CASE

Agricultural Business Foundations Detailed Course Outline

Unit 1 The Start-Up

Lesson 1.1 Starting a Business

1. Products and services are developed to meet consumer wants and needs.
2. Farms and ranches are businesses and must be managed in an organized, intentional manner.
3. Ag businesses provide products and services from planning to production to retail.
4. Entrepreneurs anticipate the interests of consumers by research trends.
5. Starting an entrepreneurial enterprise requires a business plan.

Unit 2 Managing Finances

Lesson 2.1 The Cost of Doing Business

1. Enterprises incur expenses, such as inputs and noncurrent asset purchases, to generate income for a business.
2. Interest paid on loan principal is a business expense.
3. The decrease in asset value due to depreciation is a business expense.
4. Businesses measure profitability in two ways: net income and return on assets (ROA).
5. An entrepreneur's time is valuable.
6. The breakeven point of an enterprise occurs when the expenses match the income.
7. Business managers use graphs and calculators developed in spreadsheet software to make management decisions.

Lesson 2.2 Measuring Success

1. A balance sheet shows the financial position of a business at a point in time.
2. Business managers measure the health of an enterprise by analyzing the balance sheet.
3. An income statement summarizes income and expenses over a specific period to calculate net income.
4. Business managers determine economic advisability of an enterprise by using enterprise budgets.
5. Decision-makers use financial documents to plan and manage a business.

Unit 3 Managing Risk

Lesson 3.1 Taking Risk Seriously

1. Agricultural businesses face risk in operations.
2. Projected cash flow statements are used to anticipate and plan for seasonal fluctuations in income and expenses.
3. Businesses utilize strategies, such as diversification, insurance, borrowing money, and value-added products, to mitigate risk.
4. Lenders review financial statements to determine the viability of a business when reviewing a loan application.

Lesson 3.2 Risk and Opportunity

1. Entrepreneurs use résumés to communicate their experience and skills when planning a business.
2. Time invested in starting a business reduces potential income from outside employment.
3. Entrepreneurs determine whether opportunity costs of starting and owning a business outweigh the risks.
4. Entrepreneurs compare opportunities by calculating returns to investments such as labor, management, assets, and equity.
5. Opportunity costs are associated with risk.
6. Labor and management inputs in a business have opportunity costs.

Unit 4 Planning

Lesson 4.1 Finalizing the Plan

1. Competition and marketing influence consumers choosing similar goods and services.
2. A business plan includes information an investor, banker, or other stakeholder would need to promote, endorse, or support a new business.
3. Entrepreneurs promote their business plan to gain support.