

Agricultural Financial Management

AAEC 3404

Spring 2007

Syllabus

Instructor

Alex White
205-A Hutcheson
231-3132
moneyguy@vt.edu

Teaching Assistants

Hillary Custis
Brandy Foster
Jessica Pittman
Jason Spitzer
Check Blackboard for contact info

Secretary

Jill A. Albert
319-B Hutcheson Hall
231-7727

Office Hours

We will hold regular office hours throughout the semester. Hours will be announced in class and posted on Blackboard. We urge you to make use of these hours to aid in the understanding of material. We ask that you be respectful of other students by having your questions organized when you arrive. Do not expect the staff to give you the answers to the problems – it is their job to help you **think** through the situation. Please be considerate of the teaching assistants' personal lives by avoiding late night calls (especially before assignments are due).

Course Objectives

- To develop an understanding of the financial management principles and techniques useful in making agricultural and business management decisions.
- To apply the principles, tools, and techniques of financial management to practical farm and agribusiness problems and business problems.
- To develop the ability to analyze financial, crop, and production data that are useful in basic budget and financial decisions.
- To have a basic understanding of the methods of obtaining capital, sources of credit, financial trends, and financing arrangements available to businesses.
- To gain a better understanding of the methods and techniques available to plan and evaluate investment and savings opportunities (and their alternatives), and incorporate into managerial problem-solving.
- To develop perspective in managing personal finances including borrowing, saving, and investing to help you reach your financial goals.
- To help you be successful in your careers and personal lives. Yeah, really, I mean it!

Readings & Text

There is a required course pack for this course. The course pack contains readings, examples, and class exercises. We will be working through these exercises in class, so it is important that you bring the course pack to class everyday. The course pack is available at all 3 bookstores (University, Volume II and Tech).

To provide the most relevant and timely information, photocopied readings and other handouts may be distributed throughout the duration of the course. It will be your responsibility to maintain an organized notebook of materials. (You will likely need at least a 2" binder!) **If you miss class, copies of the handouts will be posted on Blackboard (if possible).**

Course Format

Lectures, guest speakers, class exercises, and problem sets are the main methods of teaching. Classes will start promptly at 9:30 AM and end at 10:45 AM. Please show up for class on time. Also, please pick up any handouts before class begins and be prepared to start class on time. You will need a basic calculator for this course (Time Value functions are recommended but not required) – please bring it to class everyday.

Class participation is expected from everyone. This doesn't mean just showing up for class. I expect you to be active in your learning – asking questions, answer questions, making presentations, etc.

Throughout the semester, the TAs may be responsible for presenting lectures or exercises. I expect you to treat them with respect and courtesy, as you would your other instructors.

We are in the process of organizing an “Ag Forum” to give you exposure to several aspects of agriculture. Please mark your calendar for the evening of March 29, 2007.

Honor Code

All aspects of the Honor Code will be upheld in this course! I encourage you to work with your classmates on problem sets (and most quizzes); however, I expect you to submit original work!

“Special Needs”

If anyone has “special needs” or circumstances (LD, team commitments, etc.) please let me know. If something should arise during the semester that may interfere with your coursework, please notify me early in the process! I am happy to work with you to ensure successful completion of this course. However, YOU are responsible for learning the course material. Should you have to miss class(es), it is your responsibility to get the handouts, learn the material, etc.

Problem Sets

Several problem sets will be assigned throughout the course to give practical experience in applying the various concepts and principles covered in class to real world problems. Due dates will be announced throughout the course for each assignment. **All problem sets must be fastened to a folder.** Please leave a sufficient margin so that we can read the report without taking it out of the folder. Put your name on the outside of the folder where it can easily be seen. If you are using a folder that you have used before, please remove previous work (previous assignments). **Incomplete and late problem sets will not be graded. No exceptions!**

Some assignments will require individual work, while you may be allowed to work in teams on others. Each assignment will indicate which is required. When working in teams, you are expected to fully comprehend all of the material, not just the part you may have been responsible for completing. For every assignment that involves group work, you will be expected to evaluate each person's efforts in completing the assignment.

Be prepared to answer questions or make a short presentation to the class concerning any assignment. It is important for you to work on (and to struggle with) problem sets, because they involve application of viewpoints, concepts, and techniques explained in class.

Exams & Quizzes

Three written mid-term exams will be given during class on the following dates (tentative).

Thursday, February 8th

Thursday, March 1st

Thursday, April 5th

You will be allowed to bring a calculator and a 4"x 6" note card into these exams. I do not like to ask memorization questions. Rather, I try to have you work through real life situations. Show your work, tell me what you are thinking, and you will do well on the tests. It is your responsibility to be present when these exams are given. If your schedule requires you to miss an exam, please contact me beforehand so that we can make alternative arrangements.

Short quizzes and class exercises will also be given throughout the semester. It will be your responsibility to be present when these quizzes and class exercises are given. These quizzes are designed to help you understand the material and give you opportunities to improve your participation grade.

Term Grades

Your final course grade will be based on exams, problem sets, and class exercises, quizzes, and participation. The weights for each area are as follows:

First Mid-Term Exam	10%
Second Mid-Term Exam	15%
Third Mid-Term Exam	10%
Final Exam	15%
Problem Sets	30%
Quizzes	10%
Participation	10%

Your participation grade will start at zero. If you come to class everyday and just sit there, your participation grade will still be a zero. To improve your participation grade - speak up, ask questions, come to office hours & review sessions, be active in the class. If I see you sleeping in class during the semester, even once, your participation grade will be a zero for the semester. No exceptions. I want to work with active students, not zombies.

Final grades will be based on performance of the class. For a rough guideline of my grading system, use the 10-point scale. That is, 90-100 is an "A", 80-90 is a "B", 70-80 is a "C"; below 65 is an automatic "F". I use the +/- grading system (90-93 = A-, etc.). I do not curve individual assignments or exams. I will implement a curve on overall grade (total points) if I feel it is appropriate.

Regrading

We strive to be consistent, objective, and fair in the grading of each problem set and midterm. We will return problem sets and exams as soon as possible. If you wish to have a paper or exam re-graded, please **wait 24 hours** (cool-down period) and submit your request for regrade in writing. All re-grades must be submitted **within one week of return**. No exceptions.

Review Sessions & How to Get Help

My policy on review sessions is very simple – **if you ask for a review session, we will try to have 2 sessions scheduled within 24 hours (dependent on my travel schedule)**. If you need a review session at a special time, let us know so we can schedule a room. At these review sessions, we will work practice problems and try our best to answer your questions related to the material. We will not give you answers to the problem sets – we will help you work through the problems.

If you cannot attend the scheduled review sessions, make an appointment with me or the TAs or come by office hours for assistance. You will find that we will go out of our way to help you learn the material.

I may hold a few computer spreadsheet review sessions throughout the semester. These will not be mandatory, but may be very beneficial to you. Scheduling revolves around my travel schedule and the scheduled usage of the computer labs.

Here is a simple flow chart for getting help from us in this course. If you don't understand something during lecture, after working exercises, and the reading material in the course pack:

1. Ask questions in class
2. Talk to us before/after class
3. Come to regularly scheduled office hours
4. Send us an email with your question – we will try to answer by email if possible
5. Make an appointment to meet with us
6. Ask for a review session

“Koofer” Policy

I have never provided koofers (copies of tests or assignments) to anyone during my teaching career at Virginia Tech. I am not going to start doing that now.

Tips for Success in the Class

- Attend class and arrive early! Have your course pack, in-class handouts, and calculator out and ready to go at 9:30 AM. Bring a calculator to class every day. **DO NOT USE A CELL PHONE AS A CALCULATOR.**
- Complete your problem sets on time -- **start early**, and if group sets are allowed, don't depend too much on your partner(s). You are still responsible for learning the material.
- Work on the problem sets and struggle with them before coming for help. We're glad to help you, but we also expect you to work on the assignments before crying “uncle”. The best way to learn the material is to apply it to real world situations.
- Keep up with handouts. If you miss class, check Blackboard for copies of the handouts.
- If you have a problem, contact the instructor or a teaching assistant for help. We are here to help you learn and succeed! **BUT**, we will not give you the answer – we will make you work to learn and understand the concepts. The TAs have standing orders not to give answers.
- **I hate grade whiners.** I try to be fair, consistent, and objective in grading. However, this is a management class where there is not always one correct answer. The better you explain/defend your answer, the more likely you are to get points. **Marginal answers get marginal grades.** In my grading scheme, losing 2-3 points on an individual assignment is **NOT** going to make a difference in your final grade, so don't submit a regrade over a couple of points. Trust me on this.
- Creativity is actually encouraged in this course. Your creativity and extra effort will be rewarded.
- Let us know if/when you want review sessions. We will try our best to meet your requests.
- **SPEAK UP, BE HEARD, AND DON'T BE AFRAID TO ASK QUESTIONS !!!** I encourage and I expect you to speak up in class. However, I hate “chatter” that's not related to class.

- **No cell phones, PDAs, Blackberries, video games, beepers.** Please turn off these devices at the beginning of class. I hate the interruption and I think it's rude for phones to be ringing during a presentation (lecture or professional). If a situation arises where you need to have your cell phone turned on, please do not come to class – your attention will not be on the course material.

Here's my electronic device policy –no exceptions – zero tolerance.

- Every time we (TAs and/or I) hear a cell phone ring, that's 3 percentage points off your final (post-curve) average – if the phone rings twice, that's a total of 6 percentage points.
- If we see anyone using an electronic device (other than a real calculator or laptop/tablet computer for class purposes), that's another 3 points for each occurrence. This includes text messaging, or seeing who is calling you when your phone is on vibrate mode....
- If we see anyone using a laptop/tablet computer for anything not related to class work (IM, games, surfing the web, email, etc.), that's another 3 points.
- If the guilty party doesn't fess up, those points come off of everyone's final grade.

The moral of the story – remind your classmates to turn that crap off at the beginning of every class. It's not fair to me, the TAs, guest lecturers or other students to have to deal with these distractions.

- And a new twist to class. Anytime that I ask a question in class and no one bothers to try to answer within a reasonable time (instructor's and TAs' discretion), that's another 3 percentage points off of EVERYONE'S final grade (post-curve). Bottom line: I expect you to think. I expect you to try. I am interested in your thoughts and your thought process. In the working world, you will have to think on your feet – always have some sort of answer when you're asked a question!

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Tentative Schedule (subject to change)

Week 1	Course Administration, Introduction to Agriculture
Week 2	Economic Concepts
Week 3	Economic Concepts
Week 4	Economic Concepts – Midterm 1
Week 5	Budgeting
Week 6	Budgeting
Week 7	Budgeting – Midterm 2
Spring Break	
Week 8	Sources of Capital
Week 9	Financial Statements
Week 10	Financial Statements
Week 11	Financial Analysis – Midterm 3
Week 12	Financial Analysis
Week 13	Time Value of Money
Week 14	Personal Financial Management, Retirement Planning
Week 15	Retirement Planning, Course Wrap-up

Final Exam

Saturday, May 5, 2007

3:25-5:25

Comprehensive