**The University of Jordan**

**Faculty of Agriculture Department of Agricultural Economics & Agribusiness**

**Program: 2013-2014/Academic Year/ First Semester**

**Course Name: Farm Management (0635220)**

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| **Credit hours** | **3** | **Level** | **Second year** | **Pre-requisite** | **Principles of Agricultural Economics(605101)** |
| **Coordinator/ Lecturer** | **Hussein Al-Qudah** | **Office number** | **246** | **Office phone** | **22500** |
| **Course website** |  | **E-mail** | **halqudah@ju.edu.jo** | **Place** | **189 Hall** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Office hours** | | | | | |
| **Day/Time** | **Sunday** | **Monday** | **Tuesday** | **Wednesday** | **Thursday** |
|  | **9-10** | **\*** | **9-10** | **\*** | **9-10** |
|  | **\*** | **8-2** | **\*** | **8-2** | **\*** |

**Course Description**

The course is organized around three basic functions of management, planning, implementation and control. It provides an introduction to management process. Basic economic principles and budgeting are emphasized as farm management tools. It introduces the concept necessary for a farm manager to control and monitor the farm business activities. The emphasize is on business management and financial control utilizing farm records. It covers the balance sheet and income statement and their analysis. Procedure and methods to complete a whole farm business analysis are also covered.

**Learning Objectives**

1. The course objectives are to train students in the decision-making process as it applies to the organization and operation of farm business**.**

2. To develop a knowledge and understanding of tools and skills to develop a good farm plan.

3. To develop a knowledge and understanding of tools and skills to monitor the economic performance of farm business.

**Intended Learning Outcomes (ILOs):**

Successful completion of the course should lead to the following outcomes:

**A. Knowledge and Understanding:** Student is expected to

**A1-**To understand the functions of management

**A2-** To identify common goals of farm and ranch managers and show how they affect decision making

**A3.** To explain the steps in the decision-making process.

**A4.** To understand the relation between a variable input and an output by use of a production function.

**A5.** To explain the use of substitution in economics and decision making.

A6. To understand the characteristics of competitive, supplementary, and complementary enterprises.

**A7**.To understand the importance of cost and its use in managerial decision making.

**A8-**To understand how to construct an enterprise budget and discuss its purpose and use.

**A9**-To understand the use of partial budget**.**

**A10.** To understand the steps and procedure of how to formulate a whole farm plan**.**

**A11.** To understand the use of cash flow budget as a financial management tool.

**A12.** To understand the use of balance sheet**.**

**A13.** To understand the purpose and use of income statement**.**

**B. Intellectual Analytical and Cognitive Skills:** Student is expected to

**B1**-Students will be learned how to find the profit maximizing amount of a variable input

**B2**- Students will be learned how to find the profit maximizing amount of output to produce.

**B3**-To explain the use of equal marginal principle.

**B4**- Students will be learned how to find the least cost combination of inputs.

**B5-** Students will be learned how to find the combination of products that maximize profit.

**B6**- Students will be learned how to clarify the differences between fixed and variable costs.

**B7**- Students will be learned how to construct an enterprise budget.

**B8**. Students will be able to demonstrate the use of partial budgeting with several examples.

**B9**. Students will be learned methods use in developing a whole farm plan.

**B10**. Students will be learned the structure and component of a cash flow budget.

**B11**.Students will be learned how to construct a balance sheet for a farm.

**B12**. Students will be learned how to construct an income statement for a farm.

**C. Subject- Specific Skills:** Students is expected to

**C1**- Students will be able to use the concepts of marginal value product and marginal input cost to find the profit maximizing amount of a variable input.

**C2**- Students will be able to use the concepts of marginal revenue and marginal cost to find the profit maximizing amount of output to produce.

**C3**-Studends will be able to use the rule of equal marginal principle to allocate a limited input among different uses.

**C4**-Students will be able to use the input substitution and price ratio rule to find the least-cost combination of two inputs.

C5- Students will be able to use the output substitution and price ratio rule to find the profit maximizing combination of two enterprises.

**C6**- Students will be learned how to compute the fixed and variable costs and how to compute the different average costs.

**C7**- Students will be able to show how data from an enterprise budget can be analyzed and used for computing cost of production and break-even prices and yields.

**C8**- Students will be able to analyze a possible change involving several enterprises and any interaction among them.

**C9**- Students will master some technique to use in developing whole farm plan.

**C10**. Students will be able to monitor cash inflows and cash outflows of the farm business.

**C11**. Students will be able to analyze a firm's solvency and liquidity.

**C12**- Students will be able to analyze farm profitability by computing returns to assets and equity.

**D. Transferable Key Skills:** Students is expected to

**D1**-To apply the appropriate economic decision- making rule to maximize profit.

**D2**- To apply the appropriate economic principles in choosing input and output combinations.

**D3**-Appication of cost concepts in economics.

**D4**-Interpreting and analyzing enterprise budget.

**D5**.To understand the many possible uses of partial budget.

**D6**.To understand the planning procedure.

**D7**. Monitoring actual cash flows.

**D8.** Control farm business performance.

# ILOs: Learning and Evaluation Methods

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| **ILO/s** | **Learning Methods** | **Evaluation Methods** |
| 1. Knowledge and Understanding   (A1-A13) | Lectures and Discussions, Homework and Assignments, | Exam, Quiz, |
| 1. Intellectual Analytical and Cognitive Skills   (B1-B12) | Lectures and Discussions, Homework and Assignments, | Exam, Quiz, |
| 1. Subject- Specific Skills (C1-C12) | Lectures and Discussions, Homework and Assignments | Exam, Quiz, |
| 1. Transferable Key Skills (D1-D8) | Lectures and Discussions, Homework and Assignments | Exam, Quiz, |

**Course Contents**

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| --- | --- | --- | --- |
| **Week** | **Subject** | **Reference** | **ILO/s** |
| 1 | **Management and Decision Making**  \*Definition of management  \*The Decision-Making process  \*Characteristics of decisions  \*Functions of management | Chapter 2 in Key et al. | A1,A2, A3 |
| 2,3 | **The Production Function**  \*General production function  \*How much input to use  \*How much output to produce  \*Equal marginal principle | Chapter 7 in Key et al. | A4, B1, B2, B3, C1, C2, C3, D1. |
| 3,4 | **Choosing Input &Output Combinations**  **\***Input combinations  \*Enterprises combinations | Chapter 8 in Key et al | A5, A6, B4, B5, C4, C5, D2 |
| 5,6 | **Cost Concepts in Economics**  **\***Opportunity cost  \*short-run & long-run  \*Fixed &variable cost  \*Application of cost concepts in economics. | Chapter 9 in Key et al | A7,B6,C6,D3 |
| 7 | **Enterprise Budget**  \*Crop enterprise budget  \*Livestock enterprise budge  \*break-even analysis | Chapter 10 in Key et al | A8,B7,C7,D4, |
| 8 | **Partial Budget**  \*Uses of partial budget  \*Partial budget procedure  \*The partial budget format  \*Sensitivity analysis. | Chapter 11 in Key et al | A9,B8,C8,D5 |
| 9, 10 | **Whole Farm Planning**  \*the planning procedure  \*Prepare the whole farm budget | Chapter 12 in Key et al | A11,B9, C9, D6 |
| 10 | **Cash Flow Budget**  **\***Features of a cash flow budget  \*structure of a cash flow **budget** | Chapter 13 in Key et al | A12, B10, C10, D7 |
| 11,12, 13 | **The Balance Sheet and its Analysis**  **\***Structure of the balance sheet  \*Analysis ob balance sheet | Chapter5 in Key et al | A12, B11,C11, D8 |
| 14,15 | **The Income Statement and its Analysis**  **\***Structure of income statement  \*Analysis of net farm income | Chapter6 in Key et al | A13, B12, C12, D8 |

**Learning Methodology**

This course is built in lectures, discussion, theoretical and practical exercises***.*** Students are expected to attend classes on time, and fully participation in class work and discussion. Your attendance is crucial, as each class builds upon the previous class session. Actual participation in class work is a very important part of your learning experience in this course, so you are expected to come and to be prepared to do the work, ask questions, and fully engage with the course.

# Evaluation

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| --- | --- | --- |
| **Evaluation** | **Point %** | **Date** |
| **Midterm Exam** | 30 | 17/11/2013 |
| **Quizzes** | 20 |  |
| **Assignments** |  |  |
| **Homework** | - |  |
| **Final Exam** | 50 |  |

**Main Reference/s:**

Kay, Ronald D; Edwards, William, M; Duffy, Patricia A. 2004, Farm Management, McGraw-Hill Companies, Fifth Edition.

# References:

<http://www.sruc.ac.uk/info/120376/farm_management_handbook>

<http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0003/149727/dairy-farm-analysis.pdf>

<http://www.fao.org/docrep/014/i2136e/i2136e00.pdf>

<http://www.fao.org/sd/erp/toolkit/books/farm_management.pdf>

<http://www.grdc.com.au/uploads/documents/GRDC-Farm-Gross-Margin-and-Enterprise-Planning-Guide-2012.pdf>

**Intended Grading Scale (Optional)**

0-35 **H**

36-39 **D-**

40-47 **D**

48-51 **D+**

52-55 **C**-

56-63 **C**

64-67 **C+**

68-71  **B**-

72-79 **B**

80-83 **B+**

84-87 **A**-

88-100 **A**

**Notes:**

* Concerns or complaints should be expressed in the first instance to the module lecturer; if no resolution is forthcoming, then the issue should be brought to the attention of the module coordinator (for multiple sections) who will take the concerns to the module representative meeting. Thereafter, problems are dealt with by the Department Chair and if still unresolved the Dean and then ultimately the Vice President. For final complaints, there will be a committee to review grading the final exam.
* For more details on University regulations please visit:

<http://www.ju.edu.jo/rules/index.htm>.