Finance is a term for matters regarding the management, creation, and study of money and investments. Specifically, it deals with the questions of how and why an individual, company or government acquires the money needed - called capital in the company context - and how they spend or invest that money.

Objectives-

- Profit maximization happens when marginal cost is equal to marginal revenue. This is the main objective of Financial Management.
- Wealth maximization means maximization of shareholders' wealth. It is an advanced goal compared to profit maximization.
- Survival of company is an important consideration when the financial manager makes any financial decisions. One incorrect decision may lead company to be bankrupt.
- Maintaining proper cash flow is a short run objective of financial management. It is necessary for operations to pay the day-to-day expenses e.g. raw material, electricity bills, wages, rent etc. A good cash flow ensures the survival of company.
- Minimization on capital cost in financial management can help operations gain more profit.

Payback period in capital budgeting refers to the time required to recoup the funds expended in an investment, or to reach the break-even point.

the value in the present of a sum of money, in contrast to some future value it will have when it has been invested at compound interest. 5Lacs Rupees due in 12 months' time has a present

Net present value (**NPV**) is a **method** used to determine the current **value** of all future cash flows generated by a project, including the initial capital investment. It is widely used in capital budgeting to establish which projects are likely to turn the greatest profit.Ap