



MAGIC INSTITUTE OF
EXCELLENCE



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WHAT IS FINANCE ?

Providing Funds

Purchases and Sales

Costing

Study of Investments and Accounting

Profit and Loss

Working Capital

Liabilities and Assets

Forecasting and Budgeting

MONEY MATTERS



CORPORATE FINANCE

- How does business commence?
- How do they raise money?
- How do they spend the money?
- How does one understand whether a business is doing good or heading for trouble?



ANALYSIS OF FINANCIAL STATEMENTS



WHAT IS PERFORMANCE ?



Profit & Loss A/c

WHAT DO YOU MEAN BY STATUS



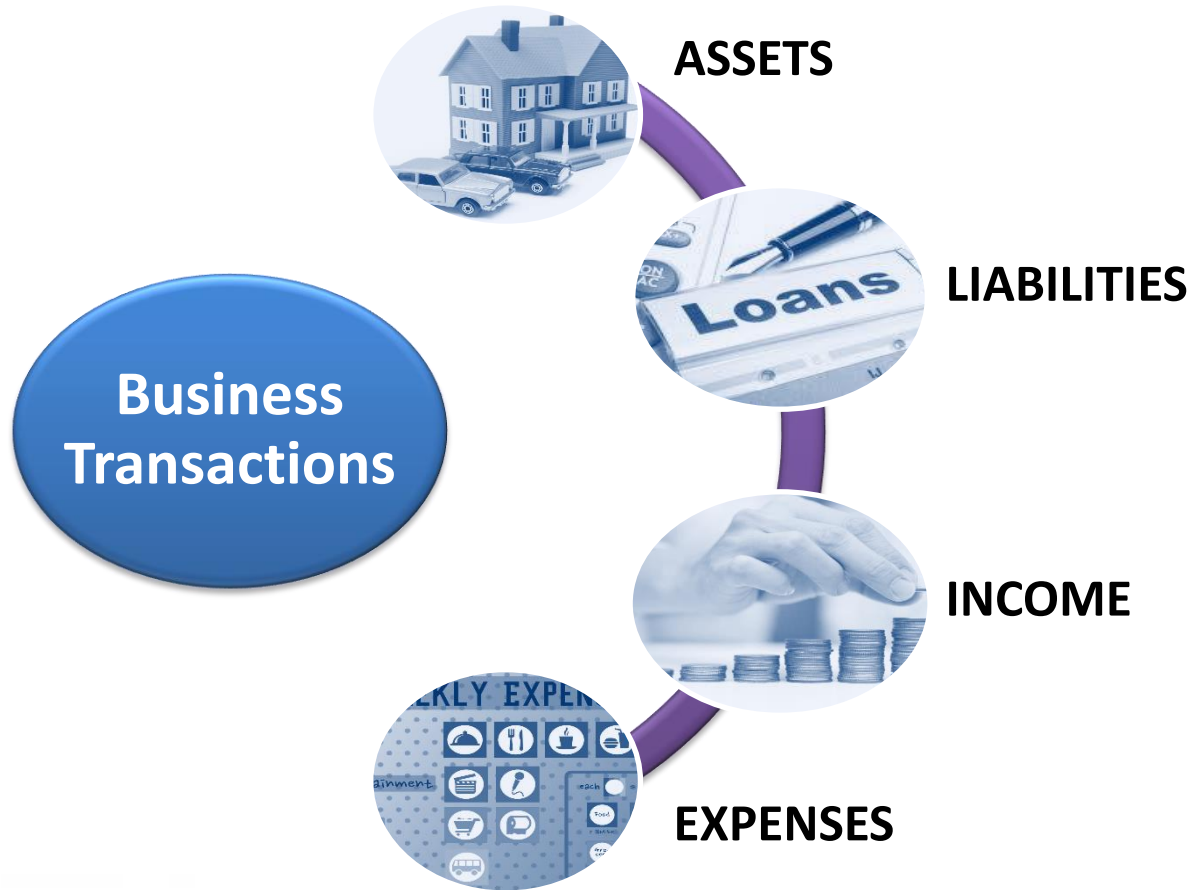
BALANCE SHEET



Cash Flow

BUSINESS TRANSACTIONS

BUSINESS TRANSACTIONS (1 / 3)



ASSETS

- **Properties Owned:** Land, Building, Furniture, Machinery, Equipment's, Cash
- **Claims Owned :** Debtors , Advances given, Loans given

LIABILITIES

- Loans taken
- Advances taken
- Unpaid salaries
- Creditors

INCOME

- Sales of goods and services
- Interest received
- Rent received

EXPENSE

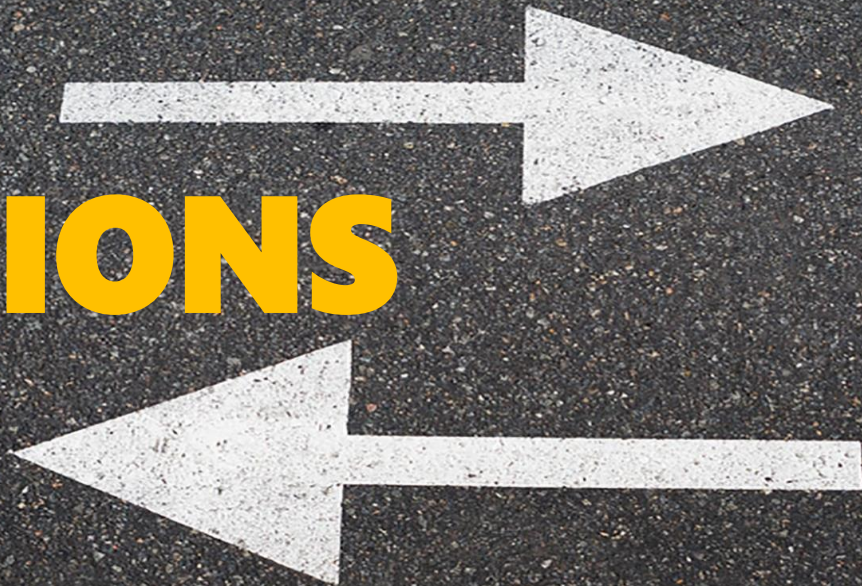
- Expenditure of the Purchase of raw materials
- Salaries staff
- Electricity expenses business
- Transport expenses



**TEST
YOURSELF!**

Particulars	Particulars	Particulars
Cash balance	Purchase of raw materials	Bills Payable
Bank balance	Rent paid	Advances paid to suppliers
Bad debts	Closing stock	Advances received from customers
Plant & Machinery	Salary paid to employees	Goodwill
Loan from Bank	Outstanding salary	Printing and stationery
15% Debentures	Insurance paid	Advertisement
Loans given to employees	Brokerage received	Rent received
Bonus paid	Royalties received	Sales
Discount allowed	Buildings	Carriage inwards
Discount received	Office Equipments	Sundry debtors
Inter corporate loan taken	Capital	Sundry creditors
Investment in shares	Bills receivable	Fixed Deposits with Bank

DECISIONS



- ✓ Engineers make design **Decisions** that affect the company bottom line, often without understanding how.
- ✓ Is it worth it to **Delay a Project** by a quarter to add a feature to increase sales?
- ✓ A **Competitor** has introduced a product that is expected to reduce a new project's sales by half. Should I continue or cancel the project?
- ✓ What is Balance Sheet?

We are doing a strategic review, and have ten great product ideas.

Some are small projects, some are large. We can't fund them all. Finance has calculated NPV (Net Present Value) and ROI (Return on Investment) for each.

Which should we use as our prime factor for prioritizing which projects we pursue and which we don't?

***Engineering costs money and
Finance provides it***

BANK – FD & RD

**STOCK
MARKETS**

LIC - INSURANCE

CURRENCY

PPF

BONDS

REAL ESTATE

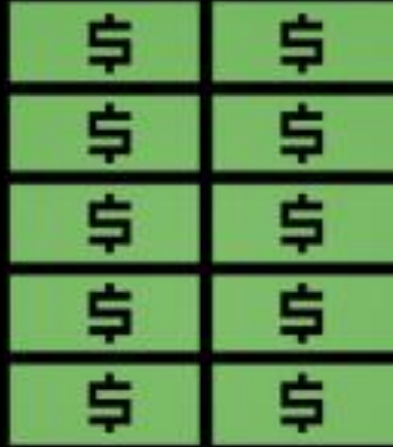
DERIVATIVES

GOLD

COMMODITY

MUTUAL FUNDS

MONEY MARKETS



TRADING & INVESTING



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THANK YOU