

# Florida Gulf Coast University

## **AEB 3144: Agribusiness Finance**

Spring 2020, CRN 13388

Lutgert College of Business

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### **I. Course Description**

This course highlights important financial risk factors in an agribusiness supply chain and discusses how crop insurance and commodity hedging can mitigate some of those risks. Capital budgeting and investment analysis techniques are employed to evaluate alternative management strategies for an agribusiness firm. An overview of financial institutions which provide capital to agribusiness firms is provided.

### **II. Learning Outcomes**

- Students will be able to identify risk factors in an agribusiness operation that lead to financial instability.
- Students will be able to evaluate risk management strategies including insurance and commodity hedging.
- Students will be able to demonstrate how to use capital budgeting techniques to evaluate the adoption of new production technologies.
- Students will be able to forecast the financial health of an agribusiness company under alternative cropping and supply-chain management strategies.

### **III. Learning Goals Addressed**

- Effective Communications: written and oral reports
- Problem Solving: problem sets, case studies, and research projects

### **IV. Instructor Information**

- Instructor: Alexandre Magnier, PhD
- Email: [amagnier@fgcu.edu](mailto:amagnier@fgcu.edu)
- Office Hours: Monday, Wednesday, 02:00 pm - 03:00 pm, Lutgert Hall 2314
- Office Phone: (239) 745-4307
- Credit hours: 3

## V. Class Meeting Times and Place

- Days: Tuesday, Thursday
- Time: 9:00am - 10:15am
- Place: 208 Sugden Hall

## VI. Course material and resources

- Financial Management in Agriculture, 7th edition (2012), Peter Barry and Paul Ellinger. Pearson Education, Inc. (Prentice Hall). ISBN-13: 9780135037591. Available in hardback, soft cover, and loose leaf under other ISBNs.
- Access to Word, Excel, PowerPoint, Adobe PDF Reader, and
- Access to the Internet (web browser compatible with FGCU Canvas)
- Other materials as assigned.

## VII. Evaluation

The course grades will be determined as follow:

	<b>Points</b>	<b>% of final grade</b>
<b>Exams</b>		
Exam 1	150	15%
Exam 2	150	15%
Exam 3	150	15%
<b>Other activities</b>		
Quizzes	150	15%
In-class activities and assignments	200	20%
4 Short essays/problem sets	200	20%
<b>Total</b>	<b>1,000</b>	<b>100%</b>

### 1. Exams

There will be two in-class exams and a final, each consisting of multiple-choice questions and short open-ended questions. Exam questions will come from class lectures, class discussions, cases studies and material from the text. The tentative dates for these exams are:

- 1st exam: Tuesday, February 11
- 2nd exam: Thursday, March 19
- Final exam: Thursday, April 30

## 2. In Class Activities

Throughout the semester, we will have various in-class activities made of case studies, discussions and exercises. You must be present and actively participate in class in order to earn these points. Various homework assignments consisting of short-answer questions related to the class material and case studies will also be given during the semester.

## 3. Short essays

Short essays consist of four papers of about 2 to 3 pages long that will be given based on various topics chosen by the instructor. Each of these essays is worth 50 points, assigned on the basis of percent of completeness, correct concept analysis, spelling, and grammar.

The 2 to 3 pages of text should be double-spaced, 12 pt. Times New Roman Font, and 1" margins all around. If the student references a source other than the text, the student should cite this reference according to the APA or Chicago Manual of Style. The use of any secondary reference without providing a citation will be considered as plagiarism.

## VIII. Grading scale

Each student's weighted average score (rounded to the nearest whole number) will determine the letter grade received at the end of the semester according to the following scale:

Grade	Percentage	Description
A	93	Excellent
A-	90	
B+	87	Good
B	83	
B-	80	
C+	77	Average
C	73	
C-	70	
D+	67	Below Average
D	63	
D-	60	
F	Below 60	Failing

## IX. Tentative schedule

### 1. Topic covered

- Chapter 1 – The Nature and Scope of Financial Management
- Chapter 2 - Financial Statements and Information Flows
- Chapter 3 - Financial Analysis and Control
- Chapter 4 - Financial Planning and Feasibility Analysis
- Chapter 5 - Credit Risk Assessment and Lender-Borrower Relationships
- Chapter 6 - Capital Structure, Leverage, and Financial Risk
- Chapter 7 - Risk Management
- Chapter 8 - Time Value of Money Basics
- Chapter 9 - Investment Analysis
- Chapter 10 - Costs of Financial Capital
- Chapter 11 - Ownership and Leasing of Farm Land
- Chapter 12 – Leasing Non-Real Estate Assets
- Chapter 13 - Market Structure of Agriculture: Contracts, Integration, and Financing
- Chapter 14 - Loan Pricing and Profitability Analysis
- Chapter 15 - Financial Intermediaries in Agriculture

### 2. Important dates

Tentative dates for important deadlines and submissions for the class are as follow.

<b>Date</b>	<b>Reminder</b>
Monday, January 6	Classes begin for Fall 2019
Monday, January 20	Martin Luther King Holiday
Tuesday, January 28	Essay/problems 1
Tuesday, February 11	Exam 1
Monday, March 2	Spring Break begins
Saturday, March 7	Spring Break ends
Tuesday, March 3	Essay/problems 2
Thursday, March 19	Exam 2
Thursday, March 26	Essay/problems 3
Tuesday, April 14	Essay/problems 4
Monday, April 27	Last day of classes
Tuesday, April 28	Finals Begin
Thursday, April 30	Finals Exam

## **X. Course policies**

### **1. Attendance Policy**

Students are expected to attend all class sessions. In-class activities (announced and/or unannounced) will count toward the Problem Sets/Workbooks/Other grade category.

### **2. “Late” and “Makeup” Work Policies**

No “late” or “makeup” work will be accepted. The lowest Problem Sets/Workbooks/Other grade will be dropped for each student. Any student missing either Exam 1, 2, or 3 (but not more than one of these) will have the weight of the missed exam added to their final exam. Missing more than one exam results in a score of “0” for the additional missed exam(s). There is no option to drop an exam score once the exam has been taken (or attempted). A missed final exam will receive a score of “0.”

### **3. Course Communication**

The FGCU Canvas system will be the primary medium for communications outside of class meetings (announcements, email, discussion threads, assignment distribution and submission, and grade reporting and feedback). Please do not use regular email to communicate with the instructor to avoid your message getting lost.

- Each learning module has a discussion thread in Canvas where students are encouraged to ask questions, answer questions, put forth opinions, or anything else related to the module material in audio, video, or text format.
- Use the “Conversation” a.k.a. “Inbox” feature in Canvas for private communications with the instructor that should not be shared with everyone in the class.
- Canvas discussion threads are not graded unless specifically assigned.

### **4. Technology Problems**

- If a system error occurs within Canvas that results in a student not being able to complete a graded assignment (i.e. the Canvas system goes down), the student must notify the instructor of the date and time of the issue and the assignment involved.
- The instructor will verify the problem with Canvas and notify the student of a solution.
- Students are responsible for resolving any other technology problems that may arise.
- The instructor provides no technical support.

## **XI. University Required Statements:**

### **1. Academic Behavior Standards and Academic Dishonesty**

All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the Student Code of Conduct and Policies and Procedures sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at <http://studentservices.fgcu.edu/judicialaffairs/new.html>

### **2. University Nondiscrimination Statement**

Florida Gulf Coast University is committed to ensuring equity and fairness for all University employees, students, visitors, vendors, contractors and other third parties. As such, the University prohibits discrimination on the bases of race, color, national origin, ethnicity, religion, age, disability, sex (including sexual harassment/assault), gender identity/expression, marital status, sexual orientation, veteran status or genetic predisposition with regard to admissions, employment, programs or other activities operated by the University. This prohibition extends to enforcement of Title IX of the Education Amendments of 1972. Questions or complaints should be directed to the Office of Institutional Equity and Compliance (OIEC). The OIEC's phone number is (239)745-4366; the OIEC email address is [OIEC@fgcu.edu](mailto:OIEC@fgcu.edu).

### **3. Mental Health Resources**

Counseling and Psychological Services (CAPS) provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any weekday between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at <https://www2.fgcu.edu/caps> for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

### **4. Disability Accommodations Services**

Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university's guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please see me or contact the Office of Adaptive Services. The Office of Adaptive Services is located in the Wellness Building. The phone number is 239-590-7956 or Video Phone (VP) 239-243-9453. In addition to classroom and campus accommodations, individuals with disabilities are encouraged to create their personal emergency evacuation plan and FGCU is committed to providing information on emergency notification procedures. You can find information on the emergency exits and Areas of Rescue Assistance for each building, as well as other emergency preparedness materials on the Environmental Health and Safety and University Police Department websites. If you will need assistance in the event of an

emergency due to a disability, please contact Adaptive Services for available services and information.

## **5. Student Observance of Religious Holidays**

All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

## **6. Online Tutorials**

Canvas Learning Management System and Demonstration Site Information on Canvas is available online at <http://canvas.fgcu.edu> and <https://fgcu.instructure.com/courses/7692>

Library Resources:

- Main page: <http://library.fgcu.edu>
- Tutorials & Handouts: <http://library.fgcu.edu/RSD/Instruction/tutorials.htm>
- Research Guides: <http://fgcu.libguides.com>

## **7. Lecture Capture Technology/FGCU Capture – Classroom Recording**

This course may employ technology that will allow for audio and/or video recording of live classroom sessions. This lecture capture technology is utilized for the sole purpose of enhancing student learning. It may provide for supplemental student instruction via secure links to recorded session(s), the live stream of courses, presentations of off-site guest speakers and/or the delivery of course instruction utilizing “flipped classroom” methodologies. Student questions and/or comments may be included as a part of any session being recorded.

## **8. Verification of Attendance in Canvas (VAC)**

All faculty members are required to use Canvas to confirm a student's attendance for each course by the end of the first week of classes. Failure to do so will result in a delay in the disbursement of students' financial aid. The confirmation of attendance is required for all students, not only those receiving financial aid.