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The Objectives of Financial Management, The Goal of Financial Management and Corporate Governance

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Financial management

Financial management comes up with a framework that seeks to achieve an interaction between operational engagement, its duties and financial funds and facilities of the business enterprise. It is a procedure that allows and prepares the business for strategic designing, directing, coordinating, observing and controlling both its ongoing and upcoming financial resources and other affairs. Therefore, the fundamental principles of management are exercised in operating the financial activities of a concern, such as purchase, sales, estimation of inventory value, apportionment of profit, and more (Banerjee, 2015). In the present day world, adjustable monetary policies, consolidated financial systems, and a well-thought-out decision framework can maximize wealth maximization.

Objectives of financial management

- Enhancing operational efficiency: The application of an integrated financial structure helps monitor and adjust the funds in any undertaking. It focuses on strengthening and boosting the efficiency in procuring and utilization of its financial resources. Moreover, a potent financial management specifies goals and standards that can help ascertain the complicated areas when evaluated later.
- Ensuring sufficient liquidity: In order to keep up with the performance and strategies of the organization, it assists in ensuring whether the business has adequate cash to bear its obligations and commitments.

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- Providing security Financial management strives to guarantee security in terms of investments and other areas where the funds have been channelized (Brigham, 2021). It provides such safety with the aid of various capital budgeting approaches.
- Controlling financial resources: Several sources of capital can impact the cost of capital taken as a whole. Hence, it makes sure that there is a reasonable parity between the distinct sources and helps develop capital structure.

Goals of Financial Management

The prime goal of financial management concerns equally on short term and long term schemes and actions that accelerate value creation from the resources available.

i. Circulation of financial reports: One of the most noteworthy goals of financial management is disseminating accounting and budget-related information to the stakeholders, both internal and external (Lasher, 2016). These information consists of monthly, quarterly and annual statements and reports. It declares the details about the facts and figures of the business stating the profitability and overall production of the same. Hence, the stakeholders can rely and have an idea about the security and firmness of the concern.

ii. Financial planning helps in strengthening the efficiency in the ongoing and upcoming activities of the organization; conventional arrangements and speculation are essential. The objective of such planning should be to this extent that the operational and financing activities complement its cash flow capacity. Depending on the cash flow computation, the extent of its short and long-term activities is ascertained. Therefore, proper financial management planning verifies that the fund or capital available is financed into discrete activities timely and in a secure manner.

iii. Handling risks: Risk management is yet another goal of financial management. It formulates the favourable contingency measures for the associated risks. Indemnity and computerized management systems aid in preventing or minimizing the immensity of the risks involved in fraud, pilfering, and embezzlement.

iv. Ensure profitability: A valuable business concern will always try to hold onto its existing stakeholders and captivate new investors. To fulfill this objective, financial management tries to boost up the returns because shareholders observe the companies' overall achievement and profitability.

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v. Put in control: This goal of exerting control on the available capital resources is accomplished by the personnel engaged in management and auditors. They try to obviate the infringement in financial principle.

Corporate Governance

Corporate governance can be defined as the framework and the federation which controls corporate administration and performance. The members of the Board play a major role in the implementation of the corporate governance. The connection with respect to the further key members especially the stakeholders and the administration is censorious. Other participants involve workers, suppliers, consumers, and creditors. Corporate governance structure is also based on the company's authorized, bureaucratic, institutional, and social circumstances. Generally, corporate governance is considered the anchor of legitimate and illegitimate practices and propositions that affect the business firms that are carried publicly (Pargendler, 2016). Firms that operate at an international level acknowledged the fact that solid corporate governance puts on substantial utility to their functioning accomplishment in the following ways:

1. It strongly enhances strategic estimation by introducing unconventional administrators who ushers plenty of experience and a shedload of new plans and strategies.
2. It sustains the administration and supervising of risk which is faced by the organization globally.
3. It restricts the culpability of senior executives and managers, by enunciating the process of decision-making thoroughly.
4. It makes sure that the financial reports are ethical.

The fundamental goals of corporate governance are to expedite productive, entrepreneurial and sagacious management which can bring a long-term success for the business. It is the process which is used to direct and manage the business. The Board members are held responsible for the administration of their business(Al Ghanem et al. 2021). The responsibilities of the board members involve determining the aims and objectives of the business providing the management to lay them into a sequel, examining the governance of the organization, and conveying updates to stakeholders and the investors on their conservancy (Almansoori et al. 2021). The role of the shareholders in administration is to assign the auditors and the other executives to satisfy themselves by proving that an efficient governance framework is established. Therefore, it can be said that corporate governance is ultimately the Board's

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decision as the board members of a company set up values and the ethics that are the pillars of an organization. It requires to be esteemed from the daily functioning conduct of the business by the executives (Naciti, 2019).

The key objective of corporate governance is to uplift and build up the shareholder value and protect the engrossment of the rest stakeholders. It has several other goals to strengthen the investors' confidence and the intern leads to contribute to the speedy expansion and profits of the business. Few are mentioned below:

1. To introduce a well-structured board that efficiently takes individual and objective resolutions to conduct the affairs.
2. To ensure the Board is in position concerning the depiction of an appropriate number of executive and non-executive directors who are in charge to look after the interests, requirements and welfare of the shareholders.
3. The Board can accept the transparent methods and techniques and reach a conclusion based on relevant information.
4. The Board must have an efficient appliance to recognize the disquiet of the shareholders.
5. The shareholders must be kept updated by the Board about the pertinent evolution influencing the business.
6. The operation of the management is under the regular supervision of the Board.

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