

2) financial management means planning, organizing, directing and controlling the financial activities such as procurement 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 particular 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 concern. It is the essential part of

The financial manager Hence,
the financial manager
must determine The
basic objectives of the
financial management.