1. In what two ways does preferred stock have priority over common stock? (5 points)

2. 2.5 points each

Peer advisory groups can help managers address the need for gaining an outside perspective, as well as helping them continuously improve as managers. Give me 5 examples of the benefits a peer advisory group can offer. (9 points)
1. How much are you going to need?
2. What will the loan affect your financial position?
3. How will the loan affect you financially?
4. Will this loan be secured?
5. Will this loan be repaid?
6. Will this loan be used for a specific purpose?
7. Are your projections reasonable and supported?
8. How will alternative outcomes affect your repayment ability?
9. How much will you repay the loan if your first repayment plan fails?
10. How much can you afford to lose and still maintain a viable operation?
11. What risk management measures have been implemented?
12. Key financial position and performance indicators?

Commercial agricultural loans are being treated more like any other business loan. Therefore, producers need to be better prepared when it comes to supporting their loan request. What are the 12 questions a farmer/rancher should be prepared to answer before approaching a lender for credit? (18 points)
When evaluating agricultural borrowers, lenders tend to center their analysis around 5 credit factors. List those factors and briefly describe what a lender is looking for in each. (10 points)

1. Human/management factor -
   1 point for each factor
   1 point for each description

2. Financial position and progress

3. Collateral

4. Cash flow

5. Other

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In the discussion of the attributes of the farm executive for the 21st century (top managers), we discussed the importance of communication. In fact, management guru Peter Drucker said that 60 percent of all management problems are communication problems. What are the 8 questions that employees and family members frequently have where better communication could help alleviate a lot of frustration and improve business performance? (8 points)

1. What are they supposed to do?
2. Why are they doing it?
3. How can they improve?
4. Where is the business headed?
5. What is the employee's role?
6. What is in it for them?
7. When do you get there?
8. What sort of plan is this?
As farmers and ranchers pursue value-added business opportunities, many of their efforts have failed because they overlooked several critical issues in the process of developing their business plan. List and discuss 8 of the 20 things I went over that many producers fail to address. (16 points)
contract for: demonstration and measurement
agreed upon entirely, to the end of reducing
arising around for handling & other causes
in earth & soil as well as would be gain or loss

8. Why is it important for closely held businesses to have a buy-sell agreement between all the owners and their spouses? (6 points)

2 points each

contracting

- a non-agreed operating note (not to

- considered an agreement in common accord to

- convertible stock can possess the following attributes: cumulative, convertible and participating. Describe or describe each (6 points)
What if scenarios, sensitivity analysis and contingency planning

Coordinated revenue:cost (margin) management

Benchmarking

The 80/20 rule

The 5 percent rule

Autopilots

I have listed below 7 of the 12 best management practices I covered in class. Describe what each means. (14 points)
They operate in a continuous improvement mode.

They are strategic thinkers.

Their approach to management is more balanced across the key performance areas.

They are accountable for results. Managers, including (general managers, production managers, marketing managers, and finance), are held accountable for results.

They see themselves as victors. They tend to view themselves as victors, not victims.

Executive: Discuss the following 4 attributes in more detail in the article “25 Attributes of the 21st Century Farmer.” There were covered in 10. I discussed 16 attributes of top farm executives. The following 4 attributes are:

1. Accountable for Results
2. Strategic Thinkers
3. Continuous Improvement
4. Accountable to Results
The analysis of commercial agricultural loans is based on 5 credit factors. List them and briefly describe the kinds of things a lender considers in evaluating each factor. (10 points)

1. Human/management factor -
2. Financial position and performance -
3. Repayment capacity -
4. Collateral -
5. Other factors -
1.25 points each for 8

(10 points)

address in developing a business plan for a new value added business?

issue I covered that farmers and ranchers often overlook is the 20
extension economist of a business consultant, and discuss if the 20
are exploiting value added business opportunities. Assume you are an
As agricultural producers seek additional income opportunities, many

3.

To an equity investment (Jill)

5. All of the above is right (Martin) Is connected decent

3. Debt has a primary claim on assets (Thomas)

2. To assess economic feasibility of electrification

Wanted to be unprofitable in which the firm made a decision to

1. Quality assurance of ongoing income across company

1.50 out of 3 of the following

What are 3 reasons why an investor in a closely held business might

prefer convertible debt over preferred stock? (5 points)
4. Peer advisory groups can help managers address the need to gain an outside perspective as well as to help them continuously improve.

5. Why is it important for the owners of a closely held business to have a buy-sell agreement between all of the owners and their spouses? (5 points)

A buy-sell agreement can

a. avoid uncertainty over the future of the business

b. provide for the orderly transfer of ownership

c. prevent disputes among owners

d. ensure that family members will continue to control the business

An additional point of good advice

A profit each year for 6

other (12 points)
Peer advisory groups can help managers address the need for gaining an outside perspective, as well as providing them with opportunities to improve and offer suggestions for growth. Give six examples of the benefits of a peer advisory group to managers.
3. Don't list examples, but name three advantages how working collaboratively with other farmers through such arrangements as alliances, shared assets, joint ventures, and closed cooperatives could provide economic benefits to each. (6 points)

4. Why is it important for owners of closely held businesses to have a written buy-sell agreement between all the owners and their spouses? (5 points)

5. What are the two areas in which preferred stock has priority over common stock? (4 points)
Two attributes of top managers that separate them from the average

(3 points)

They knew the answers to could help reduce these problems. What were 6
covered & questions that it employees and family members have, that it
communication. In the discussion of habits of highly effective farmers, I
60 percent of all management problems are the result of poor

Often called the father of modern management, Peter Drucker stated that
As agricultural lending focuses more on managing risk and as commercial farmers/ranchers are treated more like any other business, what are the 12 questions a borrower should be prepared to answer before approaching a lender for a loan? (18 points)
The analysis of commercial agricultural loans is based on 5 credit factors. List them and briefly describe the kinds of things a lender considers in evaluating each factor. (10 points)

1. **Human/management factor** - character, management ability
2. **Financial position and performance** - balance sheet, trends, profitability, liquidity, cash flow
3. **Collateral** - review loan position, is it adequate or what collateral would be acceptable and worth something
4. **Regulatory environment** - know law and regulations
5. **Loan purpose** - need to meet business needs, health, management, need a want
1. Don't take Easy Product
2. Management
3. Water
4. Regular Review
5. Access Capital
6. Co. Global Interconnectivity & Communication
7. Infrastructure Technology
8. Coordinated Supply Chains
9. Alternative Business Arrangements
10. Executive Resolutions Regulations
11. Under-funded Infrastructure
12. Changing Reciprocity

next 10 years, list and briefly describe 6 of them (9 points)

10. I discussed 12 factors that would drive the future of agriculture over the
I have listed below 7 of the 12 best management practices I covered in class. Describe what each is about.

1. Autopsies
2. The 5 percent rule
3. The 80/20 rule
4. The E-Myth Principle
5. Benchmarking
6. What if scenarios and contingency planning
7. Monitoring and analysis
12. In a few words define what strategic management is. (4 points)

13. How do negotiated performance appraisals differ from the standard performance evaluation? (5 points)