



## 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.