

## BASICS FINANCIAL MANAGEMENT

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### ABSTRACT

#### Keywords:

*financial management, investment decisions, financing decisions, dividends, company value*

Financial management is a managerial function that plays an important role in maintaining sustainability. And increase mark company. Article This aim For study basics management finance as well as his role in taking decision managerial. The discussion focused on draft, function, objective, principle, as well as decision main management finance which includes investment, funding, and dividend decisions. The research method used is the analytical approach. qualitative with studies library through review book text And literature scientific relevant information. The study results show that the implementation of effective and efficient financial management can optimize the use of funds, minimize financial risks, and support the achievement of company goals sustainably. A sound understanding of the fundamentals of financial management provides a crucial foundation for managers in formulating rational and strategic financial policies.

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### Introduction

Financial management is one of the important functions in company management that is related to the effective and efficient management of funds. The success of an organization is very... determined by ability manager in managing finance, start from planning, allocation, and control of funds. In an increasingly competitive and dynamic business environment, financial management is a key factor in maintaining business continuity. Basic financial management is essential as a foundation for rational and strategic decision-making. Without sound financial management, companies face various risks, such as cash flow imbalances, wasted resources, and declining financial performance. Therefore, understanding the basic concepts of financial management is crucial, especially for students and practitioners in economics and business.

### Literature Review

#### Understanding Management Finance

Financial management encompasses all company activities related to obtaining and optimally utilizing funds. According to Bambang Riyanto, financial management encompasses all company activities related to obtaining the necessary funds at the lowest possible cost and on the most favorable terms, as well as efforts to utilize the funds obtained efficiently and effectively. This definition emphasizes that financial management focuses not only on finding sources of funds but also on managing and utilizing funds to maximize company returns.

### **Task Main Point Financial management**

Bambang Riyanto explain that task main management finance covering three The main decisions are investment decisions, financing decisions, and dividend distribution decisions. Investment decisions relate to the investment of funds in various company assets that are expected to generate profits. can provide profit in time Which will come. Decision This very important because it determines the company's asset structure and revenue potential. Financing decisions relate to determining the sources of funds that the company will use, whether from its own capital or from external parties. In this decision, the manager... finance must consider cost capital, risk, as well as structure capital Which most profitable for the company. Meanwhile, the decision to distribute dividends is related to policy company in share profit to holder share or hold it back for future investment purposes.

### **Draft Financial management**

Financial management is the management of financial functions within a company. Financial management encompasses how a company acquires, uses, and appropriately allocates its funds. Each function within a company must be executed effectively because they are interrelated and influence each other in achieving the company's overall goals. In general, financial management has three main activities. First, the acquisition or collection of funds. funds, that is activity company in look for And get source funds, both from own capital and from external parties. Second, the use of funds, namely the allocation of funds to various operational activities and investment company in general Efficient and effective. Third, decision-making, namely the process of determining financial policies related to investment, financing, and profit management so that the company's goals can be optimally achieved.

### **Function Financial management**

Function management finance is series activity Which related with planning, budgeting, management, And control funds company so that used in a way effective and efficient in reach objective organization. Function This covering planning need And sources of funds, budgeting as a guideline for the use of funds, management of funds in operational activities And investment, as well as search And storage funds For guard liquidity. In addition, financial management also includes financial control, auditing, and reporting to ensure that fund management runs according to plan and becomes the basis for managerial decision making.

### **Role Management Finance**

Financial management is the management of a company's financial functions which include: How get funds (rising of fund) And How use funds optimal allocation of funds. Financial management plays a crucial role in determining the appropriate amount of assets to invest in various assets and in selecting the appropriate funding sources to finance those assets. To obtain funds, financial managers can utilize sources from both within and outside the company. External funding sources generally come from the capital market, either in the form of debt or equity, the selection of which must take into account the costs and risks borne by the company.

### **Role, Task, And Not quite enough Answer Manager Finance**

Financial managers play a crucial role in determining a company's success through their ability to adapt to changes in the business and economic environment. Financial managers are responsible for raising and managing company funds to meet their needs. operational And investment can fulfilled in a way optimal. Besides That, manager Finance plays a role in making investment decisions on company assets and ensuring that they are managed efficiently and wisely. Success manager finance in develop company No only impact on improving company performance and value, but also contributing to improving overall economic conditions. Therefore, the roles, duties, and responsibilities of financial managers become factor strategic in guard sustainability And growth company in a sustainable manner.

### **Task Finance Manager**

Manager finance own task main in get funds with cost Which relatively cheap and condition profitable for company. Besides that, manager finance responsible Responsible for using funds effectively and efficiently to achieve optimal results. Other duties is do analysis report finance as base evaluation performance company and analyze the internal and external environment related to financial decision making, both

routine and special decisions.

### Aspects Which Must Done Manager Finance

In carrying out their duties, financial managers must consider five key aspects: forecasting and financial planning to estimate future funding needs and uses. Furthermore, financial managers make appropriate investment and financing decisions to increase company value. Coordination and control are necessary to ensure all financial activities run according to plan. Financial managers must also be able to interact with financial markets to obtain funding sources and maintain investor confidence. Furthermore, risk management is a crucial aspect in anticipating and minimizing potential financial risks a company may face.

### Manager Responsibilities Finance

Financial managers are primarily responsible for making strategic financial decisions for the company. These include investment decisions, which involve investing funds in various assets expected to generate future profits. Furthermore, financial managers are responsible for financing decisions, which involve determining the company's sources of funds, whether from equity or debt. Another responsibility is dividend decisions, which involve determining the policy of distributing profits to shareholders or retaining profits for company development purposes.

### Decisions Management Finance

Financial management decisions are strategic decisions that impact a company's performance and value. One of the key decisions is capital *budgeting*, that is process planning And management investment term long company to obtain future economic benefits. This decision relates to the selection of feasible and profitable investment projects. Another decision is capital structure, which determines the optimal combination of equity and long-term debt used by a company to fund its operations and investments. The appropriate capital structure will affect the company's risk level and cost of capital. Besides That, management finance Also related with management capital Work (*working capital*), namely the management of the company's short-term assets and liabilities to maintain liquidity and smooth running. operational. Management capital Work Which Good will help company meet short-term obligations and increase the efficiency of business activities.

### Management Objectives Finance

The primary goal of financial management is to maximize the value of the company and maximize shareholder wealth. Shareholder wealth can be reflected in the development of the company's stock price (*common stock*) in the market. The higher the company's value, the greater the level of welfare received by shareholders. Management finance Which efficient must oriented on objective normative as standard In assessing the efficiency of a company's financial management. For companies that have not yet publicly offered shares (*going public*), the company's value can be measured based on the selling price if the company were to be sold. Thus, the achievement of financial management objectives is reflected in the company's ability to sustainably increase its economic value.

### Stages in Management Finance

Financial management has three important, interrelated stages: planning, implementation, and evaluation. The planning or financial forecasting stage is the initial stage, which aims to estimate funding needs and sources. company in time front as base compilation policy finance. Stage Implementation includes the implementation of financial plans through fund management and budgeting to ensure that funds are used according to established plans. The assessment phase then evaluates budget implementation to assess the efficiency and effectiveness of financial management and serves as a basis for improving financial policies in the following period.

### Principle Management Finance

Financial management in practice is an activity carried out to maintain and improve the health of the company. condition finance company or organization. By Because That, in compile and run system management finance required principles base as guidelines so that financial management can run effectively, efficiently and responsibly.

The principle of consistency *emphasizes* the importance of implementing financial policies and procedures in a way sustainable so that information finance can compared to from time to time. Principle accountability (*accountability*) demand existence accountability Which clear on every use of funds. Transparency *requires* the disclosure of financial information so that it can be accessed and understood by interested parties. Principle continuity life (*viability*) emphasize that management finance must ensure long-term business sustainability. Integrity *demands* honesty and ethics in every financial activities. Principle stewardship emphasize responsibility management responsibility in manage source Power finance in a way trust. Besides That, implementation Accounting standards *are* needed so that financial reports are prepared in accordance with applicable provisions and can be trusted.

### Method

Study This use approach qualitative with method studies library (*library research*). This method is used to study and analyze the basic concepts of financial management based on theory And thinking for expert Which relevant. Data Which used in study this is of a nature secondary, Which obtained from book text management finance, journal scientific, article, as well as other literature sources related to the research topic. Data collection techniques were conducted through searching and reviewing literature relevant to the concepts, functions, roles, and objectives of financial management. The collected data were then analyzed descriptively, by outlining, comparing, and summarizing concepts obtained from various literature sources. The results of this analysis were used to provide a comprehensive overview of the fundamentals of financial management as a foundation for corporate financial management.

### Results and Discussion

The results of the literature review show that financial management has a strategic role in achieving company goals through effective and efficient fund management. The main function of financial management is: finance covering decision investment, funding, And dividend Which each other related in determine performance And mark company. Besides That, implementation principles Financial management such as consistency, accountability, transparency, and integrity are important factors in maintaining the company's financial health. The discussion shows that the right investment decisions can increase the company's profit potential, while optimal financing decisions affect the capital structure. And risk business. Role manager finance very determine in analyzing financial reports, managing working capital, and interacting with financial markets. By implementing sound financial management fundamentals, companies can improve financial performance and maintain business sustainability.

### Conclusion

Financial management is an important aspect of company management that plays a role in planning, using, and controlling funds effectively and efficiently. The basis of financial management includes the functions, principles, and decision-making of investments, financing, and financing. And dividend Which aim For maximize mark company And shareholder welfare share. Implementation management finance Which Good as well as role manager finance Professionals will support the improvement of financial performance and long-term sustainability of the company.

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