**Examination of the Context of Farm System Management**

**Outcome Summary**

**Course Information:**

**Organization:** Minnesota State  
**Developers:** FBM Curriculum Review Team  
**Course Number:** FBMT 2161  
**Type of Instruction:** Individualized  
**Total Credits:** 4.0  
**Total Hours of Instruction:** 16.0

**Description:**

This course is designed to assist students in preparation of improved farm system management procedures. Students in this course will evaluate several years of an improved farm system analysis.

**Course Outcomes:**

1. Prioritize strategies to improve enterprise trend data
   1. **You will demonstrate your competence** 
      1. by prioritizing strategies to improve selected enterprise(s)
   2. **Your performance will be successful when**
      1. you identify areas for improvement within (an) enterprise(s)
      2. you identify strategies to improve enterprise performance
2. Predict future changes in financial ratios
   1. **You will demonstrate your competence**
      1. by defending proforma ratios from a projected cash flow plan
   2. **Your performance will be successful when**
      1. you create a cash flow plan
      2. you use current and historical business ratios to predict future changes
3. Prioritize future farm business goals
   1. **You will demonstrate your competence**
      1. by developing a written list of future business, family, and personal goals
   2. **Your performance will be successful when** 
      1. you consider past business, family, and personal goals
      2. you assess goals for annual achievement and accuracy
      3. you re-establish goals as they are completed and modified
      4. your goals address business continuation, retirement, and succession plans
      5. you verify goal attainment
4. Compare strengths and weaknesses of the farm management system
   1. **You will demonstrate your competence** 
      1. by citing strengths and weaknesses of your business management system
   2. **Your performance will be successful when**
      1. you review your business plan
      2. you consider strengths and weaknesses identified in the risk assessment
      3. you explain the relationship of the financial standard ratios as they pertain to the management system
      4. you list the strengths and weaknesses of the management system
5. Investigate farm business structure models
   1. **You will demonstrate your competence** 
      1. by investigating business structure model options
   2. **Your performance will be successful when** 
      1. you list at least one alternative business structure model
      2. you list the advantages of the alternative business structure model(s)
      3. you list the disadvantages of the alternative business structure model(s)
      4. you discuss how the alternative business structure would function using historical data
6. Explain deferred tax liability
   1. **You will demonstrate your competence**
      1. by presenting the implications of deferred tax liability on the farm business to your FBM instructor
   2. **Your performance will be successful when**
      1. you complete a current cost/market balance sheet
      2. you discuss impact of timed asset liquidation
      3. you categorize assets for ordinary income, investment recapture, and capital gains taxation
7. Evaluate tax management strategies
   1. **You will demonstrate your competence** 
      1. by guiding the tax planning session
   2. **Your performance will be successful when**
      1. you assess tax law changes as they pertain to the farm business
      2. you implement revised tax management strategies
      3. you make decisions to manage tax liability
8. Appraise the financial and data accounting system
   1. **You will demonstrate your competence** 
      1. by appraising the financial and data accounting system.
   2. **Your performance will be successful when**
      1. you address the level of detail used in the current system(s)
      2. you identify areas for improvement based on analysis results
      3. you compare current system features to other available systems
      4. you consider the feasibility of additional system changes
9. Prioritize future personal goals
10. Examine the farm business production records
11. Compare Enterprise Analysis Benchmarking Data
12. Evaluate family living cost