



SNS College of Technology

Coimbatore - 35



23BAT611 – Financial Management

Introduction to Financial Management



Presented by

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1st Indian Institution to Implement Design Thinking Curriculum
Redesigning Common Mind and Business Towards Excellence



Recall

Other Objectives of Financial Management



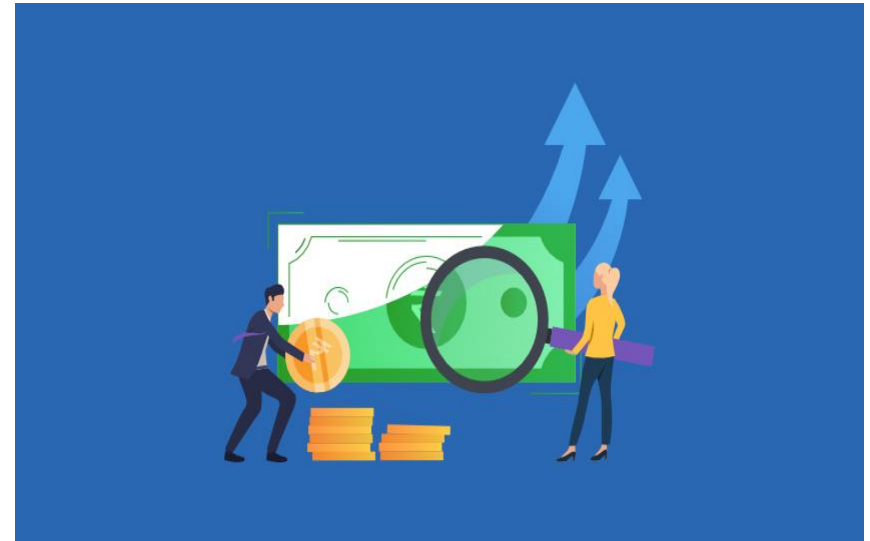


Topic





Function of Financial Management





Function of Financial Management



Estimating the Amount of Capital Required

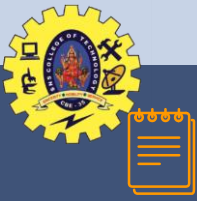
Determining Capital Structure

Choice of Sources of Funds

Allocation of Funds

Utilization of Funds





Function of Financial Management



Disposal of Profits or Surplus
Management of Cash
Financial Control





Estimating the Amount of Capital Required

This is the foremost function of the financial manager.

Business firms require capital for:

- i) Purchase of fixed assets,**
- ii) Meeting working capital requirements,**
- iii) Modernization and Expansion of business.**

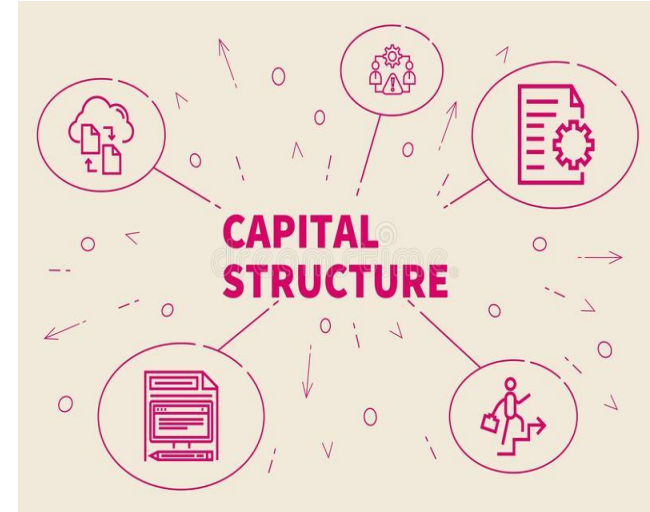




Determining Capital Structure

Proper mix of equity and debt and short-term and long-term debt ratio.

Minimum Cost of Capital , Maximum Return





Choice of Sources of Funds

- **Equity Shareholders**
- **Preference Shareholders**
- **Debenture- Holders**
- **Banks And Other Financial Institutions**
- **Public Deposits**





Allocation of Funds



Investment of Funds





Utilization of Funds



- **Maximize the return on investment**
- **Ensure the investment decision is safety, profitability, and liquidity.**





Disposal of Profits or Surplus

- **Retention**
- **Distribution**





Management of Cash



Sufficient funds must be available for purchase of materials, payment of wages and meeting day-to-day expenses.





Financial Control



The overall measure of evaluation is Return on Investment (ROI).





Assessment

- _____ of funds is dependent not only upon cost of raising funds but also on other factors like general market conditions, choice of investors, government policy, etc





Summary



➤ **Functions of Financial Management**

SUMMARY





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