**Video Title:** An Introduction to Financial Management

**Video URL:**  [https://www.youtube.com/watch?v=qrs3taWpuD8](%20https%3A//www.youtube.com/watch?v=qrs3taWpuD8)

**Running Time/Source:** 27.03, 3GVideo/YouTube

**Close Caption Available:** Yes

This video discusses the importance of financial management, which concerns the acquisition and investment of funds within a company. Finance is the study of how to make good decisions that involve money. Risk and return are key concepts. Analysis and decision making are two functions of finance. Finance includes corporate finance, personal finance, investments and portfolio management, financial markets and institutions, and public finance. The video gives an example focusing on the food business. Financial management is defined, including acquisition of funds (i.e., borrowing and equity) and allocation of funds (i.e., investment in working capital, fixed assets, and paying dividends to shareholders). The goal is to increase the value of the firm or shareholder value of equity through wealth (not profit) maximization that takes into account risk.

Questions:

1. How does finance affect business activities within a firm?
2. What are two key concepts in finance?
3. What is more important to financial managers – wealth or profit maximization?
4. What is a definition of financial management?
5. What does acquisition of funds mean?
6. What is allocation of funds?