# FINANCIAL MANAGEMENT

**WHAT IS FM?**

CONCERN WITH THE MANAGEMENT OF RESOURCES.

OBJECTIVE IS TO INCREASE THE SHAREHOLDERS WEALTH

**THE 3 CORNERS TO INCREASE THE SHAREHOLDERS WEALTH IS:**

* FINANCING
* INVESTING
* DIVIDEND

**RISK**

THERE ARE 2 TYPES OF RISK;

* FOREIGN EXCHANGE RISK
* INTEREST RATE RISK

**HEDGING**

THE PROCESS OF MINIMIZING THE RISK AND MAXIMIZING THE RETURN

**CHAPTER 1**

**FINANCIAL MANAGEMENT OBJECTVIES**

PBIT

LESs: INTERST

PBT

LESS**:** TAX

PAT

LESS: PREF DIVIDEND

EAOS

DIVIDED: EQUITY DIVIDEND

EPS

**EPS**

**EARNINGS** **PER** **SHARE**

EPS = EARNINGS ATRIBUTABLE TO ODINARY SHAREHOLDERS/ NO; OF SHARES

OR

EPS = PAT-PREF DIVIDEND/NO; OF SHARES