This 3 credit course is intended as a capstone, integrating knowledge gained in other courses and reinforcing skills in problem solving, critical reasoning, communication and teamwork. The focus is on financial decision making as it is applied to farms, firms related to agriculture, and lending institutions catering to these markets. Significant attention is paid to the tools available to decision makers on both sides of the table in agricultural finance and the actual decision making process rather than financial markets in general.

Instructor: Meghan O’Brien
171 Heady Hall
294-4095 Office
mcobrien@iastate.edu
Office Hours: T/Th
10:00-11:30 a.m.
Or by Appointment

Class Website: www.econ.iastate.edu/classes/econ466/obrien

Text and Readings:

Text

Required:

Supplemental (on reserve):

Miscellaneous readings may be place on reserve at the library throughout the semester as part of homework assignments or to aid in general understanding. You will be notified in class or on the website when they become available and necessary. Additionally, you may be directed to relevant news articles covering current events and will be expected to intelligently discuss their context and applicability to the course.

Course Objectives:

1. Understand and interpret financial statements for farms, agribusinesses and agricultural lenders.
2. Evaluate capital investments using discounted cash flow methods.
3. Understand the meaning and management of liquidity, risk and capital structure in farm businesses and agricultural firms.
4. Understand the tools available to the individual firm to analyze the risks and returns of financing alternatives available. (Time Value of Money and Capital Budgeting Concepts)
5. Evaluate and analyze decision making processes and financial performance of Ag businesses.

6. Understand the role of financial intermediation in agriculture, its structure and the processes and strategies that govern the behavior of those involved in the supply side of agricultural credit.

7. Achieve understanding of the larger context governing individual firm decision making as it relates to current policy issues, legal institutions, and the overall market framework.

**Homework:** Homework will be assigned and due virtually every week, with some assignments requiring group collaboration and others expected to be completed individually. Some class time may be allocated to completion of homework assignments. Homework turned in after it is discussed in class without prior approval will not be eligible for credit. Your lowest homework score will be thrown out when calculated in your final grade.

**Attendance and General Expectations:** You are nearing graduation and therefore I expect that you are capable of intelligent adult decisions with respect to your commitment level to this course and its requirements. Your attendance will factor in to your final grade through class participation as well as indirectly as it affects your understanding and mastery of the subjects. If you must miss a class where a grade impacting event will occur (exam, quiz, presentation) I must have advance notice in order to make accommodations that will not negatively impact your grade.

**Learning Projects:** Two team projects will be assigned during the semester. You will be expected to work in teams of 3-5 students and will be assigned grades according to the overall success as a team as well as the relative contributions of the team members. More specific information on these projects will be distributed in class and posted to the class website.

**Grading:** Your final grade will be based on exams, learning projects, class participation, and homework. The relative weights are as follows:

- **Exam 1** 15%
- **Final Exam** 15%
- **Learning Project 1** 20%
- **Learning Project 2** 25%
- **Homework/Quizzes** 20%
- **Class Participation** 5%

I expect, given your choice of majors, that you will individually allocate your time and resources optimally to ensure the grade outcome you desire. Therefore, no extra credit or grading on a curve will be required.
Letter grades will be assigned based on your cumulative score in the grading areas listed above, and will reflect the following scale:

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<tr>
<th>Grade</th>
<th>Score Range</th>
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<tbody>
<tr>
<td>A</td>
<td>93-100</td>
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<tr>
<td>A-</td>
<td>90-92</td>
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<tr>
<td>B+</td>
<td>88-89</td>
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<tr>
<td>B</td>
<td>82-87</td>
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<tr>
<td>B-</td>
<td>80-81</td>
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<tr>
<td>C+</td>
<td>78-79</td>
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<td>C</td>
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<td>C-</td>
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<td>D+</td>
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<td>D</td>
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<td>D-</td>
<td>60-61</td>
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<td>F</td>
<td>Below 60</td>
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**Special Needs:** Please address any special needs you may have or special accommodations you may require at the beginning of the semester or as soon as you become aware that a need exists. Those students seeking accommodations based on disabilities should obtain a Student Academic Accommodation Request Form (SAAR) from the Disability Resources office located on the main floor of the Student Services Building, Room 1076. Their phone is 515-294-6624.

**Academic Integrity:** All students are expected to adhere to the highest standard of academic integrity for individual as well as group assignments and projects. The University defines academic dishonesty as follows:

*Academic dishonesty occurs when a student uses or attempts to use unauthorized information in the taking of an exam; or submits as his or her own work themes, reports, drawings, laboratory notes, or other products prepared by another person; or knowingly assists another student in such acts of plagiarism.*

For additional information or examples please see this website: http://www.public.iastate.edu/~catalog/2007-2009/geninfo/dishonesty.html
All cases of academic dishonesty will be reported to the Dean of Student Affairs.