



2. corporate-finance.pdf

Title: Corporate Finance Fundamentals

1. What is Corporate Finance?

Corporate finance deals with how companies manage their money, investments, and capital structure.

2. Main Objectives

- Maximize shareholder wealth
- Increase company value
- Maintain financial stability

3. Key Areas of Corporate Finance

a) Capital Budgeting

Deciding where to invest money (projects, expansion, etc.)

b) Capital Structure

Mix of **debt and equity** used to finance the business.

c) Working Capital Management

Managing short-term assets and liabilities (cash, inventory, etc.)

4. Sources of Finance

- Equity shares
- Debentures
- Bank loans
- Retained earnings

5. Time Value of Money

Money today is worth more than money in the future due to interest and inflation.

6. Risk and Return

Higher risk investments usually give higher returns.

7. Conclusion

Corporate finance helps companies make smart financial decisions and grow sustainably.