points per class. Participation is 3 points per session. Unexcused absence losses the 5 points of the day. Every student is allowed to one absence without penalty, although the student is required to watch the Zoom video and finish the practical problems to earn the attendance and participation points.
- Midterms:** There are three midterms (set the date shown in the outline), each worthy 100 points. You can take it at any point of the day established through **Honorlock**. **There are no makeup midterms.** Please plan accordingly.
- Final Exam:** A **comprehensive mandatory** Final Exam is given on **August 15<sup>th</sup> [at 8:00 pm]** with duration of two hours. Early or late exams are not given. Please plan accordingly.

Final Grade	Minimum Score
A	925
A-	890
B+	865
B	830
B-	800
C+	770
C	730
C-	700
D+	670
D	630
D-	600
F	0

All dates for each assignment will be posted in the Canvas Calendar at the start of the semester.

## Relevant Information

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>.

**Make-Up Exams:** Make-up exams **are not given**. This policy applies for any missing mid-term, as you have a complete day to take them. Should you miss the Final Exam for any reason, you will need to talk to Dr. Luis Peña-Lévano to evaluate the situation.

**Extenuating Circumstances:** Exceptions to the Missed Assignment Policy that fall under the **5-day rule** or **very serious nature** are referred to as “Extenuating circumstances” and require formal letter-head documentation from (1) a physician/hospital, (2) UF faculty/academic advisor **and** (3) email from the UF Dean of Students Office sent to the instructor’s UF email address, within **48** hours of assignment deadline. A health-clinic note on the day an assignment is due **does not count** as extenuating circumstances and will be considered as “Missed Assignment”. In case of missing a midterm, the final exam will count as 200 points.

### **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.

**Exam day policy:** Please have your UF-ID fifteen minutes early before the start of the exam so you configure your device. Have also a camera ready so you can start your exam through *Honorlock*.

**Online course evaluation:** is offered at the end of the semester, students are expected to provide feedback on the quality of instruction in this course using a standard university and college evaluation criteria. This is an important component to improve teaching and learning. As a motivation, if all students complete the faculty evaluation there will be 2 extra questions which accounts for **20 extra bonus points** for the final exam. These evaluations are conducted online at <https://evaluations.ufl.edu> and typically open in the last two of the semester; students will be notified when opened. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results>

## Other 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 web-site, <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:** Students with disabilities requesting accommodations should register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor. Students with disabilities should follow this procedure and present it the **first week of classes** at the latest.

**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:

- 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](http://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);

**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. By enrolling to this class, you commit to the **UF Honor Code:** recognize that academic honesty and integrity are fundamental values of the university community. 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](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 😊**