Illinois Association of Vocational Agriculture Teachers
Agricultural Business Management Career Development Event

A. General Information
1. Team: A team shall consist of five (5) participants. The three (3) participants with the highest scores shall constitute the team score.
2. Placings/Scoring: Questions and problems will be scored by individuals designated by IAVAT.
3. Scorecards: Scantron cards will be used to score the event.
4. Miscellaneous:
   a. The event is open to any school desiring to participate.
   b. Participants may use non-programmable (will not store formulas), battery operated calculators if they provide them.
   c. Calculators may not be shared.
5. Additional Information: Refer to the "General Rules" section for the current year for information concerning Entry Fees, Registration, and Location of the event.
6. Preregistration is required. Watch News & Notes and the AgEd Listserve for event details and a preregistration form. Each agriculture teacher with either a participant or a team in the Agricultural Business Management Career Development Event must submit an entry form and non-refundable registration fees in advance of the announced deadline to the IAVAT office. Preregistration forms may be downloaded at www.aces.uiuc.edu/itcs/im or www.iavat.org. Deadline dates for preregistration will be published by ITCS Instructional Materials in News & Notes and in the IAVAT Calendar of Events.

B. Event Format (Content is approximately 2/3 that of the National Event in length)
Part A. Consists of multiple choice questions related to applying principles of farm management, farm records, farm credit, budgets, break-even problems and costs. Five (5) sample questions are illustrated. [Scoring note: This section will comprise 40% of the possible points]
5) It is profitable for a farmer to borrow money to expand a farm business when the borrowed money
A. returns more than borrowed money.
B. can be secured at a low interest rate.
C. can improve the level of production.
D. will increase the volume of business.

**Part B.** Consists of problems related to applying principles of farm management, farm records, farm credit, budgets, break-even problems and costs. A sample problem is illustrated. [*Scoring note:* This section will comprise 60% of the possible points]

**Sample Problem**

**Problem Section:** Using the information provided below, complete the net worth statement for January 1 for this young farmer.

<table>
<thead>
<tr>
<th>Assets Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Machinery</td>
<td>$48,000</td>
</tr>
<tr>
<td>Value of Land</td>
<td>120,000</td>
</tr>
<tr>
<td>Bank Checking Account</td>
<td>2,000</td>
</tr>
<tr>
<td>Stored Wheat</td>
<td>9,000</td>
</tr>
<tr>
<td>Steer Calves</td>
<td>15,000</td>
</tr>
<tr>
<td>Cow Herd</td>
<td>10,000</td>
</tr>
<tr>
<td>Value of Buildings</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>208,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Loan</td>
<td>$8,000</td>
</tr>
<tr>
<td>Part of Land Loan</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$58,000</strong></td>
</tr>
</tbody>
</table>

**Net Worth**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Worth</strong></td>
<td><strong>$150,000</strong></td>
</tr>
</tbody>
</table>
C. Suggested References

1. Credit and Financial Management
   a. Subject Matter Units
   - U2024b  
     Using Credit to Increase Farm Earnings
   - U2025b  
     Determining Credit Needs on the Farm
   - U2026b  
     Planning for Repayment of Farm Loans
   - U2027b  
     Sources of Farm Credit
   - U2028b  
     Factors Involved in the Borrowing Process
   - U2033a  
     Using Farm Real Estate Loans
   - U6007  
     Agricultural Credit Instruments
   - U6015  
     Mathematical Applications in Agriculture

2. Farm Planning
   a. Other Materials
   - Z372  
     Partial Budget Forms
   - Q372  
     Partial Budget and Break-even Problems
   - K372  
     Key to Partial Budget and Break-even Problems
   - U310  
     Farm Management Manual

3. Marketing and Business Management
   a. Subject Matter Units
   - U2040a  
     Agricultural Business Management – Principles that Affect Production
   - U6009  
     What Factors Affect the Prices of Agricultural Products
   - U6014  
     Common Ways of Organizing a Business
   - U2046  
     Fundamentals of Marketing Agricultural Products

4. Miscellaneous
   a. Subject Matter units
   - U2042  
     Land Surveys and Descriptions
   - U6017  
     Using Insurance in the Farm Business

   b. Other
   Steward, Jim, Raleigh Jobes, James Casey and Wayne Purcell, Farm and Ranch Business Management; Moline, Illinois: Deere & Company, 2000


Catalog of instructional materials is available from ITCS Instructional Materials, University of Illinois at Urbana-Champaign, 1401 S. Maryland Dr., Urbana, IL 61801. (800) 345-6087 FAX (217) 333-3917 or available on the World Wide Web (http://www.aces.illinois.edu/itcs/im/).