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ANS NO 01

Role of financial manager:

- Aim and allocate all important responsibilities.
- Make sure the company's profitability, liquidity, and solvency; making sure it earns the maximum return on liquid assets and incur minimum expenses on loan capital.
- Ensure that Margins on jobs are maximized through cost recovery.
- Predict financial future and expect financial needs of company, maintaining its creditworthiness.
- Internal and external monetary reporting.
- Monitor and predict the company's financial rank.
- Set up and uphold internal accounting controls.
- Hire, train, and motivate Finance Department employees.
- put in order and accurately assign everyday jobs, gauging the skills of staff members.
- Make sure that the Finance Department is an benefit to all other departments.
- Use preparation as a motivational tool to add to the skills of others.
- Be grateful for and encourage the work of staff members, increasing output.
- Ensure that all company assets are safe from theft and misappropriation.
- Do something on employers' behalf in general, going further than technical tasks and financial reporting to include all areas of management.
- Uphold physically influential company relations with banks and surety.
- Recognize competitive rates and fees by researching the competition.
- Make sure that the company's project control system is in service properly and that sureties are recognizable with it.
- Set up a strong financial and ready reporting system with sureties.
- Get insurance coverage, such as legal responsibility, property, worker's recompense, and course-of-construction insurance.
- Run company's income tax planning and fulfillment.
- Stay track of exceptional litigation.
- Reduce company's contact to liability claims and property injure.

Make sure contracts take delivery of the proper review and endorsement by organization.

- Set up coverage system to ensure contract fulfillment.
- Well-organized HR administration on a company-wide basis, ensure employment policies are reliable with applicable laws.
- Obey with collective bargain agreement.
- Put into practice aggressive safety management to secure employee and environmental security.
- Accountable for company’s IT function, providing IT services to various departments.
- Work on tasks pertaining to leases, subleases, and property and sales tax returns.
- Add to company profitability via possessions management.
- Disclose issues that affect company to bankers and sureties.
- Set an ethical standard for coworkers that exceeds legal requirements.

ANS NO 02

Different form of business organization

The five forms of business organizations include the following:

- Partnership
- Corporation
- Sole proprietorship
- Cooperative
- Limited liability company

PARTNERSHIP

A partnership is a official agreement by two or more parties to manage and function a business and share its profits. a partnership ias a lawful relationship shaped by the agreement between two or more individual to carry on a business as a co owner .it is a form of business organization in which two or more people function and own business jointly.

Some advantages of partnerships include:

- **Easy to establish:** Compared to other business structures, partnerships require negligible official procedure and legal documents to set up.
- **Partners can combine expertise:** With more than one in agreement individual, there are more opportunities to add to their joint skill set.
- **Distributed workload:** People in partnerships usually split responsibilities so that one person doesn't have to do all the labor.

Disadvantages to consider:

- option for disagreements: By having more than one person concerned in business decisions, partners may differ on some aspects of the process.
- **Difficulty in transferring ownership:** Without a official agreement that openly states processes, business may come to a halt when partners differ and choose to end their partnership.
- **Full liability:** In a partnership, all members are for myself legally responsible for business-related debts and may be pursued in a lawsuit.

CORPORATION

Corporation is a form of business organization that is documented by the law as having all the legal correct of an individual.

They have the right to buy and sell property, center in to lawful contract and to sue and be sued.

The corporation is a business organization shaped by group of people. if someone form a corporation then we must get a state charter.

Advantages of corporations include:

- **Owners aren't responsible for business debts:** In general, the shareholders of a corporation are not legally responsible for its debts. in its place, shareholders risk their equity.

- **Tax exemptions:** Corporations can subtract expenses related to company payback, counting health insurance premiums, wages, taxes, travel, equipment and more.
- **Quick capital through stocks:** To lift extra funds for the business, shareholders may put up for sale share in the corporation.

Disadvantages include:

- **Double taxation for C-corporations:** The corporation must pay income tax at the corporate rate before proceeds transfer to the shareholders, who must then pay taxes on an person level.
- **Annual record-keeping requirements:** by means of the exception of an S-corporation, the corporate business structure involves a considerable quantity of paperwork.
- **Owners are less involved than managers:** When there are more than a few investors with no clear majority interest, the management team may direct business operations quite than the owners

SOLE PROPIOTERSHIP

It is a form of business which can be function and manage by solitary person. sole proprietorship can be control by single person.

A sole proprietorship is an unincorporated business owned by one individual, creation it the simplest form of business to start and operate.

Advantages of a sole proprietorship include:

- **Total control of the business:** As the sole owner of your business, you have full control of business decision and expenses habits.
- **No public disclosure required:** Sole proprietorships are not required to folder annual reports or other financial statement with the state or federal government.
- **Easy tax reporting:** Owners don't need to file any special tax forms with the IRS other than the Schedule C (Profit or Loss from Business) form.

- **Low start-up costs:** While you may need to list your business and get a business tenancy authorize in some places, the costs of maintaining a sole proprietorship are much less than other business structures.

Disadvantages include:

- **Unlimited liability:** You are personally responsible for all business debts and company events under this business structure.
- **Lack of structure:** as you are not required to stay financial statements, there is a risk of becoming too relaxed when managing your money.
- **Difficulty in raising funds:** Investors classically favor corporations when lending money because they know that those businesses have physically powerful financial report and other forms of safety

COOPERATIVE

A **cooperative organization** is an connection of persons, usually of limited means, who have willingly connected together to attain a common economic end through the arrangement of a democratically controlled **organization**, making equitable distributions to the capital required, and accepting a fair share of risk.

Advantages of a cooperative include:

- **Greater funding options:** cooperative have access to government-sponsored grant programs, like the USDA Rural growth program, depending on the type of cooperative.
- **Democratic structure:** Members of a cooperative follow the "one member, one vote" philosophy, meaning that everyone has a say, regardless of their investment in the co-op.
- **Less disruption:** Cooperatives allow members to join and leave the business without disrupting its structure or dissolving it.

Disadvantages include:

- **Raising capital:** better investors may decide to spend in other business structures that let them to earn a larger share, as the cooperative structure treats all investors the similar, both large and little.
- **Lack of accountability:** Cooperatives are additional relaxed in terms of structure, so members who don't completely participate or add to the business go away others at a disadvantage and risk srotating other members away.

LIMITED LIABILITY COMPANY

Limited liability company is a accepted form of business which is mixture of a partnership form of business and company form of businesses.

Limited Liability Company is a busainess organization with limited liability of a cooperation .yet taxed like partnership. it is formed under state law. owner of llc pay workers income taxes on split they report.no limitation on number of owner permitted in llc.

Some advantages of an LLC include:

- **Limited liability:** As the name states, owners and managers have limited personal liability for business debts, while individuals suppose complete responsibility in a sole proprietorship or partnership.
- **Pass-through taxation:** Owners of LLCs may take benefit of "cross" taxation, which allow them to avoid LLC and corporation taxes, and owners pay personal taxes on business profits.
- **Flexible management:** LLCs be short of a formal business structure, meaning that their owners are free to make choices concerning the operation of their businesses.

Some disadvantages include:

- **Associated costs:** The establish costs linked with an LLC are more expensive than setting up a sole proprietorship or partnership, and there are yearly fees involved as well.

- **Separate records:** Owners of LLCs must take be concerned to remain their personal and business operating cost disconnect, including any company records, while sole proprietorships are less official.
- **Taxes:** In regards to being without a job return, owners may have to pay it themselves

ANS NO 03

Time value of money

The time value of money concept state that cash received today is more expensive than cash received at a afterward date. The reason is that someone who agrees to receive expense at a later date foregoes the ability to put in that cash right now. In addition, inflation slowly reduces the purchasing control of money more than time, making it more valuable now. The only method for someone to agree to a late payment is to pay them for the privilege, which is recognized as interest income**.**

Time value of money is the concept that the value of a dollar to be received on future is less than of a dollar on hand today one reason is that money received today can be invested thus generating more money. Another reason is that when a person opts to received assume of money in future rather than today he is efficiently landing the money and there are risk concerned in landing such as failure to pay risk and inflation failure to pay risk arises when the borrower does not pay the money back to the lender inflation is the reduce in purchasing influence of money due to universal increase level of in general price level

The time value of money is a basic economic concept that holds that money in the present is value more than the similar amount of money to be received in the future. This is true because money that you have right now can be invested and make a return, thus creating a larger amount of money in the future. (Also, with future money, there is the extra risk that the money may never really be received, for one cause or another.) The time value of money is from time to time referred to as the net present value (NPV) of money

Present value

When a future sum or series of payments are inexpensive at the given interest rate to the present date to reflect the time value of money, the ensuing value is called present value.

Future value

Future value is amount that is obtained by attractive the value of a present payment or a series of payments at the given interest rate to reproduce the time value of money.

Interest

Interest is charge nearby use of money paid by the borrower to the lender in addition to the actual cash lend. The amount of interest depends on whether there is simple interest or compound interest. In simple interest, there is no interest on interest but in compound interest, interest is planned on together principal and interest before earned. It also depends on whether we are work through an interest rate or a discount rate.

The time value of money (TVM) is the concept that money you have now is value more than the identical sum in the future time due to its potential earning capacity. This core principle of finance holds that provide money can earn interest, any amount of money is worth more the earlier it is probable.
The time value of money is significant since it allows investors to make a more up to date decision about what to do through their money. The TVM can help you recognize which choice may be most excellent based on interest, price increases, risk and returnTime Value of Money Examples. ... If you invest $100 (the present value) for 1 year at a 5% interest rate (the discount rate), then at the end of the year, you would have $105 (the future value). So, according to this example, $100 today is worth $105 a year from today

ANS NO 04

Financial statement analysis
Financial statement analysis is the procedure of analyzing a company's financial statements for managerial purposes. External stakeholders use it to understand the overall health of an organization as well as to calculate financial performance and business worth. Internal

constituents use it as a monitoring instrument for running the finances. There are some helpful techniques concerning simple math which can help you do a financial statement analysis for your business. You'll need the three main financial statements for compass reading—the balance sheet, income statement, and statement of cash flow.

Balance Sheet

The balance sheet is a account of a company's financial value in terms of book value. It is broken into three parts to include a company’s assets, liabilities, and shareholders' equity. Short-term assets such as cash and financial records receivable can tell a lot about a company’s operational competence. Liability includes its cost arrangements and the debt capital it is paying off. Shareholder’s equity includes particulars on equity capital investments and retained earnings from episodic net income. The balance sheet must balance with assets minus liability equaling shareholder’s equity. The resulting shareholder’s equity is careful a company’s volume value. This value is an important performance metric that increases or decreases with the financial behavior of a company.

Income Statement

The income statement break down the income a company earns against the operating cost involved in its business to provide a bottom line, net income profit or loss. The income statement is broken into three parts which help to examine business efficiency at three different points. It begins with income and the direct costs associated with revenue to identify gross profit. It then moves to operating profit which subtracts not direct expenses such as marketing costs, general costs, and depreciation. Finally it ends with net profit which deducts interest and taxes. Basic analysis of the income statement usually involves the calculation of gross profit margin, operating profits boundary, and net income margin which each split profit by profits. Profit margin helps to show where company costs are low or high at dissimilar points of the operation.

Cash Flow Statement

The cash flow statement provides précis of the company's cash flows from in service activities, sspend activities, and finance activities. Net income is carried over to the cash flow statement where it is included as the top line item for operating activities. Like its title, investing activities include cash flows involved with firm wide savings. The financing activities section includes cash flow from both debt and equity financing. The bottom line shows how much cash a company has available.