

## 1.11: Key Takeaways

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### Learning Objectives

Finance deals with the allocation of capital in order to optimize the risk-adjusted return earned on that capital. While the concept applies to both personal and business oriented decisions, the focus of this course will be first on corporations and secondarily on personal issues. The corporation is a form of business organization that separates out management from ownership and accounts for the bulk of business activity within the U.S. The primary objective of financial management within the corporation is to maximize shareholder wealth. This is accomplished by focusing on the magnitude, riskiness and timeliness of expected cash. Three larger issues that influence this goal are social responsibility and ethics, international business operations, and agency relationships.

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