

Grennell farm

Countries



**ASSIGN
BUSTER**

Introduction Grennell Farm is a corporation that is engaged in the production of wheat. Located in Iowa, the 2, 000-acre farm was established by Jeremiah Grennell more than 20 years ago. The sudden demise of its founder has led the farm to be transferred to the leadership of, Mr. Grennell's niece and chosen heir, Denise Grey. She was informed of her inheritance early in 2010. Ms. Grey works as an AVP in the consumer credit of a large New York bank. With the huge distance between Iowa and New York, she is carefully studying the advantages and disadvantages of retaining the farm's ownership.

This case presents the basic business financial flows of Grennell Farm for the year 2009 and the events that she had to deal with regarding the management of the business. QUESTION # 2 The price per acre for the land was used as the basis for recommending whether Denise Grey should sell the land. Based on the comparison, it is advisable to sell 100 acres of Grennell Farm because the price per acre of \$2250 is significantly higher than the original price (\$187. 0) and the appraised price (\$1050). QUESTION # 3 It would also help Denise Grey to evaluate the farm's profitability and sustainability based on the following risks, liabilities and responsibilities, many of which are unknown based on the information given in the problem. Examples as follows: Tax liability Revenue gains may not be monetary Risk of loss due to bad debts Replacement of buildings and machinery Responsibility for the next season's (2010) expenses