

Agricultural and Applied Economics 419

Agricultural Finance

Fall Semester 2017

INSTRUCTOR

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OFFICE HOURS

By appointment

TEXT

Barry, P.J., and Ellinger P.N., Financial Management in Agriculture, 7th Edition, Pearson Prentice Hall, Upper Saddle River, NJ, 2012.

COURSE OVERVIEW AND OPERATING PROCEDURES

This course is intended to acquaint students with financial concepts and principles that are used in managing the financial resources of a firm. Specific attention will be given to financial management problems related to the operation of agricultural businesses but the concepts considered in this course can be applied to any other business.

The course is divided into two distinct sections. The first section focuses on financial analysis and control and considers accounting concepts, financial strategies, and ratios used in assessing the financial performance of firms. The second section of this course focuses on capital budgeting techniques used to evaluate investment options over time. The emphasis of this latter section will be discounted cash flows and the time value of money.

It is understood that students may sometimes be unable to attend class due to other commitments or personal emergencies. In those cases where students are unable to take a quiz, the quiz points will be shifted to the final examination. So the weight of the final exam would be increased to 60 percent if two quizzes were missed. Students are advised to take quizzes when they are scheduled, versus pushing the points back to the final examination.

GRADING

Quizzes/Problem Sets	50%
Attendance/Participation	10 %
Final Exam (Comprehensive)	40 %

Procedure: Base is the mean score of top 5% of all grades in class

Score = 90%	Base = A
Score = 85 %	Base = AB
Score = 80%	Base = B
Score = 75%	Base = BC
Score = 70%	Base = C
Score = 50%	Base = D
Score < 50%	Base = F

CLASS OUTLINE

- 09/06 Class Overview
- 09/08 Financial Statements and Information Flows (Chapter 2) – Balance Sheet
- 09/11 Financial Statements and Information Flows (Chapter 2) – Income Statement
- 09/13 Financial Statements and Information Flows (Chapter 2) – Income Statement
- 09/15 Financial Statements and Information Flows (Chapter 2) – Cash Flow Statement
- 09/18 Financial Analysis and Control (Chapter 3)
- 09/20 Financial Analysis and Control (Chapter 3)
- 09/22 Quiz (Chapters 1-3)**
- 09/25 Financial Planning and Feasibility Analysis (Chapter 4)
- 09/27 Financial Planning and Feasibility Analysis (Chapter 4)
- 09/29 Capital Structure and Leverage (Chapter 6)
- 10/02 Capital Structure and Leverage (Chapter 6)
- 10/04 Risk Management (Chapter 7)
- 10/06 Quiz (Chapters 4,6)**
- 10/09 Risk Management (Chapter 7)
- 10/11 The Time Value of Money (Chapter 8)
- 10/13 The Time Value of Money (Chapter 8)
- 10/16 The Time Value of Money (Chapter 8)
- 10/18 Investment Analysis (Chapter 9)
- 10/20 Quiz (Chapters 7-8)**
- 10/23 Investment Analysis (Chapter 9)
- 10/25 Investment Analysis: Inflation, Risk, Financial Planning (Chapter 11)
- 10/27 Investment Analysis: Inflation, Risk, Financial Planning (Chapter 11)
- 10/30 Investment Analysis: Inflation, Risk, Financial Planning (Chapter 11)
- 11/01 Ownership and Leasing Farm Land (Chapter 12)
- 11/03 Quiz (Chapters 9,11)**
- 11/06 Ownership and Leasing Farm Land (Chapter 12)

11/08 Leasing Non-Real Estate Assets (Chapter 13)
11/10 Leasing Non-Real Estate Assets (Chapter 13)
11/13 Leasing Non-Real Estate Assets (Chapter 13)
11/15 Costs of Financial Capital (Chapter 10)
11/17 Quiz (Chapters 12 &13)
11/20 Costs of Financial Capital (Chapter 10)
11/22 Bond Valuation (Power Point Handout)
11/27 Bond Valuation (Power Point Handout)
11/29 Stock Valuation (Power Point Handout)
12/01 Stock Valuation (Power Point Handout)
12/04 Business Organization (Chapter 20)
12/06 Business Organization (Chapter 20)
12/08 Legal Aspects of Agricultural Finance (Chapter 19)
12/11 Legal Aspects of Agricultural Finance (Chapter 19)
12/13 Review

12/20 FINAL EXAMINATION–7:45 a.m.