

1) financial management means planning and controlling such activities and utilization of funds of the enterprise. It means applying general management principles to financial resources of the enterprise.

In simple term objective of financial management is to maximize the value of firm, however it is much more complex than that. The management of the firm involve many stakeholders including owners, creditors, and various parties in the financial market. The same is shown in below diagram.

MANAGEMENT OF THE FIRM

→ financial management

→ other stakeholders

→ Owners

→ Creditors

Effective procurement and efficient use of finance lead to proper utilization of the business finance by the business concern. It is the essential part of

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