

Financial Management

By

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Finance

- Finance is the foundation of business. No business can be started finance nor its development is possible.
- The success of business depends upon the sufficient finance and its effective management.



Financial Management

- It is the part of business management in which included
 - Financial planning
 - Capitalization and capital structure
 - Product pricing
 - Profit policy
 - Budgeting and its control

Characteristics of Financial Management

- Continues process
- Less descriptive and more analytical
- Centralized nature
- Wide scope
- Helpful in decision making
- Measurement of performance
- Application to all types of organizations.

Functions of Financial Management

- Planning for funds
- Allocation of resources
- Control of funds
- Allocation of income
- Coordination with other departments
- Routine function
 - Keeping record of every transaction and account safely
 - Keeping the cash balances properly and safely
 - Securities of important documents
 - Management of pension and welfare schemes
 - Providing information to top management
 - Obeying government rules and regulations

Important of Financial Management

- Basis of success
- Optimum allocation and utilization of resources.
- Measurement of performance and efficiency
- National important
- Useful for business managers
- Useful for customers or users
- Useful for society

Principles of Financial Management

- Spending institution
- Growing institution
- Requiring demand for money
- Financial allocation
- Per capita method

Financial Management in Library

- Sources of income in library
 - ✓ Government grant
 - ✓ Library fees
 - ✓ Endowments and donations
 - ✓ Fines and penalties
 - ✓ Other sources

- Items of expenditure in library
 - ✓ Staff salaries
 - ✓ Books and other reading material
 - ✓ Equipments
 - ✓ Communication and correspondence
 - ✓ General overheads