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E-mail address: ahrend@uark.edu

Home page Blackboard Learn, URL: learn.uark.edu

Office Hours: MWF 10:30-11:30 a.m., but I encourage you to contact me at most anytime
Teaching Assistant: Mr. Weston Monger; Office: AGRX 206; E-mail address: aeabta05@email.uark.edu; phone 479-575-3762; Office Hours: to be announced or by appointment.

Catalog Description: Methods and procedures whereby agricultural firms acquire and utilize funds required for their successful operation. Emphasis is placed upon role of finance and financial planning, and consideration is given to an understanding of financial firms serving agriculture. Prerequisite: AGEC 1103 (or ECON 2023 microeconomic principles) and AGEC 2103 (or ECON 2013 macroeconomic principles) and AGEC 2141/2142 Financial Records (or WCOB 1023 Business Foundations, ACCT 2013 Accounting Principles or an introductory accounting course).

Optional Texts on Reserve:
These books and some other reference materials have been requested and may be found at the Main Reserve Desk in Mullins Library library.uark.edu/search/r or in the Library Catalog.

Course objectives: 1) to describe and identify the alternative sources and uses of funds and the characteristics of financial intermediaries in the credit market; 2) to identify and describe the role of credit for farms and other small businesses and to use financial analysis techniques to analyze the usefulness of credit under different circumstances; and 3) to demonstrate an understanding and the use of various techniques and tools of financial analysis.

Attendance: Classroom attendance is expected. Students who miss class and do not contribute to class discussion usually perform worse than those students who regularly attend class. Students should be prepared to discuss “What’s in the news.” Almost every day there is a news item that is relevant to the finance course.

Exams, Assignments, and Grading: One hour exams during the semester will be over material since the previous hour exam except when materials in previous sections are required to accomplish the task in the current section. The final exam is comprehensive. Exams may be made up only if permission is requested and granted at least one week in advance for University-sponsored activities. No exams will be given early or late for specific individuals for other reasons unless verified medical emergencies. If you have received the instructor’s permission to miss an exam on the day that it is scheduled, your final exam percentage will be increased by the percentage of the exam you missed. If you do not have a valid excuse for missing the exam, a zero will be recorded for the exam missed.

You should use a pencil to answer your exam and have a good eraser. Simple four function calculators will be provided for exams. The use of programmable calculators, cell phones, or other electronics will constitute a zero on your exam. Do not take out your cell phone to check the time or to turn off the ringing as any visual signs will void your test score. No notes, material or technology may be used during exams unless specifically authorized by the instructor.
All assignments must be handed in at the beginning of the class period on the day they are due. Quizzes will be given in class. Late assignments and missing a quiz will be graded with a zero. The lowest quiz score will be dropped. Homework assignments are to be completed by you to assist in preparing for exams, but they are not collected.

The per cent weighting of the exams, quizzes and other assignments are as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weighting</th>
<th>Date(s)</th>
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</thead>
<tbody>
<tr>
<td>Questionnaire and Quizzes</td>
<td>10</td>
<td>Throughout the semester</td>
</tr>
<tr>
<td>Exam I</td>
<td>25</td>
<td>October 2, tentative</td>
</tr>
<tr>
<td>Case Study Assignment</td>
<td>15</td>
<td>November 9, tentative, portions may be due earlier</td>
</tr>
<tr>
<td>Exam II</td>
<td>25</td>
<td>November 13, tentative (final W date is Nov. 20)</td>
</tr>
<tr>
<td>Comprehensive Final Exam²</td>
<td>25</td>
<td>December 16, 8:00-10:00 a.m.</td>
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Letter grades³ will be assigned based on your final weighted numerical average.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Numerical Range</th>
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<tbody>
<tr>
<td>A</td>
<td>90-100</td>
</tr>
<tr>
<td>A-</td>
<td>87-89</td>
</tr>
<tr>
<td>B+</td>
<td>83-86</td>
</tr>
<tr>
<td>B</td>
<td>80-82</td>
</tr>
<tr>
<td>B-</td>
<td>77-79</td>
</tr>
<tr>
<td>C+</td>
<td>73-76</td>
</tr>
<tr>
<td>C</td>
<td>70-72</td>
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<tr>
<td>C-</td>
<td>67-69</td>
</tr>
<tr>
<td>D+</td>
<td>63-66</td>
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<tr>
<td>D</td>
<td>60-62</td>
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<tr>
<td>D-</td>
<td>57-59</td>
</tr>
<tr>
<td>F</td>
<td>&lt; 57</td>
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</tbody>
</table>

Grades may be curved upward (so that, for example, you might earn an A with an 89 average or a B- with a 76 average), but this will not be done until final averages are computed at the end of the semester. If at any time during the semester you wish to discuss your performance in the course, please schedule an appointment or come by my office.

Students attempting to receive graduate credit for this course will complete their Case Study individually and are expected to complete the Case Study report at a higher level consistent with graduate work.

**Academic Honesty:** Do not cheat. All papers submitted for this course must be original and may not have been submitted for another course without the instructor’s knowledge. Copying or plagiarism is not allowed. Plagiarism includes copying verbatim text, paragraphs, sentences, etc. from other sources without properly quoting, noting, or citing the source. If you are caught cheating, campus procedures will be followed to exact the appropriate punishment. The campus policy on academic honesty states:

“As a core part of its mission, the University of Arkansas provides students with the opportunity to further their educational goals through programs of study and research in an environment that promotes freedom of inquiry and academic responsibility. Accomplishing this mission is only possible when intellectual honesty and individual integrity prevail.” “Each University of Arkansas student is required to be familiar with and abide by the University’s ‘Academic Integrity Policy’ which may be found at provost.uark.edu/ Students with questions about how these policies apply to a particular course or assignment should immediately contact their instructor.”

**Inclement Weather Policy:** If the University decides to close, have a delayed opening, or calls for an early dismissal (575-7000, or emergency.uark.edu/), our class will not meet if applicable. For example, if the University has a delayed opening of 10:00 a.m. or later, our class will not meet. The final exam will be held during its scheduled day and time unless the final exam time is affected by the University officially closing, delays opening, or dismisses early. Some of you have a more difficult commute to class than do others. The instructor leaves it to the student’s personal judgment to determine whether to attend class during inclement weather. For information on the University’s hours and Razorback Transit routes, check the University’s Weather page at emergency.uark.edu/ whenever the weather is bad.

**Emergency Procedures:** Many types of emergencies can occur on campus; instructions for specific emergencies such as severe weather, active shooter, or fire can be found at emergency.uark.edu.

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¹ See academic semester calendar for important dates: registrar.uark.edu/765.php  
² The final exam policy for accommodation of students having three or more final exams on the same day may be found at: catalog.uark.edu/undergraduatecatalog/academicregulations/  
³ The academic regulations for grades and marks are at: catalogofstudies.uark.edu/2882.php. A: Outstanding achievement, given to a relatively small number of excellent scholars; B: Good achievement; C: Average achievement; D: Poor but passing work; F: Failure, unsatisfactory work.
**Severe Weather (Tornado Warning):**
- Follow the directions of the instructor or emergency personnel
- Seek shelter in the basement or interior room or hallway on the lowest floor, putting as many walls as possible between you and the outside
- If you are in a multi-story building, and you cannot get to the lowest floor, pick a hallway in the center of the building
- Stay in the center of the room, away from exterior walls, windows, and doors

**Violence / Active Shooter (CADD):**
- **CALL**- 9-1-1
- **AVOID**- If possible, self-evacuate to a safe area outside the building. Follow directions of police officers.
- **DENY**- Barricade the door with desk, chairs, bookcases or any items. Move to a place inside the room where you are not visible. Turn off the lights and remain quiet. Remain there until told by police it’s safe.
- **DEFEND**- Use chairs, desks, cell phones or whatever is immediately available to distract and/or defend yourself and others from attack.

**Course Materials Protection**
Tape-recording and/or any other form of electronic capturing of lectures is expressly forbidden. Be aware that this is a legal matter involving intellectual property rights as described below:

State common law and federal copyright law protect my syllabus and lectures. Whereas you are authorized to take notes in class thereby creating derivative work from my lecture, the authorization extends only to making one set of notes for your own personal use and no other use. You are not authorized to record my lectures, to provide your notes to anyone else or to make any commercial use of them without expressed, prior permission from me.

Persons authorized to take notes for the Center for Educational Access, for the benefit of students registered with the Center, will be permitted to do so, but such use still is limited to personal, non-commercial use. Similarly, you are permitted to reproduce notes for a student in this class who has missed class due to authorized travel, absence due to illness, etc. However, to be clear, any class notes must not be sold or made available for any commercial use.

**Miscellaneous:** Turn off cell phones and other electronic devices prior to class. Any electronic device used during class may be confiscated for the remainder of the class. No tobacco products in class. If you want to request reasonable accommodations for this class due to a disability, you must first register with the Center for Educational Access (CEA) and hand-deliver an official Accommodation Letter from the CEA. For details, see: cea.uark.edu/.

**Disclaimer:** The instructor reserves the right to alter the contents, requirements, and/or scheduling of this course as he sees fit.

**Course Outline:**

I. Introduction, Chapter 1 (Class 1) Aug. 24
   A. Course Objectives and Organization
   B. Financial Issues

II. Financial Markets and Policy, Chapter 17 (Classes 2-6) (Labor Day Holiday, no class Sep. 7)
   A. Financial Markets and Intermediation
   B. Monetary Policy
   C. Fiscal Policy

III. Credit Institutions, Chapters 18-24, excluding pages 352-63 (Classes 6-15)
   A. Market Share of the Debt Market (Class 6)
   B. Acquisitions of Funds and Credit Extension (Classes 6-7)
   C. Commercial Banks (Classes 8-10)
   D. Farm Credit System (Classes 10-12)
   E. Insurance Companies (Class 12-13)
   F. Merchants, Dealers, and Other Lenders and Taxes (Classes 12-14)
   G. Farm Service Agency and Rural Development (Classes 14-15)
   H. Commodity Credit Corporation (Class 15)
I. State Agencies (Class 15)

IV. Resource Acquisition and Control, Chapter 5 (Class 16)
   A. Equity (Class 16)
   B. Non-equity (Class 16)

Exam I (Class 17) Oct. 2 tentative

V. Credit and Repayment Terms, Chapters 6, 7 (Classes 17-20)
   A. Role of Credit
   B. Classification of Credit
   C. Evaluating Credit Capacity
   D. Working with Lenders
   E. Cost of Credit
   F. Credit Terms

VI. Financial Statements, Chapters 8, 9, 10 (Classes 21-26) (Fall Break, no class Oct. 19)
   A. The Balance Sheet (Classes 21-23)
   B. The Income Statement (Classes 23-24)
   C. The Cashflow Statement (Classes 24-26)

VII. Credit Analysis, Chapters 11, 19 (pp. 351-363) (Classes 26-32)
    A. Cash Flow Problems (Classes 26-27)
    B. Credit Lines (Class 28)
    C. Making Loans and Loan Processing (Classes 28-29)
    D. Coordinating Financial Statements (Class 30)
    E. "Red Flags" (Class 30-32)

Exam II (Class 34) Nov. 13, tentative

VIII. Investment Analysis and Capital Budgeting, Chapters 3, 4 (Classes 33-43)
     A. Time Value of Money (Classes 33-35)
     B. Mathematics of Compounding Interest (Class 35)
     C. Methods of Investment Analysis (Classes 35-38) (Thanksgiving Break, no class on Nov. 26 and 28)
     D. Cost of Capital (Classes 39-40)
     E. Financial Feasibility (Class 41)
     F. Real Estate Evaluation (Classes 42-43)

IX. Risk Management, Chapters 2, 13, 14 (time permitting)
    A. Economic Activities of the Firm
    B. Risk and Return Objectives
    C. Types of Risk and Uncertainty
    D. Risk Management Strategies
    E. Insurance
    F. Evaluating Risky Situations

X. Additional Financial Management Topics, Chapters 12, 15, 16 (time permitting)
    A. Credit Instruments
    B. Retirement Planning
    C. Estate Planning