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**Практичне заняття 10  
Financial Management**

### **Financial Management**

#### INTRODUCTION

#### Introduction to Financial Management

Financial Management Definition:

Financial Management is mainly concerned with the proper management of funds. The finance manager must see that the funds are procured in such a manner that risk, cost and control considerations are properly balanced and there is optimum utilization of funds.

#### Objectives of Financial Management

\* Basic Objectives

1. Profit Maximisation

2. Maintenance of liquid assets

3. Wealth maximisation

\* Other Objectives

1. Ensuring a fair return to shareholders

2. Build up reserves for growth and expansion

3. Ensuring maximum operational efficiency by efficient and effective utilization of finances

#### Objectives of Financial Management

#### Scope of Financial Management

1. Estimating Financial requirement

2. Deciding capital structure

3. Selecting a source of finance

4. Selecting a pattern of Investment

5. Proper cash management

6. Implementing financial Controls

#### Scope of Financial Management

#### Need for financial management

1. Financing Decisions

2. Investment Decisions

3. Dividend Decisions

#### Need of financial management

#### Functional areas of Financial Management

1. Determining financial needs

2. Selecting Source of funds

3. Financial analysis and interpretation

4. Cost - Volume - Profit analysis

5. Capital Budgeting

#### Functional areas of financial management

#### Source of Long term Funds

1. Share Capital

2. Savings from NON Resident

3. Borrowing Debentures

4. Public Deposits

5. Lease financing

#### Source of Finance