

AGR 474
COLLEGE OF ARTS AND SCIENCES
Sam Houston State University

Course Description and Syllabus

DEPARTMENT: Agricultural Sciences

COURSE NUMBER/TITLE: AGR 474 – Agriculture Markets

SEMESTER/YEAR: Summer II, 2008

INSTRUCTOR:

Roger Hanagriff
 Thomason - Room 314
 Telephone: 294-3867, fax 294-1220
 E-mail: MichaelLau@shsu.edu
 Office Hours: M-F 12-2 PM

REFERENCE: selected readings

COURSE OBJECTIVES: The objective of the course is to introduce students to the futures and options market. This course explores the fundamentals of the mechanics, operations, and use of futures and options contracts. The focus is on agriculture commodities (e.g., corn, live cattle, sugar, cocoa); however, attention also will be given to other instruments (e.g., exchange rates, financials, stock indexes, metals). A main emphasis is on the use of futures and options for risk management through the practice of hedging. Additional topics to be addressed include the history of futures/options markets, speculation, option pricing and strategies, and basis behavior.

GRADUATE STUDENTS: Graduate students will be required to complete a technical term paper on futures and options.

COURSE OUTLINE:

Week	Topic
	Introduction to Hedging
	Clearinghouse, Margins
	Forward, Future Prices, Arbitrage, Basis
	The Speculator
	Introduction to Hedging
	Introduction to Hedging
	Hedging Examples, Risk
	Midterm Exam
	Introduction to Options
	Introduction to Options
	Introduction to Fundamental Analysis
	Introduction to Fundamental Analysis
	Introduction to Technical Analysis
	Introduction to Technical Analysis
	Industry Examples and Review
Hedge Project	
Final Exam	Final Exam

COURSE EVALUATION:

Your grades will be based on the following:

Midterm Exam	20%
Final Exam	20%
Homework/Exercises	20%
Tidbits/Short Papers	20%
Hedging Project	<u>20%</u>
	100%

Letter grades will be based on the following percentages:

A	$\geq 90\%$
B	80 – 89.99%
C	70 – 79.99%
D	60 – 69.99%
F	$\leq 59.99\%$

As a general rule, individual exams and other graded materials will not be “curved”. Further, students should plan on the final grades being assigned on the basis of the above-noted grade breaks. The instructor retains the privilege of adjusting in the favor of students one or more of the grade classifications after all grades have been recorded. No “incompletes” will be assigned. Each student will receive the grade he/she has earned at the end of the semester.

Examinations and Final: Two exams will be given during the semester and will comprise 40 percent of your grade (i.e., 20% per exam). The final is required. For students who have missed an exam because of university excused absence, a makeup exam will be given.

Homework/Exercises: Home works and in-classroom exercises will account for 20 percent of your total grade. There is no makeup for in-class exercises.

Tidbits/Short Papers: Throughout the semester, you will be required to find newspaper articles, journal articles, etc. related to futures, options, and hedging. A one-page summary of this article along with a copy of the article is to be turned in. The summary should include the relation of tools learned in class with the content of the article.

Hedging Project: A report is required on carrying out five hedges using futures and options for agriculture commodities. This report will comprise 10% of your grade. You will perform hedges using actual futures/options/cash values for selected commodities and then report and explain the outcome of the hedges in a paper. This paper is a requirement of the course.

Your final letter grade will be determined by adherence to the following schedule:

A	$\geq 90\%$
B	80 – 89.99%
C	70 – 79.99%
D	60 – 69.99%
F	$\leq 59.99\%$

As a general rule, individual exams and other graded materials will not be “curved”. Further, students should plan on the final grades being assigned on the basis of the above-noted grade breaks. The instructor retains the privilege of adjusting in the favor of students one or more of the grade classifications after all grades have been recorded. No “incompletes” will be assigned. Each student will receive the grade he/she has earned at the end of the semester.

HOMEWORK WILL NOT BE ACCEPTED LATE FOR ANY REASON. Late is defined as turned in after class time has ended. The homework may be turned in by another classmate, early, faxed, or other arrangements made by calling prior to due date.

Expected Student Behavior

- Students are expected to turn off all pagers, cell phones and other electronic devices during class time.
- There will be NO tobacco products of any kind allowed in the classroom; drinks and chewing gum are allowed. Food is only allowed for medical reasons and should be cleared with instructor before consumption.
- Inappropriate or disruptive behavior and language will not be tolerated.
- The class follows the standards set in the *Code of Students Rights and Responsibilities (EM 96-38)* and students are subject to disciplinary action for violation of that code.
- Violations of SHSU Academic Honesty Policy will result in a “F” for the course.

Attendance Policy

Department attendance policy will be strictly enforced.

Department of Agricultural Sciences Attendance Policy

1. Regular and punctual attendance is expected of each student in the Department of Agricultural Sciences at Sam Houston State University.
2. Each faculty member will keep a written record of student attendance.
3. **If a student misses four or more classes, the student's grade will be reduced by one letter grade. Additional penalties may be assessed at the discretion of the instructor.**
4. Three unexcused or unjustified tardies or early departures are considered as one absence.
5. Excused absences must be documented by the student with a letter of confirmation from the sponsoring student organization, professor or doctor. Exemptions will include participation in departmental activities when prior approval is attained from the Department Chair.
6. No exams or assignments will be given at alternative times unless arrangements are made with the professor/instructor before the scheduled activity occurs.

Academic Dishonesty

All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain complete honesty and integrity in the academic experiences both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including, but not limited to, cheating on an examination or other academic work which is to be submitted, plagiarism, collusion and the abuse of resource materials.

Classroom Rules of Conduct

Students will refrain from behavior in the classroom that intentionally or unintentionally disrupts the learning process and, thus, impedes the mission of the university. Cellular telephones and pagers must be turned off before class begins. Students are prohibited from eating in class, using tobacco products, making offensive remarks, reading newspapers, sleeping, talking at inappropriate times, wearing inappropriate clothing, or engaging in any other form of distraction. Inappropriate behavior in the classroom shall result in a directive to leave class. Students who are especially disruptive also may be reported to the Dean of Students for disciplinary action in accordance with university policy.

Americans with Disabilities Act

Students with a disability which affects their academic performance are expected to arrange for a conference with the instructor in order that appropriate strategies can be considered to ensure that participation and achievement opportunities are not impaired. The physically impaired may contact the Director of Counseling Center who also serves as chair of the Committee for Continuing Assistance for Disabled Students by telephone at extension #1720.

Religious Holidays

University policy states that a student who is absent from class for the observance of a religious holy day to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence. Not later than the 15th calendar day after the first day of the semester, or the 7th calendar day after the first day of a summer session, the student must notify the instructor of each scheduled class that he/she would be absent for a religious holy day.