1. **ABM 2101 PRINCIPLES OF FARM BUSINESS MANAGEMENT**
2. INSTRUCTOR(s): Ms. Alice Turinawe (B. Agribusiness management. M.Sc. Agricultural and Applied Economics)
3. **COURSE TYPE AND LOCATION**: **Core for B. Agribusiness Management II.**

**Location: Faculty of agriculture**

1. **COURSE STRUCTURE**

3 Credit Units: 30 lecture hours (2 contact hours per week for 15 study weeks) and 30 tutorial hours (1 contact hour per week for 15 study weeks)

1. **COURSE DESCRIPTION:**

Definition of farm business management. Farm business management concepts. Functions of a farm business manager. Farm business objectives. Gender roles and issues in business management and decision making at farm level.Farm business areas to be managed. Decision making in farm business management. Types of farm businesses. Principles of farm management. Farm business management accounts and farm business planning. Farm business budgeting.

1. **COURSE OBJECTIVES**

The main objective of the course is to introduce the student to managerial concepts and decision-making tools and to develop competency in applying them to farm business management situations.

This course will help the students to

1. Develop their knowledge of economic principles/theory underlying resource allocation problems on the farm and the decision-making process.
2. Apply economic principles to organization and management of businesses in general and farm businesses in particular, with emphasis on choice of optimal enterprise combinations to meet household goals and understanding the role and factors influencing farm decision making.
3. Apply these management approaches or sets of principles to farm business in such a way as to meet desired goals.
4. Be able to use decision-making tools (e.g., records, budgeting, and capital investment) useful to the manager in planning and controlling the farm business.
5. **RECOMMENDED REFERENCES FOR READING**
6. Castle N.E.,Becker, H and Nelson (1987): Farm Business Management: The decision Making process. Third Edition. Macmillan Publishing Company, New York.
7. Baker A.G.,Grunewald O, and Gorman W.D (2002): Introduction to Food and Agribusiness Management .By Pearson Education, Upper Saddle river, New Jersey.
8. Boehlje, M.D., and Eidman, V.R. (1984). Farm management. John Wiley and sons, Inc.
9. Farm Management by R. D. Kay and W. F. Edwards, Sixth Edition

**8. COURSE CONTENT, METHODS OF INSTRUCTION, TOOLS AND EQUIPMENT REQUIRED**

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| **TOPIC** | **CONTENT** | **METHOD OF INSTRUCTION/Time Allocated** | **TOOLS / EQUIPMENT NEEDED** |
| Overview of farm business management | * Farm business management concepts
* Functions of a farm business manager
 | Lecture (2 hrs) | Chalk / BB or Markers  |
| Overview of farm business management | * Decision making in farm business management; The decision making process

Tutorial :Setting farm business goals | Lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Decision making in farm business management | * The production function

Tutorial :Choosing the level of input use | Lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Decision making in farm business management | * Choosing the level of production

Tutorial : Elasticity | Lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Decision making in farm business management | * Substitute, Complementary Products

Tutorial : Cost Analysis (Fixed Variable) | Interactive lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Types of firm businesses | * Sole Proprietorship
* Corporation
* Partnership
* Limited Liability Company
 | Lecture (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Farm business planning and budgeting  | * The Business Plan

Tutorial: How to make a business plan | Lecture (2 hrs)Tutorial (2 hours) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Farm business planning and budgeting | * Enterprise Budgets

Tutorial : Cash Flow Budgets Assignment 1: Making a business plan | Interactive lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Farm business planning and budgeting | * Partial Budgets

Tutorial :Whole farm planning | Interactive lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Evaluation of the farm business  | * Farm Records management

Tutorial :Farm business accounts and analysis Presentation: Business plan | Interactive lecture (2 hrs)Tutorial (2 hrs)Presentation (2 hours) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Evaluation of the farm business | * Asset Valuation
* Depreciation

Tutorial : Asset ValuationPresentation: Business plan | Interactive lecture (2 hrs)Tutorial (2 hours)Presentation (2 hours) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
|  | * Financial Statements (Balance Sheet, Income statement, Cash Flow) construction and Analysis

Tutorial: Ratios (Solvency, Liquidity, Profitability) | Lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Investment Analysis | * The discounted cash flow techniques
* Net present worth (NPW/V)
* Internal rate of return (IRR)
* The benefit cost ratio (B/C)

Tutorial: Discounting methods | Lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Investment Analysis | * The Net Benefit Investment Ratio (B/I)

Tutorial: Undiscounted cash flow techniques. | Lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| Gender issues in business management  | * Roles
* Decision making at farm level.

**Tutorial 6:** Constraints of men and women in business management | Interactive lecture (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts, Projector/ Handouts |
| 16-17  | * Revision Time
* Final Examination
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**9. SUMMARY OF TIME NEEDED**

Interactive lectures covering theory 30 hrs

Tutorials 26 hrs

Presentation 4 hrs

**10. COURSE ASSESSMENT:**

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| Continuous assessment (Quizzes): | There will be 2 Quizzes arising from tutorials and assignments any time during lecture sessions  | 10% |
| Continuous assessment (Write-ups and presentation ) | Students will form groups and write an assignment as given by the instructor | 10% |
| Continuous assessment (Tests): | There will be two tests during week 7 and 13 of the semester | 20% |
| University Examination: | Final examination during week 16-17 of the semester | 60% |