Ans 2:

"Role of Financial Manager"

The roles of Financial Manager are as follows

(1) Estimating the Amount of Capital Required

(a) Purchase of fixed assets

(b) meeting working Capital Requirements

(c) Moderization & expansion of business.

(2) **Determining Capital Structure.**

Once the requiremen of capital funds has been determined, a decision regarding the kind and proportion of various sources of funds has to be taken. For this, Financial manager has to determine the proper mix of equity & debt and Short-term and long term ratio. It's done to acheive minimun Capital's cost and maximize Shareholder's wealth

Ans 2c

(3) Choice of Sources of fundi.

Before the actual procurements of funds, the finance manager has to decide the sources from which the funds are to be raised. The management can raise finance from various sources like equity Shareholders, Debentur-holders, banks etc etc.

(4) Procurement of Funds:

The Financial manager takes steps to procure the funds required for the the business. It might require negotiation with creditors and financial Institutions etc. The procurement of fund is dependent not only upon cost of raising funds but also on other factors like general market conditions etc

Ans 2 s

(5) Utilization of Funds: The funds procured by the financial manager are to be prudently invested in various assets so as to maximize the return on investment. While taking investment decisions, management should be guided by three important principles, viz, Safety, profitability & liquidity.

(6) Disposal of Profits or Surplus: The Financial manager has to decide how much to retain for ploughing back and how much to distribute as dividend to shareholders out of profits of the compa[ny]. The factors which influence these decisions include the trends of earnings of the company etc etc

Ans 7c

(7) **Management of Cash:-**

Management of cash & other currents assets is an important task of financial manager. It involves forecasting the cash inflows and outflows to ensure that there is neither shortage nor surplus of cash with the firm.

(8) **Financial Control:**

Evaluation of financial performance is also an important function of F. manager. The overall measure of evaluation is Return on Investment, The other techniques of financial control and evaluation include budgetary control, cost control. The financial manager must lay emphasis on financial planning as well.

Ans 3 c :-

Different Sources of Fund.

Business simply cannot function with money, and the money required to make a business function is known as business funds. Throughout the life of business, money is required continously. Sources of funds are used in business activites. They are classified into (a) based on time period
(b) Ownership
(c) Control & their generation's Source

(a) Period Basis Sources:

On the basis of the period, the different sources of funds can be classified into three parts which are:

(a) Long term sources fulfill the financial requirement of a business for a period more than 5 years. It includes various other sources such as

Ans 3 c:

Shares and debentures, long term loans from financial institutions. These financing are required for fixed assets such as plant, equipment etc.

(b) **Medium-term sources** are the sources where funds are required for a period of more than one year but less than five years. These sources include borrowings from commercial banks etc.

(c) **Short-term sources:** Funds which are required for period less than one year. e.g trade-credit, Loans from commercial banks/papers.

Ans 3c

Ownership basis Sources

Owner's Fund: means funds which are procured by the owners of a business, which may be a sole entrepreneur or partner or shareholder of a business. It also includes profits which are invested in the business. The owner's Capital remains invested in the business for a longer duration & is not required to be refunded during the life period of the business.

Borrowed Funds: refers to the funds raised with the help of loans or borrowings. This is the most common type of source of funds and is used the majority of the time. The sources for raising borrowed funds include loans from Commercial banks, from financial Institutions. etc etc etc etc etc

Ans 3 c

"Generation Basis Sources"

The Classification of the sources of the funds is either the funds generated from Internal or exte sources of the organization.

Internal Sources:- These sources of funds are generated inside the organization. A business, For exp Ca can generate fund internally by speeding collectio of Receivables, disposing of surplus inventories & incre its profit. The Internal sources of funds can fulfill only limited needs of the business.

Ans 1:

"Finance"

Finance is when we grant or give some funds & manage the funds for some individual, or for business and for the government. It includes ~~dis~~ distributing the money and managing the finances for someone or lending of the funds.

"According to B.O Wheeler meaning of business Finance includes those business activities that are concered with the acquisition and conservation of capital funds in meeting the financial needs and overall objectives of a business enterprise"

"Types of Finance"

There are 3 types of Finance.

① Corporate Finance (business).

As the suggests that corporate finance is the type of finance used as a business point of view. The management of the funding of a company and its sources and uses of the capital. In contrast, the management of the profit the company has made, & the loss statement.

"OR"

Corporate finance is an area of finance that deals with source of funding, the Capital structure of corporations, the actions that managers take to increase the value of the firm to the shareholders and the tools and analysis used to allocate "Financial resources" "according to wikipedia"
e.g: Debt, Equity, Capital Structure, ROI etc etc

(b) Public or Government Finance:-

As the name suggests that this type of finance help us deal with the public's financial issues. It is the study of the revenue of the state and the expenses of the state. Moreover, it only deals with the government's Finances.

Exp: Infrastructure spending (roads, hospital etc), Income tax, Sales tax, property tax, GNP etc

(c) Personal Finance:- From a personal point of view, personal finance is the management of someone's income which he/She is earning or of someone's expense, their investments they have made in the market & obligation OR we can say that P.F which we use on our personal level to manage our personal expenses.

Exp: Credit Cards, Bank accounts, Personal Spending, Savings etc

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Ans 3:

"External Sources of funds" are the sources that ~~to~~ lay outside an organization such as suppliers, lenders, investors. When a large amount of money is needed ~~it is~~ to be raised, it is generally done through the external sources. External funds may be costly as compared to those raised through Internal Sources.

In some cases, business is required to mortgage its assets as security while obtaining funds from external Sources.