

21) Write the short notes on Planning of capital structure.

Ans. Capital structure Planning is very important to survive the business in the long run. After simply watching the balance sheet of company, you see two sides of balance sheet one side is liability side and other side is asset side, liability side is

The mixture of finance of company which company has collected from internal and external sources and its has been used or will be used for development of company.

Liability side of balance sheet is made under Perfect capital structure Planning. Finance manager and other parameters decides which source of fund or funds should be selected after monitoring the factors affecting capital structure so capital structure Planning make strong balance sheet, The right capital structure Planning also increases the power of company to face the losses and changes in financial markets.