

CHAPTER OVERVIEW

1: Introduction to Financial Management

Learning Objectives

After completing this chapter, students should be able to

- Define what is meant by finance and describe some of its primary areas
- Define and compare/contrast sole proprietorships, partnerships, and corporations
- Identify key advantages/disadvantages of the corporate form of ownership
- Define and identify key characteristics of stocks and bonds
- Define the primary goal of financial management and identify the three elements that impact achieving that goal
- Explain and apply the concept of risk aversion
- Explain how social responsibility and ethical behavior is consistent with maximizing shareholder wealth
- Define the concept of agency relationships and explain how they influence the goal of maximizing shareholder wealth

[1.1: What is Finance?](#)

[1.2: Forms of Business Organization](#)

[1.3: Advantages of Corporations](#)

[1.4: Disadvantages of Corporations](#)

[1.5: Stocks vs. Bonds](#)

[1.6: Goals of the Financial Manager](#)

[1.7: Risk Aversion](#)

[1.8: Social Responsibility and Ethics](#)

[1.9: International Issues](#)

[1.10: Agency Relationships](#)

[1.11: Key Takeaways](#)

[1.12: Exercises](#)

[1.13: References and Attributions](#)

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