Welcome to the best class on campus:

AGRICULTURAL ECONOMICS 431-900
Cases in Agribusiness Finance
Syllabus Fall 2008

Time: Tues./Thurs. 11:10 am – 12:25 pm.
Location: Blocker Room 155

Instructor: Dr. Victoria Salin, Associate Professor
Office: 321-D Blocker Building
Phone: 845-8103 (Office) 696-4303 (Home)
E-mail: v-salin@tamu.edu
Web site: http://elearning.tamu.edu (look for TAMU under logins)
Office Hours: Mon. 9:00-10:30am, Tues. 4:00-5:00, Fri. 2:00-3:30pm.
*Please make an appointment if these times are not convenient for you.*

Secretary:
Office: 321 Blocker Building
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TA: Brian Deaton
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Objectives: AGEC 431 is an applied, senior-level course in which we will explore how the finance function supports the strategic goals of the agribusiness firm. You will be challenged to bring together skills and ideas from previous courses in finance, management, and agribusiness.

The main learning objective of this course is to enable you to integrate facts from a variety of sources to evaluate the financial condition of a firm and make decisions about the future course of action for the firm. You will reinforce your skills in using the financial tools that enable firms to gain a sustainable competitive advantage or that signal problems in the firm (financial statement analysis, capital budgeting, and risk management). Finally, you will improve your ability to communicate the results of financial analysis in a way that is suited to business audiences. The communications methods will include written business memos, efficient spreadsheets, electronic media, and oral presentations. We stress the case study method of learning in this class.
Course Outline:

I. **Financial Information and Control**
   A. Historical Statements
   B. Ratio Analysis
   C. Working Capital Management
   D. Pro-forma Financial Analysis
   E. Business Ethics and Credibility of Financial Reporting

II. **Capital Investments**
   A. Assuming Certainty
      1. Project Analysis
      2. Cash Flow Projection
   B. Accounting for Uncertainty
      1. Adjusted Cost of Capital
      2. Sensitivity Analysis
      3. Scenario Analysis
      4. Estimation of Key Risk Factors

III. **Financial Intermediation and Financial Institutions**
   A. Capital Markets
   B. Banks and Banking

Texts:
1. Required case studies, for sale at Harvard Business School press, online.
   http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c23968. Register first to create your student account, then use credit or debit card to access materials.

*Recommended* texts for your complete finance library and for refresher on pre-requisite material:

*Other resources*: Links to electronic information sources are available on the class web site [http://elearning.tamu.edu](http://elearning.tamu.edu)

**Evaluations**: The following requirements will contribute to your final grade for the class:

- Case studies (written and discussion) 30%
- Quizzes and in-class activities 10%
- Midterm exams (3) 15%
- Peer review 10%
- Final exam (comprehensive) 35%
Case studies: The case study method of learning is undoubtedly the best thing ever to happen to agribusiness education. You have spent several years gaining a foundation in economics and analytical methods--now we apply those skills to business problems like those you will face in the real world very soon. We will consolidate our financial analysis abilities and learn decisiveness and creativity at the same time.

We will have five class discussions based on a business case. Your enthusiastic and well-informed participation in the discussions will make this enjoyable and productive! You are expected to read each case thoroughly, consider it carefully, write and submit a business memo on the case, attend class discussions, and participate thoughtfully. The case study discussion dates are as follows:

Sept. 16 – McDonalds          Oct. 23 – Alltech
Sept. 30 – Whole Foods Market Nov. 13 – Minsheng Bank
Oct. 9 – Disney

A Business Case Decision Memo is due at the beginning of class discussions for each case. No late work is accepted. Submit a paper copy in class, and an electronic copy through Blackboard Vista at http://elearning.tamu.edu (Assignments area). If you like, bring an extra copy for your own use during the discussion.

The main point of your Decision Memo is to discuss financial implications of the strategy that you recommend for the firm. Each student is free to choose the strategic plan and specific actions that will be used to implement the plan. Use financial analysis tools to evaluate the status of the firm and the recommended action. See the class website for more detailed guidelines on writing the case analysis, including format requirements, and some examples of student work.

Use your research skills to be up-to-date on the company. Use publicly available information. You may discuss content of the written analysis with others, but the writing and presentation is to be your own work. Everyone writes their own paper. Plagiarism is not acceptable and will be handled in accordance with the Aggie Honor System.

The written analysis, attendance, and quality of participation in discussions all contribute to the case study component of the course grade.

The Writing Center staff can help improve your writing skills (Room 1.120 B of Evans Library. Phone: 458-1455 http://writingcenter.tamu.edu/).

Writing-Intensive Course Credit: The writing effort in this class satisfies the university’s requirements for “…discipline-specific, content area courses that incorporate writing either to demonstrate knowledge or reinforce learning or both.” Written work accounts for at least 30% of the course grade.

Quizzes: Short quizzes will cover financial computations and major concepts and definitions. Stay up-to-date with deadlines on the Vista electronic system (Assessments area). Some in-class activities and other assignments will also contribute to your quiz grade.
**Exams:** The midterm exams will cover technical skills in financial analysis, internet searches for financial information, and a case-based decision analysis that is carried out in the computer lab. Test dates will be: **Sept. 23** - Internet Treasure Hunt; **Oct. 14** - Technical Test; **Nov. 6** - Business Decision Case Test.

The *comprehensive final exam* will cover financial computations, issues from case discussions, and analysis of a current business decision problem. **The final exam is Friday Dec. 5, 2008 at 3:00 p.m.** You'll need to bring a *blue book* and your own calculator.

**Group Work:** Your success as part of a team is essential to making your way in the business world. *Several in-class activities and discussions will be completed in teams.* The instructor will form these in-class groups.

**Grades:** Final letter grades will be determined by the percentage of the total possible weighted points, using the following scale:

- 90% or above A
- 80% - 89.9% B
- 70% - 79.9% C
- 65% - 69.9% D
- 64% or less F

**Attendance:** I expect students to **attend and participate fully** in every class session. Your active involvement in class helps you learn the material, it helps me understand if my teaching is successful, and it improves the understanding of other students.

Students must provide satisfactory **advance notice** and **written documentation** of an excuse in order to be allowed to make up work missed due to absence. The instructor will adhere to the *Texas A&M University Student Rules* in considering excuses for absences. Please use the Explanatory Statement for Absence from Class, (http://shs.tamu.edu/forms.htm) and submit a signed paper copy to the instructor or teaching assistant in a timely way to initiate the process of requesting an opportunity to make up work missed due to excused absence. Please state clearly what actions you propose to make up the work. Feel free to include a plan to visit with me, in person or by telephone, to discuss content of lectures or labs that were missed.

Please note that scheduled appointments of any type are not excused absences, according to Student Rules (http://student-rules.tamu.edu/rule7.htm). Plan your other meetings around class time.

**Attention:** Class will be held in the computer lab on a regular basis and students are expected to devote their attention to class work during the lab times. You are to use the computer yourself and turn in your own work for the in-class activities.

**Prerequisites:** FINC 341. **NO EXCEPTIONS** will be made. Concurrent enrollment does not satisfy the prerequisite.
**Academic Integrity:** For many years Aggies have followed a Code of Honor, which is stated in this very simple statement:

> An Aggie does not lie, cheat or steal  
or tolerate those who do.

The Aggie Code of Honor is an effort to unify the aims of all Texas A&M men and women toward a high code of ethics and personal dignity. For most, living under this code will be no problem, as it asks nothing of a person that is beyond reason. It only calls for honesty and integrity, characteristics that Aggies have always exemplified. The Aggie Code of Honor functions as a symbol to all Aggies, promoting understanding and loyalty to truth and confidence in each other.

Upon accepting admission to Texas A&M University, a student immediately assumes a commitment to uphold the Honor Code, to accept responsibility for learning and to follow the philosophy and rules of the Honor System. Students will be required to state their commitment on examinations, research papers, and other academic work. Ignorance of the rules does not exclude any member of the Texas A&M University community from the requirements or the processes of the Honor System. For additional information, please visit: http://www.tamu.edu/aggiehonor.

On all course work, assignments, and examinations at Texas A&M University, the following Honor Pledge shall be preprinted and signed by the student:

> “On my honor, as an Aggie, I have neither given nor received unauthorized aid on this academic work.”

_______________________________________   __________________
Student’s Signature           Date

**Student Needs:** The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities, be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. Texas A&M University has a strong institutional commitment to the principle of diversity in all areas. In that spirit, admission to Texas A&M University and any of its sponsored programs is open to all qualified individuals without regard to subgroup, class or stereotype.

If you believe you have a disability requiring an accommodation, please contact the Department of Disability Services in Room B118 of the Cain Hall Building. The phone number is 845-1637. ADA accommodations will be made in accordance with the law.