**AREC 213 Financial Assignment**

**Assignment Overview:**

You will be required to come up with an idea related to an agricultural or horticulture business. The idea should be somewhat unique compared to everyone else in the class. For instance, maybe you want to start an organic restaurant where you grow your own seasonal produce. Don’t worry too much about estimating every little last thing you need just try to get a ballpark figure.

**Deliverables:**

Deliverable 1:

* Explain what your idea is and what you will need financing for

Deliverable 2:

* Determine the ventures startup costs
  + Break these into at least two categories like property and equipment
    - For example you would say we need $500,000 for property and $200,000 for equipment

Deliverable 3:

* Find a real bank (like Wells Fargo, Chase or US Bank) and explore their small business financing to cover your startup costs
  + Choose at least two appropriate types of financing (For example Business Credit Card, Loan, Line of Credit or Commercial Real Estate Financing)
  + Use Excel to layout these two financing options that includes
    - Total Amount Borrowed
    - Collateral Requirements
    - Any origination fees
    - Interest Rate (if they will give it otherwise try to find an estimate)
    - Loan Term
    - Your Monthly Payment

Deliverable 4:

* Determine your estimated monthly operating costs for your fixed costs

Deliverable 5:

* Answer the following Questions:
  + Does the interest rate have an impact on your monthly payment
  + Does the law require banks to offer the same interest rate to everyone
  + Would a 6% interest rate be the same for a business loan versus a personal loan (like a student loan or car loan)
  + What might be a creative way to get this idea off the ground with less up front capital

**Requirements:**

* Make sure to cite where you have gotten any information from
* The length should be about 2 to 4 pages, double spaced and 12 point font you can include an appendix of any length