
Book Review

Title: **Financial Management (Principles and Practice)**
(13th Revised and Enlarged Edition, 2007)
ISBN 81-8054-531-8, Price Rs.455

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The greatness of any book on finance lies in its simple way of explaining the hardcore technicalities. The students of management with non-finance background generally find Financial Management as a tough stream or area since it involves the clarification of facts by figures and formulas. Today, Finance being an indispensable part of any business, has emerged as a separate and most powerful discipline in the study of Modern business and management. The present thirteenth revised and enlarged edition of the book under review is like a fresh breeze for all finance professionals, faculty and students. Written in simple but effective and easy to understand language, the book is very comprehensive in scope and covers in a systematic format all major areas governing Financial Management subdivided into seven sections. Each section starts with topic introduction and contains theoretical insights as well as solved and unsolved practical illustrations for practice.

At the outset, the author has tried comprehensively to present the "Foundations of Finance" (Section A), by briefly introducing the fundamentals of Finance, followed by different modes of valuation of securities along with their risk and return analysis.

Recent developments in the tax structure due to CENVAT scheme, VAT, Service Tax, legislative changes due to enactment of finance Act 2006 have all been newly incorporated in Chapter 5 (Section-A).

The concept of "**Financial Analysis**" has been simplified in the Section B of the book. The author has explained very lucidly to the readers the techniques and tools of financial statement analysis viz: Ratio

Analysis, Fund Flow Analysis and Cash Flow Analysis along with numerous practical illustrations for understanding.

The fundamentals and concepts of "**Cost Analysis**" have been explained in Section C with certain new inclusions in the form of Activity Based Costing, BackFlush Costing and Target Costing in Chapter 1: Basic Cost Concepts (Section C). Also one additional topic, Curvilinear Break-Even Analysis has been included in Chapter 2: Marginal Costing and Profit Planning (Section C). The techniques of sensitivity Analysis have been included in the chapter4: Budgetary Control (Section C).

Traditional areas of Finance like concepts of Capital Structure, Financial Planning, Cost of Capital, and Sources of Finance have been explained widely in Section D: Funds Management. This section also specifically discusses the concepts of Working Capital Management along with the basics of Dividend, bonus and rights. The miscellaneous section(Section E) deals with certain new topics on modern era of finance namely International Financial Management, Investment Portfolio Management, Corporate restructuring, Mergers , Amalgamations and Acquisitions in a very understandable manner. This section also highlights the Tax Implications involved in the financial planning done by business enterprises as well as the latest Contribution of finance in the Development of Public Sector Enterprises in India.

Another distinguishing feature of the book is its exclusive style of expression along with numerical questions both solved and unsolved with solutions supported by working notes. The last two sections of

the book (Section F & SectionG) respectively contain the *Advanced Solved Problems* as well as *Advanced Unsolved Problems* for evaluation and practice by the readers. The solved graded problems are self-explanatory and answers have been provided for the unsolved problems with necessary hints wherever required.

Thus, In Conclusion the book contains the in-depth analysis of "Financial Management" from the basic conceptual intricacies to advanced enriched knowledge in major areas of finance. The book very widely meets the requirements of a comprehensive text book and caters to the course content requirements of Postgraduate as well as Professional

courses in Management. Although there are many books on financial management, yet this book by Dr. Maheshwari has made its niche in the market due to its simplicity and remarkable presentation of the content. The author has indeed done a commendable job to present the various dimensions of Financial Management to the target readers with a great degree of clarity.

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