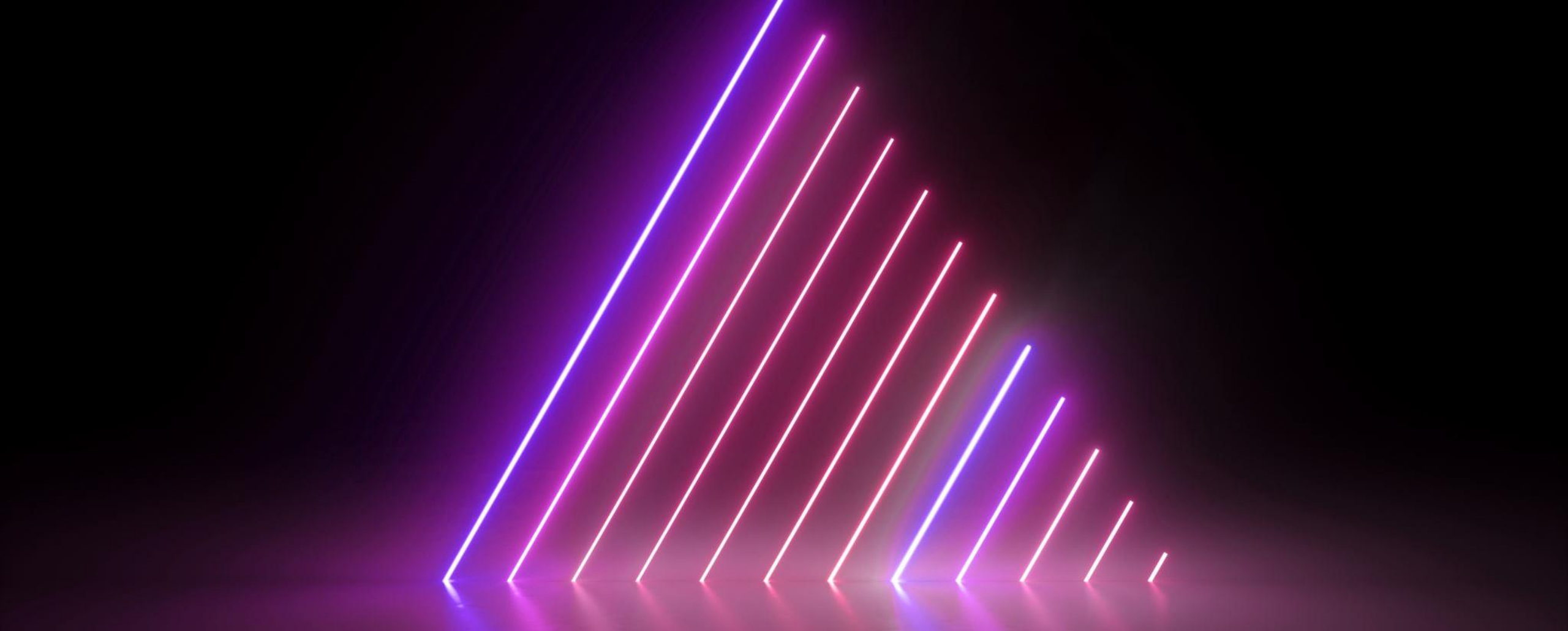




Introduction to Finance Management

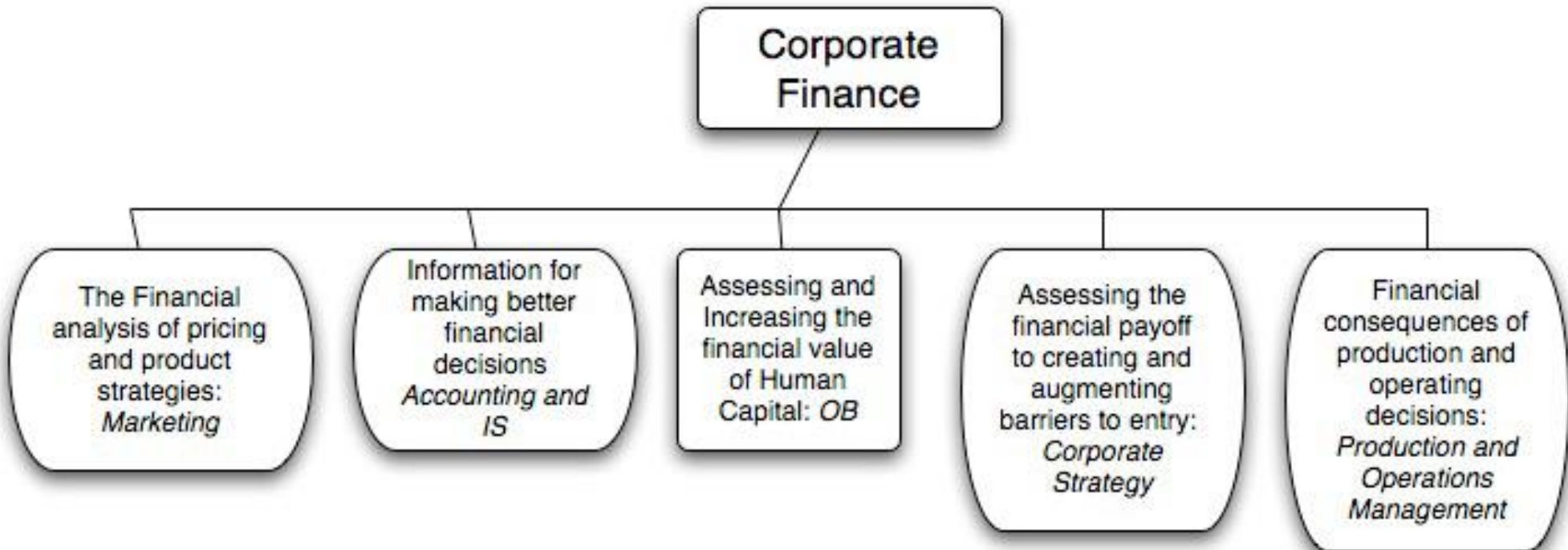
14th November 2023

Themes for the Session

- Corporate Finance – Scope
- Difference Between Accounting & Finance
- Corporate Finance in the Big Picture (of Business Strategy & Execution)
- Corporate Finance – Fundamental Principles
- Corporate Finance Theory
- Introduction to ‘Time Value of Money’

Corporate Finance – Scope

“Every decision that a business makes has financial implications, and any decision which affects the finances of a business is a corporate finance decision.”



Scope of Financial Management

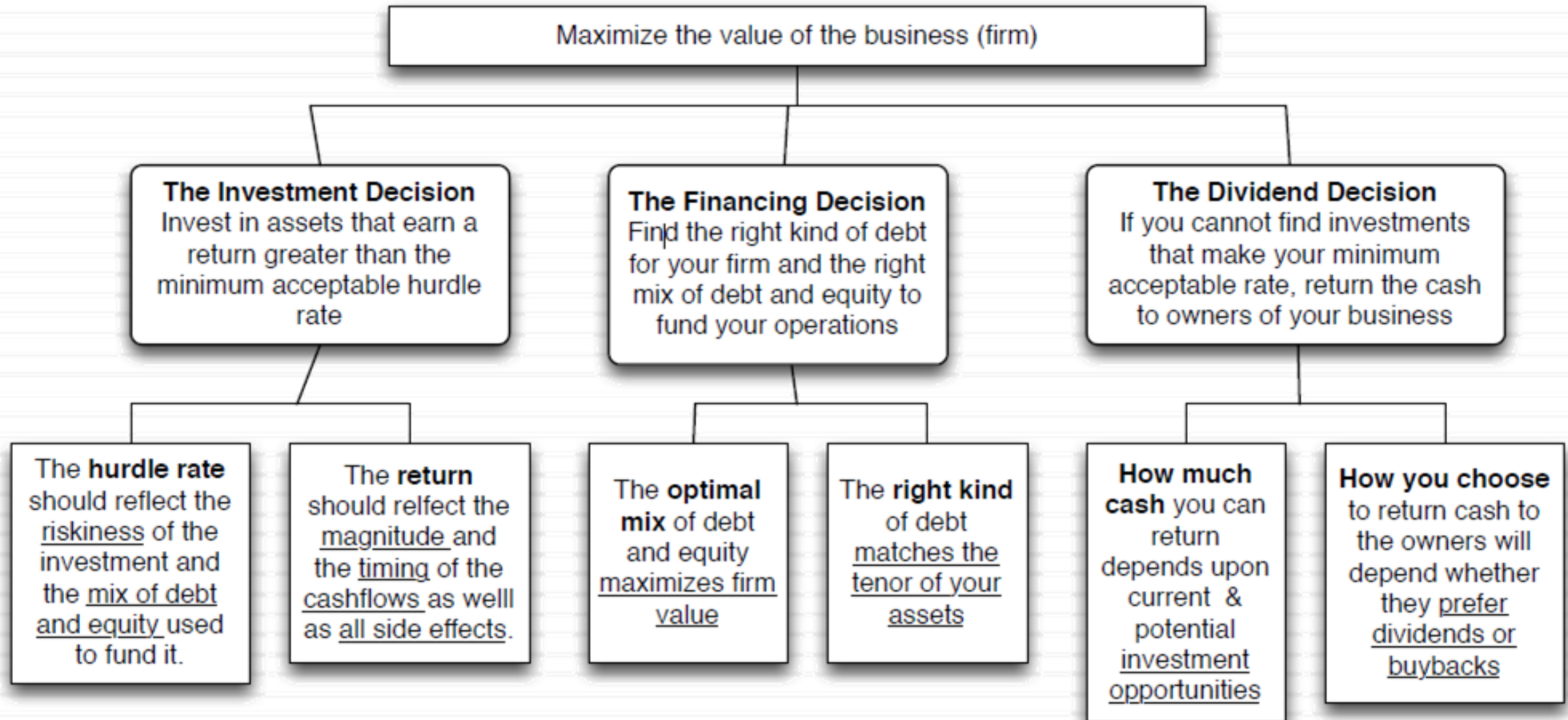
- Estimating financial requirements
- Deciding capital structure
- Selecting a source of finance
- Deciding on utilization of funds
- Optimal cash planning & management
- Implementing financial controls
- Surplus Utilization

Corporate Finance Decisions

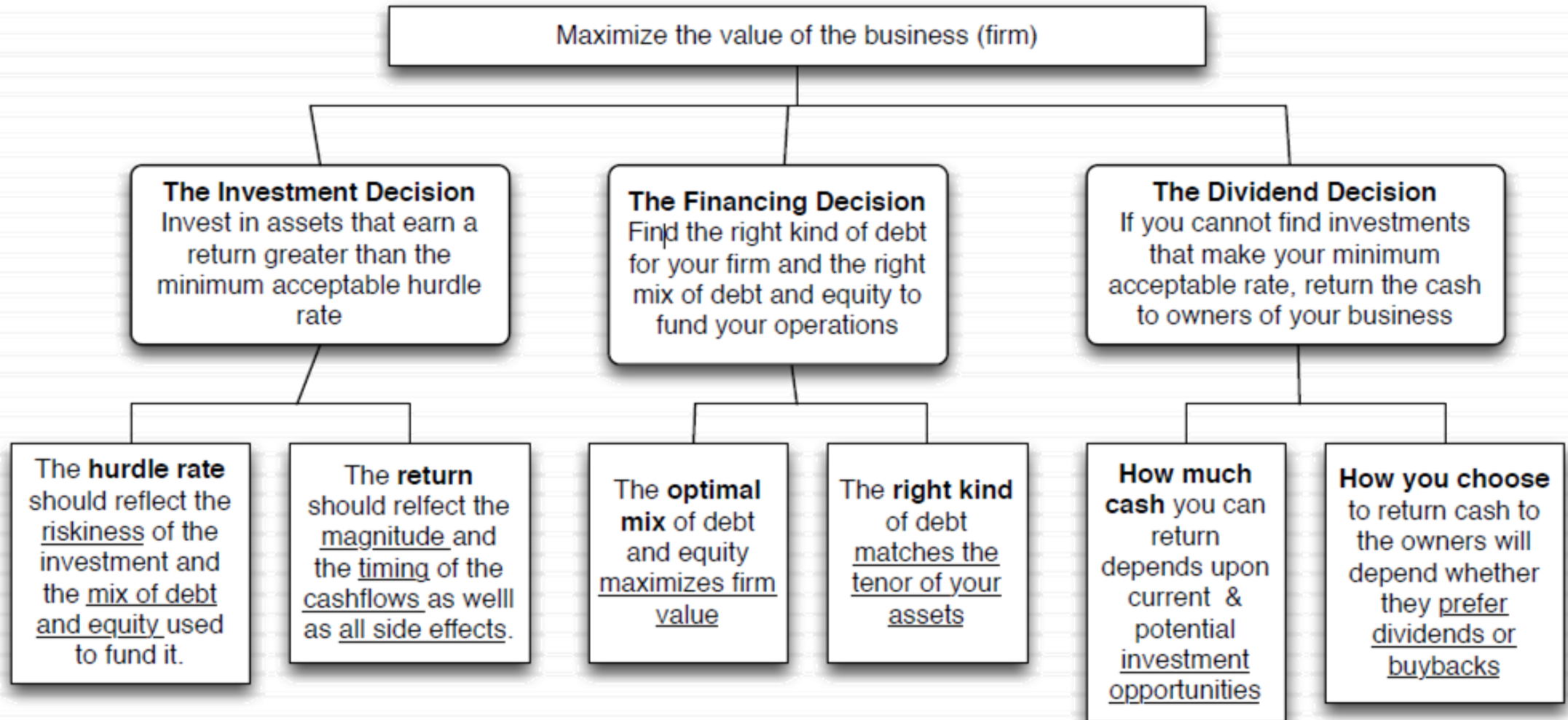
1. Investment Decisions
2. Financing Decisions
3. Working Capital Management Decisions
4. Dividends and Payback Decisions



Corporate Finance – Fundamental Principles



Corporate Finance – Fundamental Principles



Corporate Finance Implications - Universality

- Every business, small or large, public or private, has to make investment, financing and dividend decisions.
- The objective in corporate finance for all of these businesses remains the same: maximizing value.
- While the constraints and challenges that firms face can vary dramatically across firms, **the first principles do not change**

Corporate Finance – Focus Area

