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## **FINANCE FUNCTIONS**

Finance function is the most important function of a business. In a business, the finance function involves the acquiring and utilization of funds necessary for efficient operations. Finance is the lifeblood of a business without it things wouldn't run smoothly.

The Finance function has been classified into three: Long-Term Finance; Medium Term Finance; Short Term Finance.

As mentioned in the contents of a modern approach, the discussions on financial management can be divided into three major operation: (1) Investment operation; (2) Financing operation; and (3) Dividend operation. A firm takes these operation simultaneously and continuously in the normal course of its business.

So, there are objectives of Finance Functions: Investment Decisions; Financing Decisions; Dividend Decisions; Liquidity Decisions.

Business finance usually involves the following vital functions: 1. Financial planning, forecasting of cash receipts and disbursements — cash flow statement; 2. Raising of funds, either equity capital or fixed interest capital which includes both preference share capital and loan capital (securing of funds); 3. Use and allocation of funds (administration of funds); 4. Financial controls (budgets and other controls).