



# ILLINOIS VALLEY COMMUNITY COLLEGE

## COURSE OUTLINE

**DIVISION: Natural Sciences and Business**

**COURSE: AGR 1207 Agricultural Credit and Finance**

Date: Spring 2023

Credit Hours: 3

*Complete all that apply or mark "None" where appropriate:*

Prerequisite(s): None

Enrollment by assessment or other measure?  Yes  No  
If yes, please describe:

Corequisite(s): None

Pre- or Corequisite(s): None

Consent of Instructor:  Yes  No

Delivery Method:  **Lecture**      **3 Contact Hours** (1 contact = 1 credit hour)  
 **Seminar**      **0 Contact Hours** (1 contact = 1 credit hour)  
 **Lab**      **0 Contact Hours** (2-3 contact = 1 credit hour)  
 **Clinical**      **0 Contact Hours** (3 contact = 1 credit hour)

Offered:  **Fall**     **Spring**     **Summer**

### **CATALOG DESCRIPTION and IAI NUMBER (if applicable):**

This course is an introduction to the financial aspects of operating an agricultural business. The focus of the course will be financial statements, financial analysis, calculations, and amortization. Students will apply and develop financial skills necessary as an employee or owner of an agribusiness.

## **ACCREDITATION STATEMENTS AND COURSE NOTES:**

None

## **COURSE TOPICS AND CONTENT REQUIREMENTS:**

1. Introduction
  - a. Foundations of Financial Management
2. Financial Analysis
  - a. Financial Markets and Interest Rates
  - b. Financial Statements and Cash Flows
  - c. Evaluating a Firm's Financial Position
  - d. Cash, Receivables, and Inventory Management
3. Loan Calculations
  - a. Time Value of Money
  - b. Meaning and Measurement of Risk and Return
  - c. Amortization Schedules
4. Valuation
  - a. Valuation and Characteristics of Bonds
  - b. Valuation and Characteristics of Stock
5. Capital Budgeting
  - a. Cost of Capital
  - b. Capital-Budgeting Techniques and Practices
  - c. Cash Flows
  - d. Working-Capital Management
6. Financial Planning
  - a. Financing Mix
  - b. Dividend Policy and Internal Financing
  - c. Short-term Financial Planning
  - d. International Business Finance
7. Problem Solving
  - a. Addressing Real-world problems
  - b. Agribusiness Record Keeping

## **INSTRUCTIONAL METHODS:**

- Real world practice problems
- Lecture
- Discussion

## **EVALUATION OF STUDENT ACHIEVEMENT:**

A= 90-100

B= 80-89

C= 70-79

D= 60-69

F= 0-59

Exams: 60%

Quizzes: 20%

Homework: 20%

## **INSTRUCTIONAL MATERIALS:**

### **Textbooks**

Keown, A.J., J.H. Martin, and J.W. Petty. 2017. Foundations of Finance, 9th Edition. Pearson. ISBN 13:9780134083285

Battles, R.W., and R.C. Thompson. 2001. Fundamentals of agribusiness finance. Wiley Blackwell. ISBN: 978-0-08138-2069-9

### **Resources**

Fast Tools and Resources

University of Illinois Extension Farm doc Website: [www.farmdoc.illinois.edu](http://www.farmdoc.illinois.edu)

## **LEARNING OUTCOMES AND GOALS:**

### **Institutional Learning Outcomes**

- 1) Communication – to communicate effectively;
- 2) Inquiry – to apply critical, logical, creative, aesthetic, or quantitative analytical reasoning to formulate a judgement or conclusion;
- 3) Social Consciousness – to understand what it means to be a socially conscious person, locally and globally;
- 4) Responsibility – to recognize how personal choices affect self and society.

### **Course Outcomes and Competencies**

1. The students will identify and explain financial statements.
2. The students will prepare a financial analysis.
3. The students will compare interest and repayment calculations.
4. The students will interpret financial information to determine ability to obtain credit.
5. The students will be able to discuss amortization.