

# **Rukmini Devi Institute of Advanced Studies**

**Madhuban Chowk, Rohini, Delhi-110085**

**(Approved By AICTE & Affiliated With GGSIP University)**

## **DOSSIER**

*On*

**Session on Financial Management for the  
students of BBA, Department of Management  
Studies**

*From*

August 31, 2017

**Prof. Col. (Retd.) Mahander Singh**  
Director General, RDIAS



**Resource Person/Facilitator:** Dr. Sunita Gupta, Associate Professor, University of Delhi

**Summary:** Dr. Sunita Gupta, speaker for the day, briefed the students about dynamics of Financial Management. She said that the term 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. Dr. Gupta mentioned that we need financial Management for

- Profit maximization occurs when marginal cost is equal to marginal revenue.
- Wealth maximization means maximization of shareholders' wealth. It is an advanced goal compared to profit maximization.
- Survival of company is an important consideration when the financial manager makes any financial decisions. One incorrect decision may lead company to be bankrupt.
- Maintaining proper cash flow is a short run objective of financial management. It is necessary for operations to pay the day-to-day expenses e.g. raw material, electricity bills, wages, rent etc. A good cash flow ensures the survival of company.
- Minimization on capital cost in financial management can help operations gain more profit.

The lecture delivered was appreciated by the students and the detailed information shared by the speaker was helpful for students to understand the concept of Financial Management. The

speaker addressed queries of the students wonderfully and gave his concluding observation on managing finances.