

Abstract. Financial Management

Financial management refers to the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It is the specialized function directly associated with the top management. The significance of this function is not seen in the 'Line' but also in the capacity of 'Staff' in overall of a company.

Financial management typically applies to an organization or company's financial strategy, while personal finance or financial life management refers to an individual's management strategy. It includes how to raise the capital and how to allocate capital, i.e. capital budgeting. Not only for long term budgeting, but also how to allocate the short term resources like current liabilities. It also deals with the dividend policies of the share holders.

The World of Finance contains chapters on the structure and goals of firm, the role of financial managers, and an examination of the financial environment. Special attention is given to how the Financial Crisis affected nonfinancial companies, financial markets, and financial institutions.

Essential Concepts in Finance presents chapters on accounting statements and their interpretation, forecasting, risk and return, the time value of money, and security valuation. Special attention is given to systematic risk and its role in the Financial Crisis.

Capital Budgeting and Business Valuation contains chapters on measuring a firm's cost of capital, capital budgeting decision methods, incremental cash flow estimation, and business valuation.

Long-Term Financing Decisions contains chapters on capital structure basics, corporate bonds, preferred stock, leasing, common stock, and dividend policy. The turmoil in the stock and bond markets during the Financial Crisis is examined.

Short-Term Financial Management Decisions includes chapters on working capital policy, cash and marketable securities, accounts receivable and inventory, and short-term financing.

Finance in a Global Economy is where international finance topics are covered, in addition to those international topics that are woven throughout the book. The contagion of the Financial Crisis around the world is examined.