

FINANCIAL MANAGEMENT – SIMPLE REVIEWER

(Designed for students who get distracted & forget easily)

HOW TO USE THIS REVIEWER (IMPORTANT)

- Study **ONE section at a time** (10–15 minutes only)
 - After each section: **cover** → **say it out loud** → **check**
 - Stop when tired. Short study is better than long study.
-

FINANCIAL MANAGEMENT (BASIC IDEA)

Financial Management is the part of a business that focuses on the **proper use and allocation of money**.

👉 Think: "How should the company use its money wisely?"

Easy phrase to remember:

Managing the company's money

MANAGERIAL FINANCE

Managerial Finance deals with the **duties of the financial manager in a business**.

Examples of duties: - Analyzing finances - Managing cash - Making investment decisions

👉 Keyword: **BUSINESS** (not personal)

ROLE OF A FINANCIAL MANAGER

A financial manager has **FOUR (4) major roles**:

1. **Raising of Funds** – obtaining money from internal and external sources
2. **Allocation of Funds** – deciding where the funds should be used
3. **Profit Planning** – planning to earn and increase profits
4. **Understanding Capital Markets** – knowing how financial markets work

Easy flow to remember:

Get money → Use money → Grow money → Know the market



ELEMENTS OF FINANCIAL MANAGEMENT

There are **three key elements**:

1. **Financial Planning** – estimating future money needs
2. *"How much money will we need?"*
3. **Financial Control** – comparing actual vs planned results
4. *"Did we follow the plan?"*
5. **Financial Decision-Making** – choosing the best option
6. *"Which is better?"*

Memory trick:

Plan – Check – Choose



SCOPE OF FINANCIAL MANAGEMENT (THE 5 A's)

1. **Anticipation** – estimating future needs
2. **Acquisition** – obtaining funds
3. **Allocation** – distributing funds
4. **Appropriation** – deciding how profits are used
5. **Assessment** – evaluating results

Must-memorize mnemonic:

5 A's of FM



MAJOR AREAS IN FINANCE



Financial Services


Deals with providing financial advice and products.

Includes: - Investments - Insurance - Real estate - Personal financial planning

👉 Think: *Helping people manage money*

PROFESSIONAL CERTIFICATIONS (JUST KNOW THE MEANING)

- **CFA** – Certified Financial Analyst
- **CTP** – Certified Treasury Professional
- **CFP** – Certified Financial Planner
- **CPA** – Certified Public Accountant

 Tip: Don't overthink. Just match the letters.

LAST-MINUTE MEMORY BOOST (READ BEFORE QUIZ)

- Elements: **Planning – Control – Decision**
 - Scope: **Anticipation – Acquisition – Allocation – Appropriation – Assessment**
 - Services = **Helping people with money**
-

5-MINUTE SELF-CHECK (NO WRITING NEEDED)

Ask yourself: - Can I explain Financial Management in my own words? - Can I say the **3 elements** without looking? - Can I list the **5 A's** out loud?

If YES → you're quiz-ready *100*