

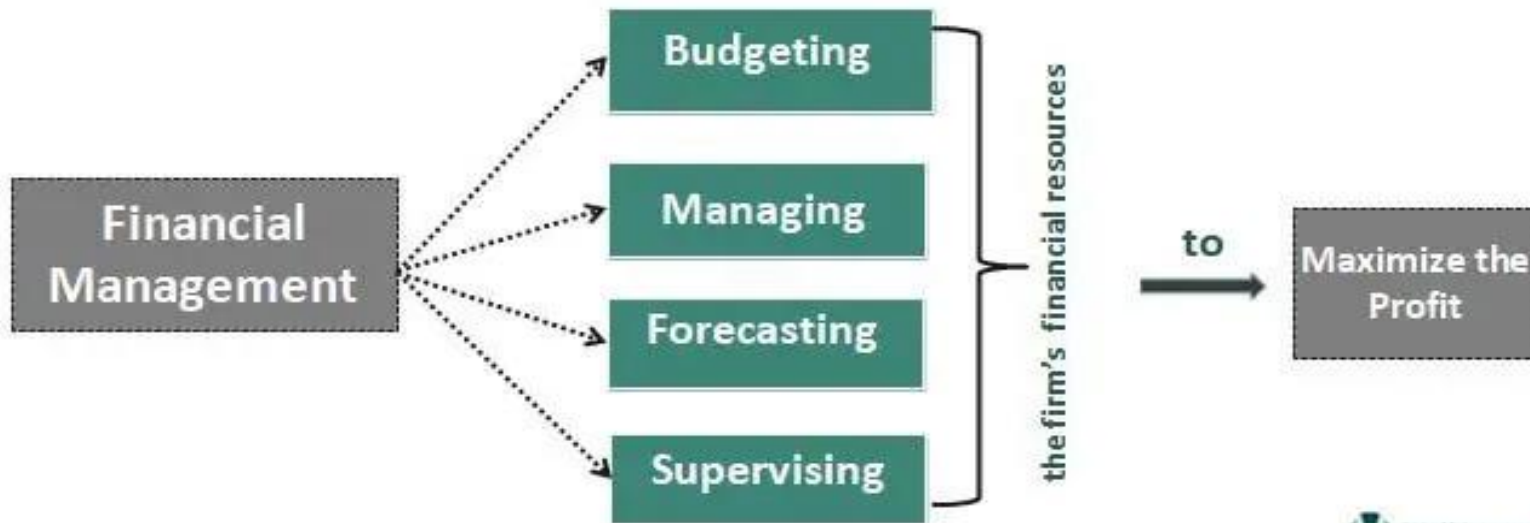




FINANCIAL MANAGEMENT

Financial management refers to applying management concepts to budgeting, forecasting, managing, and controlling a company's financial resources to achieve its objective. It aims to maximize investors profit by optimizing the firm's money usage. It deals with all the areas connected to profitability, expenses, cash, and credit.

Financial Management





FINANCIAL MANAGEMENT DEFINITION

- *According to Weston and Brigham, “Financial management is province of financial decision-making, harmonizing individual motives and enterprise goals”.*
- *In words of Solomon, “Financial management aims to effectively use the capital funds which also happens to be a significant economic resource.”*

“

Financial management is the activity concerned with planning, raising, controlling and administering, and the procurement of funds used in the business.

”
-

Guthman and Dougall



PRINCIPLES OF FINANCIAL MANAGEMENT

- *Organize your finances.*
- *Spend less than you earn.*
- *Put your money to work.*
- *Limit debt to income-producing assets.*
- *Continuously educate yourself.*
- *Understand risk.*
- *Diversification is not just for investments.*
- *Maximize your employment benefits.*



EXAMPLES OF FINANCIAL MANAGEMENT

Examples of financial management include managing costs and expenses, hiring new employees in the business, purchasing raw materials, and estimating the budget.



*Thank
you*

