PREFACE

Finance is one of the basic foundations of all economic efforts and the Financial Management is entire gamut of managerial efforts devoted to the management of finance, both its resources and use of funds for business firms or organizations. Management of finance revolves around the most economical way of fund raising for the business and the optimum ways to invest these funds to get the best returns and the value of the firm in the future to obtain the optimum growth. So it deals with these managerial decisions which result in acquisition and financing of long-term and short-term of assets. Financial Management is very important for any business organization because it takes care of the business from the starting and continues to be very important as business proceeds further and it grows if sound financial decisions are taken.

In the present study the researcher has tried to find out the validity about various facets of financial management practices such as cost of capital, capital structure, capital budgeting, dividend decision and working capital management including cash, receivables and inventory management, used by different private sector enterprises in Bundelkhand region. Because the researcher belongs to this region, the researcher has natural feeling to contribute something for the betterment of this region. Having this aim in mind the researcher has done this study to identify the prevailing financial management practices, find out the fallouts in the financial management practices and to suggest the better ways, means, sources and control for effective and efficient financial management.
This study is divided in eleven chapters and supported with four annexures. The first chapter covers the introduction of the subject and detailed literature survey, introduction of the Bundelkhand region and conceptual framework of the study including objectives and importance of the study and detailed research methodology.

Second to fifth chapters discuss the theoretical part (meaning, objectives, importance, theories, models, techniques etc.) for the long-term aspects of Financial Management that covers Capital Structure (Chapter-2), Cost of Capital (Chapter-3), Capital Budgeting (Chapter-4) and Dividend decision and Policy (Chapter-5). Last part of each of these chapters deals with the analysis and interpretation of relevant questions asked to the respondents from the questionnaire.

Four chapters from chapter-6 to chapter-9 deal in short-term aspects of Financial Management that covers Working Capital Management in detail. Chapter-6 discusses theory of Working Capital management, factors affecting working capital and estimation requirements etc. Chapters-7, 8 and 9 deal in all theoretical part related to Management of Cash, Receivables Management and Management of Inventory. Similar to chapters 2 to 5, last part of each of these chapters also deals with the analysis and interpretation of relevant questions asked to the respondents from the questionnaire.

Chapter-10 is the back bone of this thesis that contains the respondents profile and various hypothesis formed for the validation of the results obtained from respondents responses. It also covers testing of hypothesis by Chi-square test and analysis of the results. Last chapter (Chapter-11) throws
light on the findings & conclusions of this research obtained through the
detailed analysis done in previous chapters by the researcher and also
suggest some recommendations given to the local entrepreneurs for the
betterment of financial management & professional attitude in enterprises of
Bundelkhand region.

Findings derived from the analysis of respondent’s answers shows that the
private sector enterprises in Bundelkhand region do not use the entire gamut
of Financial Management Practices but practice the mix of some of these.
Hypothesis testing shows that there is a mixed use of Financial Management
Practices by the private sector enterprises in Bundelkhand region. Out of the
eight practices tested, results show that five practices are used (Capital
Structuring, Cost of Capital, Management of Cash, Receivables
Management and Management of Inventory) and three practices are not used
(Capital Budgeting, Dividend Decision & Policy and Estimation of Working
Capital).

I take this opportunity to devote this thesis to my grand parents- Late Shri S.
L. Biswari and Smt. Somti Devi who have been a constant source of
inspiration to me and also dedicate this work to my parents- Shri Kunj Behari
Gupta & Smt. (Dr.) Kusum Gupta who made me learned to work tireless for
noble cause by inculcating value of “Karma” and also for paving a trouble
free path for me to reach where I am now

(PRASHANT GUPTA)