

**Statewide Dual Credit for Introduction to Agriculture Business (AGRI 1010)  
(Agriculture Business Finance#5943)**

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**LEARNING OBJECTIVES**

The following learning objectives were created specifically for the Agriculture Business Finance dual credit course. The aligned textbook is: *Introduction to Agribusiness Fundamental and Applications*, Second Edition. Authors: Cliff Ricketts and Kristina Ricketts, Delmar Cengage Learning 2009, 2001. Chapters identified below refer to this textbook.

*Note: Learning Objectives followed by an asterisk (\*) are in addition to the textbook material.*

**Topics covered:**

1. Agriculture and Agribusiness (Chapter 1)
2. Agriculture Economics and the American Economy (Chapter 2)
3. The Size and Importance of Agribusiness (Chapter 3)
4. Planning and Organizing an Agribusiness (Chapter 5)
5. Types of Agribusiness (Chapter 6)
6. Financing the Agribusiness (Chapter 7)
7. Personal Financial Management (Chapter 8)
8. Agribusiness Record Keeping and Accounting (Chapter 9)
9. Farm Management (Chapter 11)
10. Production Economics (Chapter 12)
11. Agricultural Policy (Chapter 15)

**1) Agriculture and Agribusiness**

- a) Explain agribusiness
- b) Describe the “big picture” of agribusiness in the United States and Tennessee using the resources provided
- c) Explain daily effects of agribusiness
- d) Discuss farming and agriculture before agribusiness
- e) Discuss beginning of American agribusiness
- f) Describe historical development of farm machinery and equipment
- g) Define economics

**2) Agriculture Economics and the American Economy**

- a) Explain scarcity, types of resources, and desires of producers and consumers
- b) Explain the monetary and fiscal policies of the federal government as they relate to the general economy\*
- c) Distinguish between price competition and competitive business perspective\*
- d) Discuss three basic economic questions
- e) Explain six (or just three) types of economic systems

**3) The Size and Importance of Agribusiness**

- a) Discuss the size and importance of production agriculture
- b) Discuss the impact of U.S. agriculture on the global economy
- c) Describe the agriservice sector of the agricultural industry
- d) Explain the importance of agribusiness and foreign trade
- e) Describe the relationship between agribusiness and the environment

**4) Planning and Organizing an Agribusiness**

- a) Explain the importance of small business
- b) Examine whether entrepreneurship is for you
- c) Describe the challenges of entrepreneurship
- d) Describe why agribusinesses fail
- e) Analyze a potential agribusiness venture
- f) Prepare a business plan
- g) Explain the five major areas of agribusiness management
- h) Establish goals for an agribusiness
- i) Discuss the importance of problem solving and decision making

**5) Types of Agribusiness**

- a) Compare proprietorships, partnerships, and corporations
- b) Explain the characteristics of the single (sole) proprietorship
- c) Explain the characteristics of partnerships
- d) Discuss the different types of corporations
- e) Explain the characteristics of limited liability companies
- f) Describe the characteristics of franchises
- g) Explain the characteristics and value of cooperatives

**6) Financing the Agribusiness**

- a) Discuss the importance of farm credit
- b) Explain three fundamentals of credit. Discuss the importance of returns, repayment ability, and risk\*

- c) List eight rational credit principles needed for effective decision making
- d) Describe three areas for which credit is needed
- e) Describe fixed expenses, operating expense, and startup expenses\*
- f) Differentiate three lengths of financing terms
- g) Discuss three types of loans
- h) Explain the components of a credit profile
- i) Compute interest
- j) List the agricultural credit sources for real estate and non-real estate loans

**7) Personal Financial Management**

- a) Discuss earning money
- b) Select a financial institution
- c) Manage a checking account
- d) Identify where your money goes
- e) Plan and prepare a budget
- f) Describe financial management and financial security tips and hints
- g) Explain four ways to potentially retire as a millionaire
- h) Explain key factors that make the potential millionaire plans work
- i) Discuss how to achieve financial security
- j) Understand the levels of financial management

**8) Agribusiness Record Keeping and Accounting**

- a) Differentiate bookkeeping from accounting
- b) Complete budgets
- c) Describe the single-entry bookkeeping and double-entry bookkeeping
- d) Complete journals, ledgers and a trail balance
- e) Explain basic accounting considerations
- f) Prepare an income statement, balance sheet, and statement of cash flows
- g) Prepare a statement of owner equity
- h) Analyze financial statements
- i) Differentiate between accrual and cash basis accounting\*

**9) Farm Management**

- a) Define management and list important management skills
- b) Discuss the importance and challenges of farm management
- c) Choose appropriate farming enterprises
- d) Accurately calculate depreciation
- e) Perform accurate machinery cost calculations

- f) Explain the different types of budgeting used for farm operations, and develop working examples of each
- g) Develop an effective farm recordkeeping system and discuss how and why important financial statements are employed
- h) Discuss non-financial farm management issues
- i) Describe whole-farm planning
- j) Describe the basic functions of a farm manager\*

### **10) Production Economics**

- a) Comprehend and apply concepts of elasticity, be able to calculate and interpret elasticity coefficients for price, cross, income elastic ties of demand and price elasticity of supply\*
- b) Illustrate the interaction of the product and resources market sectors within the economy
- c) List the six basic concepts of economics and explain their significance
- d) Explain the production function relationship and give a working example of production function
- e) Accurately calculate TP, AP, and MP
- f) Identify and characterize the three stages of production
- g) Use the decision rule for the principle of diminishing returns-input basis to determine the most efficient amount of inputs into a production process
- h) List and accurately calculate short-run costs (TC, ATC, MC)
- i) Compare the concepts of returns to scale and economics within an agricultural setting
- j) Effectively illustrate resource substitution and describe the various types of substitutions
- k) Correctly determine the least-cost combination of inputs
- l) Accurately calculate profit maximization using both the total revenue-total cost method and the marginal revenue-marginal cost method

### **11) Agriculture Policy**

- a) Discuss the historical perspective of public agribusiness services
- b) Explain why agricultural policies are needed
- c) Discuss the forces that cause policy change
- d) Explain the conditions leading to and reasons for government involvement in agriculture
- e) Discuss the legislative process of agricultural policy development
- f) Describe the influence of groups and farm organizations on agricultural policy development
- g) Discuss the history of farm legislation

- h) Explain why governmental services are provided
- i) Describe the organizational structures of the USDA
- j) Describe the following divisions of the USDA and each of the major agencies:
  - Food, nutrition, and consumer services
  - Marketing and regulatory programs
  - Farm and foreign agricultural services
  - Rural development
  - Natural resources and environment
  - Research, education, and economics
  - Food safety
- k) Discuss the role of the state departments of agriculture
- l) Explain the land grant system
- m) Explain non-land grant agricultural programs
- n) Describe the sea grant program
- o) Discuss agricultural education programs