



RAMA UNIVERSITY

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FACULTY OF COMMERCE AND MANAGEMENT

COURSE: B.COM V SEM.

SUBJECT: INTRODUCTION TO FINANCIAL MANAGEMENT

SUBJECT CODE: BCH 502

LECTURE: 1

NAME OF FACULTY: DR. PALASH BAIRAGI

LECTURE-1



1.1 INTRODUCTION TO FINANCIAL MANAGEMENT

Finance is defined as the provision of money at the time when it is required. Every enterprise, whether big, medium, small, needs finance to carry on its operations and to achieve its target. In fact, finance is so indispensable today that it is rightly said to be the blood of an enterprise. Without adequate finance, no enterprise can possibly accomplish its objectives.

Meaning of Financial Management: Financial management refers to that part of the management activity, which is concerned with the planning, & controlling of firm's financial resources. It deals with finding out various sources for raising funds for the firm. Financial management is practiced by many corporate firms and can be called Corporation finance or Business Finance.

According to Guthmann and Dougall: "Business finance can be broadly defined as the activity concerned with the planning, raising controlling and administering the funds used in the business."

According to Joseph & Massie: "Financial Management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations"

“Financial Management is the application of the general management principles in the area of financial decision-making, namely in the areas of investment of funds, financing various activities, and disposal of profits.”

Financial management is the art of planning; organizing, directing and controlling of the procurement and utilization of the funds and safe disposal of profits to the end that individual, organizational and social objectives are accomplished.

