

# Course Syllabus

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## Course Description

Cooperatives are an important form of business enterprise found in many industries, both in the U.S. and elsewhere. The role of cooperatives in market-oriented economies will be presented. Topics include cooperative business principles, the economic theory of cooperative pricing decisions, the fundamentals of co-op accounting principles, financing, decision making, and taxation. Focus will be primarily upon traditional agricultural cooperatives; other types of cooperatives will be examined in some detail.

## Learning Outcomes

During this class you should be able to:

1. Identify and list economic rationale for starting cooperatives.
2. Name one or more principal historical events that influenced the formation of cooperatives.
3. Describe how the pricing behavior of cooperatives may differ from that of other business types.
4. Name the principal components of cooperative management and how they differ from other business types.
5. Describe the unique features of cooperative business finance, including means by which a cooperative obtains capital, measures and distributes its income, and how its taxation policy affects cooperatives.
6. Describe the functions of a supply cooperative.
7. Describe the functions of a marketing cooperative.
8. Describe how to start a cooperative.

Your achievement of these objectives will be evaluated through approximately nine written homework assignments, objective and subjective examinations (six quizzes, two midterms, and a final examination) and in-class discussion. To successfully meet these objectives you should have already taken Principles of Microeconomics (ECON 212, AECN 141) or instructor permission.

## Course Format

### Course Logistics

The class meets in Filley 210. Content consists primarily of lectures, text, and study notes, but group discussions will occur periodically. Lectures will be presented using a combination of PowerPoint slides and discussion. The slides will be posted to each topic section of the Canvas site under the "Pages" and "Modules" links. Representatives of cooperative businesses will be invited to speak to the class as time permits.

I regularly post information relevant to the class (announcements, grades, etc.) on Canvas. The Canvas login is located at [Canvas.unl.edu](https://Canvas.unl.edu).

## Text

There is no modern text on cooperatives currently in print; thus, we will use the following online text (it is a draft) for much of the course: ***Cooperatives: An Economic and Management Perspective***. Editors: David W. Cobia and Bruce L. Anderson. This can be obtained from the class Canvas site. Additional readings will be provided online.

## Course Grading Scale

I anticipate calculating final course grades using the following weights:

### Weight

Homework/Content Assignments	35%
Cooperative Profile	10%
Quizzes	15%
Midterm 1	15%
Midterm 2	15%
Final	10% (or 25% if used for one missed midterm)

***All required reading and topics covered in class are fair game for exam questions.***

***The Final exam is COMPREHENSIVE—ALL course material is covered.***

## Course Grade Breakdown

The grade breakdown indicates the percentage of total course points you will need to earn to receive each grade as indicated.

94.0 to 100 percent	A
90.0 to 93.9 percent	A-
87.0 to 89.9 percent	B+
83.0 to 86.9 percent	B
80.0 to 82.9 percent	B-
77.0 to 79.9 percent	C+
73.0 to 76.9 percent	C
70.0 to 72.9 percent	C-
67.0 to 69.9 percent	D+
60.0 to 66.9 percent	D

Less than 60 percent F

If the course is taken as Pass/No Pass, at least a “C” (73.0%) must be earned to receive a grade of “Pass”.

All work for the course should be completed by the last day of final examinations this semester.

## Quizzes

I will give **six announced quizzes** during the semester. All quizzes are taken in class on the date listed on the schedule below. There will be **no make-up quizzes** except in the case of University excused absences.

## Midterms

There will be two midterms, both completed in class. The midterms will take place **September 27** and **November 1**. Please arrange your schedule now, at the beginning of the semester, so that you may complete the exams. Only university excused absences (documented illness, University sponsored events, death or illness of a family member) will be considered for exceptions, when accompanied by written verification as to why you were absent. The final will serve as the makeup exam if you miss a midterm for other reasons; any missed midterm exam will add to the weight of the final toward your final course grade. If you know you will not be able to complete the final exam, please drop this class now.

## Comprehensive Final Exam

The final exam is comprehensive. Questions related to any content from our course could appear on the exam.

## Homework

The homework is designed to give you a chance to demonstrate your understanding of the major concepts discussed in class. I expect you to present your ideas in complete sentences and using your own words; plagiarism is not tolerated. When writing, describe your understanding as if I were an uninformed observer of the topics discussed in class. Your work is most likely to earn full credit when you describe your understanding of the concept in your own words, completely answer each part of the question, and proofread your remarks for clarity, spelling, grammar, and punctuation. Furthermore, since the content in the homework and on the exams is usually related, answering the question in your own words typically improves your preparation for quizzes and exams. Please feel free to work in groups on the homework assignments, but each person must turn in their own work, with each person's assignments written in their own words. Homework assignments consist of problems or short essays.

Assignments are due at 11:59 p.m. on the date indicated in the syllabus. All written assignments (including the term paper) turned in after the posted date can be turned in at any subsequent time, **through December 8, 11:59 PM**, for up to half credit. If you've made an on-time attempt to submit an assignment but experienced a technical problem in making the submission, you must request additional time to complete the submission. A maximum of 24 hours will be allowed for resubmission after the due date.

## Cooperative Profile Paper

The term report is an analysis of a cooperative by the student. This report provides an opportunity for the student to obtain direct knowledge about the management and operation of a cooperative and to experience

how the principles discussed in class affect the distribution of benefits between the cooperative and the members. More details of how to complete this assignment are provided in the "Assignments" link, and selecting the "[Cooperative Profile](#)" link. It is due **December 2, 11:59 PM**.

### **Extra Credit Opportunities:**

**Optional Case Study Analysis:** Case study analysis requires you to examine a business problem, assess a selected decision or recommend one, and then support your assessment or recommendation using supporting concepts and evidence from the course. I have prepared a selection of cases from cooperative businesses. These can be found at the bottom of the "assignments" section of the course, and clicking on the "Extra Credit Cases" link. You are welcome to select up to **two** cases for study and write an essay for each. Total extra credit available from a case study analysis of any case will be equivalent to adding 2% to your final grade. In other words, if you had earned an overall 88% course grade, this extra credit would give you 90%. Case essays (you will write at least two) are accepted through **December 8, 11:59 PM at gmckee3@unl.edu**.

To complete the case study essay, read and examine the case thoroughly, determine whether you need to assess a decision already made or to recommend a decision, focus your analysis on two to five key issues related to the cooperative nature of the business, uncover possible solutions or improvements to a solution, discuss the pros and cons of your decision, and action step—both in the short and long run—the co-op could take to adopt your proposed decision or improve an existing decision. Your discussion should be approximately five double spaced pages. Submit your completed document on Canvas. You might use the template featured in Assignment 9 to help you structure and organize your essay.

**Attend an Annual Meeting:** Each cooperative makes an annual statement about its operations and corporate health. Attending one is an interesting way to see several of the course's concepts in action, to meet members of a cooperative, to meet employees and directors of a cooperative, and observe the communication among the employees and membership during this event. Consider attending one. Any Public Power District, credit union, or agricultural cooperative is fine. I believe only CVA holds its annual meeting during the semester. Keep an eye out for announcements of the date.

Total extra credit available from attending an annual meeting will be equivalent to adding 1% to your final grade. In other words, if you had earned an overall 88% course grade, this extra credit would give you 89%. 1 page reports summarizing your experience (with original details) are accepted via e-mail through **December 8, 11:59 PM at gmckee3@unl.edu**.

## **General Information**

### **Academic Honesty**

Plagiarism or any other form of cheating in examinations, term tests or academic work is subject to serious academic penalty. Cheating in examinations or tests may take the form of copying from another student or bringing unauthorized materials into the exam room. Exam cheating can also include exam impersonation. A student found guilty of contributing to cheating in examinations or term assignments is also subject to serious academic penalty.

*Students are expected to adhere to guidelines concerning academic dishonesty outlined in Section 4.2 of University's Student Code of Conduct (<http://stuafs.unl.edu/ja/code/>). Students are encouraged to contact the instructor for clarification of these guidelines if they have questions or concerns.*

*The Department of Agricultural Economics has a written policy defining academic dishonesty, the potential sanctions for incidents of academic dishonesty, and the appeal process for students facing potential sanctions. The Department also has a policy regarding potential appeals of final course grades. These policies are available for review on the department's website (<http://agecon.unl.edu/undergraduate>).*

### Students with special requirements

Any students with disabilities or other special needs, who need special accommodations in this course are invited to share these concerns or requests with the instructor as soon as possible. The instructor may ask for verification. That, plus other assistance, can be requested from the Office of Services for Students with Disabilities (SSD) in 232 Canfield Administration Building (402.472.0053). For more information navigate to <http://www.unl.edu/ssd/home>.

### Veterans and military personnel

Veterans or military personnel with special circumstances or who are activated are encouraged to notify the instructor as early as possible.

### Office Hours

You are welcome to contact me by phone (402.472.2034) between the hours of 8:00 am and 5:00 pm on days the University is open, or by email ([gmckee3@unl.edu](mailto:gmckee3@unl.edu)) anytime. If you e-mail I will try to respond to your questions within two business days. E-mail is generally the best method for trying to contact me.

### Department of Agricultural Economics

This class is administered through the Department of Agricultural Economics at University of Nebraska, Lincoln. The chair of the department is Dr. Larry Van Tassell. You can reach him at [lvantassell2@unl.edu](mailto:lvantassell2@unl.edu) (<mailto:lvantassell2@unl.edu>).

### Information for emergency response

- Fire Alarm (or other evacuation): In the event of a fire alarm: Gather belongings (purse, keys, cellphone, N-Card, etc.) and use the nearest exit to leave the building. Do not use the elevators. After exiting, notify emergency personnel of the location of persons unable to exit the building. Do not return to building unless told to do so by emergency personnel.
- Tornado Warning: When sirens sound, move to the lowest interior area of building or designated shelter. Stay away from windows and stay near an inside wall when possible.
- Active Shooter:
  - Evacuate. If there is a safe escape path, leave belongings behind, keep hands visible and follow police officer instructions.
  - Hide out: If evacuation is impossible secure yourself in your space by turning out lights, closing blinds and barricading doors if possible.

- Take action: As a last resort, and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the active shooter.
- UNL Alert: Notifications about serious incidents on campus are sent via text message, email, unl.edu website, and social media. For more information go to: <http://unlalert.unl.edu> (<http://unlalert.unl.edu>).

Additional Emergency Procedures can be found

here: [http://emergency.unl.edu/doc/Emergency\\_Procedures\\_Quicklist.pdf](http://emergency.unl.edu/doc/Emergency_Procedures_Quicklist.pdf)  
[http://emergency.unl.edu/doc/Emergency\\_Procedures\\_Quicklist.pdf](http://emergency.unl.edu/doc/Emergency_Procedures_Quicklist.pdf)

## Syllabus Changes

I reserve the right to make changes to this syllabus as necessary. I will inform all students of any of these changes.

### Introduction (Chap 1-4)

Wk #1 21-Aug [Chap 1, 2] [What is a cooperative?](#)  
 [3] [Structure and scope of cooperatives](#)

Wk #2 28-Aug [\[4\] Historical framework](#)

30-Aug **Quiz 1**

### Economic Theory (Chap 5, 6)

Wk #3 4-Sep Holiday

6-Sep [\[5\] Economic rationale for cooperatives](#)  
[\[reading\] Providing Information Technology Services Using the Cooperative Business Model](#)

Wk #4 11-Sep [\[6\] Economic theory of cooperative business pricing](#)

13-Sep **Quiz 2**

[\[9\] Antitrust law and cooperatives](#)

## Management and Governance (Chap 10, 11, 16-18)

Wk #5	18-Sep	<a href="#">[10] Management of cooperatives; Communication</a>
	20-Sep	<a href="#">[10] Management of cooperatives; Communication, cont'd</a>
	20-Sep	<a href="#">[18] Starting a cooperative</a>
		<a href="#">[reading] The Development, Operation, and Dissolution of a Value-added Cooperative: United Spring Wheat Processors</a>
Wk #6	25-Sep	<a href="#">[16] Marketing issues in supply cooperatives</a>
<b>Wk #7</b>	<b>27-Sep</b>	<b>Midterm 1</b>
Wk #8	2-Oct	<a href="#">[17] Marketing issues in marketing cooperatives</a>
	4-Oct	<a href="#">[11] Board and management</a>
Wk #9	9-Oct	<a href="#">[11] Board and management</a>

## Financial Management of Cooperatives (Chap 12-14)

	11-Oct	<b>Quiz 3</b>
		<a href="#">[12] Measuring cooperative business returns</a>
Wk #10	16-Oct	Holiday
	18-Oct	<a href="#">[13] Allocating income</a>
Wk #11	23-Oct	<b>Quiz 4</b>
		<a href="#">[14] Sources of equity and debt</a>
	26-Oct	<a href="#">[14] Equity redemption</a>

## Applications and Cases (Readings, Chap 19, Lectures)

Wk #12	30-Oct	<b>Quiz 5</b>
		<u><a href="#">Ratio analysis</a></u>
<b>2-Nov</b>		<b>Midterm 2</b>
Wk #13	6-Nov	<u><a href="#">Structure and performance of credit unions</a></u>
8-Nov		<u><a href="#">Capital budgeting in rural electric cooperatives</a></u>
Wk #14	13-Nov	<i>Governance and management: ACSC Freight Case</i>
15-Nov		<u><a href="#">[19] Determinants of change</a></u>
Wk #15	20-Nov	<u><a href="#">Cass-Clay Creamery: A New Direction for an Old Brand</a></u>
Wk #16	27-Nov	<u><a href="#">Game theory: simultaneous and sequential games</a></u>
<b>29-Nov</b>		<b>Quiz 6</b>
		<u><a href="#">Choosing to Defect from Cooperation - the 2003 Collapse of California Pear Bargaining</a></u>
Wk #17	4-Dec	<u><a href="#">Cooperative Profile Presentations</a></u>
6-Dec		<u><a href="#">Cooperative Profile Presentations</a></u>
Wk #18	14-Dec	<b>Final Exam (<a href="http://registrar.unl.edu/final-exam#tab1">http://registrar.unl.edu/final-exam#tab1</a>)</b>

## Course Summary:

Date	Details	
Mon Aug 21, 2017	 <u><a href="https://canvas.unl.edu/calendar?event_id=13762&amp;include_contexts=course_17451">[1 &amp;2] What is a Cooperative (https://canvas.unl.edu/calendar?event_id=13762&amp;include_contexts=course_17451)</a></u>	12:30pm to 1:45pm
	 <u><a href="https://canvas.unl.edu/calendar?event_id=13763&amp;include_contexts=course_17451">[3] Structure and Scope of Cooperatives (https://canvas.unl.edu/calendar?event_id=13763&amp;include_contexts=course_17451)</a></u>	12:30pm to 1:45pm
Mon Aug 28, 2017	 <u><a href="https://canvas.unl.edu/calendar?event_id=13764&amp;include_contexts=course_17451">[4] Historical Framework (https://canvas.unl.edu/calendar?event_id=13764&amp;include_contexts=course_17451)</a></u>	12:30pm to 1:45pm
Wed Aug 30, 2017	 <u><a href="https://canvas.unl.edu/calendar?event_id=13736&amp;include_contexts=course_17451">Quiz 1 (https://canvas.unl.edu/calendar?event_id=13736&amp;include_contexts=course_17451)</a></u>	12:30pm to 12:50pm

Date	Details	
Wed Sep 6, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/83929">Homework 1 (https://canvas.unl.edu/courses/17451/assignments/83929)</a>	due by 11:59pm
Wed Sep 6, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13765&amp;include_contexts=course_17451">[5 ] Economic rational for cooperatives (https://canvas.unl.edu/calendar?event_id=13765&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Sep 11, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13766&amp;include_contexts=course_17451">[6] Economic theory (https://canvas.unl.edu/calendar?event_id=13766&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Wed Sep 13, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13767&amp;include_contexts=course_17451">[9] Antitrust law (https://canvas.unl.edu/calendar?event_id=13767&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Wed Sep 13, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13738&amp;include_contexts=course_17451">Quiz 2 (https://canvas.unl.edu/calendar?event_id=13738&amp;include_contexts=course_17451)</a>	12:30pm to 12:50pm
Mon Sep 18, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/83931">Homework 2 (https://canvas.unl.edu/courses/17451/assignments/83931)</a>	due by 11:59pm
Mon Sep 18, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13768&amp;include_contexts=course_17451">[10] Management of Cooperatives (https://canvas.unl.edu/calendar?event_id=13768&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Wed Sep 20, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13769&amp;include_contexts=course_17451">[10] Management of cooperatives (https://canvas.unl.edu/calendar?event_id=13769&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Wed Sep 20, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13770&amp;include_contexts=course_17451">[18] Starting a cooperative (https://canvas.unl.edu/calendar?event_id=13770&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Sep 25, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13771&amp;include_contexts=course_17451">[16] Marketing issues in supply cooperatives (https://canvas.unl.edu/calendar?event_id=13771&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Sep 25, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/92844">Homework 3 (https://canvas.unl.edu/courses/17451/assignments/92844)</a>	due by 11:59pm
Wed Sep 27, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13740&amp;include_contexts=course_17451">Midterm 1 (https://canvas.unl.edu/calendar?event_id=13740&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Oct 2, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13772&amp;include_contexts=course_17451">[17] Marketing issues in marketing cooperatives (https://canvas.unl.edu/calendar?event_id=13772&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Oct 2, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/92845">Homework 4 (https://canvas.unl.edu/courses/17451/assignments/92845)</a>	due by 11:59pm
Wed Oct 4, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13773&amp;include_contexts=course_17451">[11] Board and Management (https://canvas.unl.edu/calendar?event_id=13773&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Wed Oct 11, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13774&amp;include_contexts=course_17451">[12] Measuring cooperative business returns (https://canvas.unl.edu/calendar?event_id=13774&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Wed Oct 11, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13742&amp;include_contexts=course_17451">Quiz 3 (https://canvas.unl.edu/calendar?event_id=13742&amp;include_contexts=course_17451)</a>	12:30pm to 12:50pm
Wed Oct 11, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/92846">Homework 5 (https://canvas.unl.edu/courses/17451/assignments/92846)</a>	due by 11:59pm
Wed Oct 18, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13775&amp;include_contexts=course_17451">[13] Allocating income (https://canvas.unl.edu/calendar?event_id=13775&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Oct 23, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13776&amp;include_contexts=course_17451">[14] Sources of equity and debt (https://canvas.unl.edu/calendar?event_id=13776&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Oct 23, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13776&amp;include_contexts=course_17451">[14] Sources of equity and debt (https://canvas.unl.edu/calendar?event_id=13776&amp;include_contexts=course_17451)</a>	12:30pm to 12:50pm

Date	Details	
	 <a href="https://canvas.unl.edu/calendar?event_id=13744&amp;include_contexts=course_17451">Quiz 4 (https://canvas.unl.edu/calendar?event_id=13744&amp;include_contexts=course_17451)</a>	
	 <a href="https://canvas.unl.edu/courses/17451/assignments/92847">Homework 6 (https://canvas.unl.edu/courses/17451/assignments/92847)</a>	due by 11:59pm
Mon Oct 30, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13778&amp;include_contexts=course_17451">Ratio analysis (https://canvas.unl.edu/calendar?event_id=13778&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
	 <a href="https://canvas.unl.edu/calendar?event_id=13746&amp;include_contexts=course_17451">Quiz 5 (https://canvas.unl.edu/calendar?event_id=13746&amp;include_contexts=course_17451)</a>	12:30pm to 12:50pm
	 <a href="https://canvas.unl.edu/courses/17451/assignments/92849">Homework 7 (https://canvas.unl.edu/courses/17451/assignments/92849)</a>	due by 11:59pm
Wed Nov 1, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13748&amp;include_contexts=course_17451">Midterm 2 (https://canvas.unl.edu/calendar?event_id=13748&amp;include_contexts=course_17451)</a>	12:30pm to 1:45pm
Mon Nov 20, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/92850">Homework 8 (https://canvas.unl.edu/courses/17451/assignments/92850)</a>	due by 11:59pm
Wed Nov 29, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13750&amp;include_contexts=course_17451">Quiz 6 (https://canvas.unl.edu/calendar?event_id=13750&amp;include_contexts=course_17451)</a>	12:30pm to 12:50pm
Sat Dec 2, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/95378">Cooperative Profile (https://canvas.unl.edu/courses/17451/assignments/95378)</a>	due by 11:59pm
Wed Dec 6, 2017	 <a href="https://canvas.unl.edu/courses/17451/assignments/92851">Homework 9 (https://canvas.unl.edu/courses/17451/assignments/92851)</a>	due by 11:59pm
Thu Dec 14, 2017	 <a href="https://canvas.unl.edu/calendar?event_id=13752&amp;include_contexts=course_17451">Final Examination (https://canvas.unl.edu/calendar?event_id=13752&amp;include_contexts=course_17451)</a>	3:30pm to 5:30pm