

# Introduction

Companies do not operate in isolation; they interact with various entities in the economic environment, including governments, suppliers, lenders, banks, customers, and shareholders. These interactions lead to financial transactions that involve money flowing into and out of the organization. Efficient management of these cash flows is essential for maximizing the company's profitability. Finance is defined as the study of methods for planning, raising, and utilizing funds effectively to achieve corporate objectives. It developed from economics as a specialized discipline focused on addressing specific financial challenges.

## Definitions of Finance

**Brigham and Ehrhardt (2016):** "Finance is the art and science of managing a firm's money to maximize its value" (p. 4).

**Gitman (2015):** "Finance is concerned with the ways in which individuals, businesses, and institutions raise, allocate, and use monetary resources over time, while managing the associated risks" (p. 3).

## Definitions of Management

**Robinson (2007):** "Management is the process of planning, organizing, leading, and controlling the efforts of organization members and of using all other organizational resources to achieve stated organizational goals."

**Koontz and Weihrich (2010):** "Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims."

Simply the term "finance" refers to financial activities that support the lives of individuals, businesses, and governments.

"Management" refers to the process of planning and controlling a company's financial resources over a short period of time, typically one year or less.

# LECTURE 1 : BUSINESS CORRESPONDENCE

Business correspondence is essential for professional communication within and outside organizations. This lesson will explore the principles of effective business writing, including various types and formats. Mastering these skills is crucial for success in fields such as economics, management, and finance.

## WHAT IS BUSINESS CORRESPONDENCE ?

Business correspondence is the written communication exchanged between individuals or organizations for professional purposes. It includes formats such as emails, memos, and letters, aimed at conveying information or requests. Effective correspondence is clear, professional, and essential for successful business interactions.

## Types of business correspondence:

**Emails:** Widely used for quick communication, emails facilitate both formal and informal interactions within and outside an organization. They are effective for sharing information, making requests, and following up on discussions.

**Memos:** Short for memorandums, memos are typically used for internal communication to inform employees about policies, procedures, or important updates. They are concise and straightforward, often addressing a specific group within the organization.

**Formal Letters:** Used for external communication, formal letters convey important messages such as job applications, proposals, or official notifications. They follow a specific structure, including a formal greeting, body, and closing.

**Reports:** Detailed documents that present information, findings, or analyses on specific topics. Reports are often used for decision-making and can include financial reports, research findings, or project updates.

**Proposals:** Documents that outline plans or suggestions for projects, services, or products. Proposals are often used to persuade stakeholders to take specific actions or invest in a project.

**Notices:** Brief communications that inform employees or stakeholders about important events, changes, or policies. Notices are typically posted in common areas or distributed electronically.

**Meeting Minutes:** Written records of discussions, decisions, and action items from meetings. Meeting minutes serve as a reference for participants and ensure accountability for tasks assigned during the meeting.

Each type of business correspondence serves a unique purpose and requires specific formatting and tone to ensure effective communication.

## **The importance of business correspondence :**

According to D. Baker and R. Clark (2011), business correspondence is crucial for organizations due to several reasons:

**Clear Communication:** Ensures accurate and professional communication within and outside the organization.

**Trust and Reputation:** Builds trust with stakeholders and enhances the organization's reputation.

**Operational Efficiency:** Supports smooth operations by conveying essential information efficiently.

**Relationship Building:** Strengthens relationships with clients, partners, and vendors.

**Documentation and Accountability:** Provides a permanent record of interactions for future reference and accountability.

## Example Drafts of Common Types of

### Business Correspondence

- **Memo Example**

Date: [Date]

To: All Employees

From: [Sender's Name]

Subject: Company-wide Training Session

Dear Team,

I am writing to inform you about an upcoming company-wide training session on [Date] at [Time]. The training will cover new procedures and guidelines for our customer service department. It is mandatory for all employees in the department to attend.

Please make sure to arrive on time and bring a notepad and pen to take notes. We believe this training will enhance our customer service skills and improve overall customer satisfaction. If you have any questions, please don't hesitate to reach out to me.

Thank you for your cooperation.

Best regards,

[Sender's Name]

[Position]

- **Email Example**

Subject: Meeting Request - Marketing Strategy

Dear [Recipient's Name],

I hope this email finds you well. I would like to request a meeting with you to discuss the marketing strategy for the upcoming product launch. I believe it is crucial for us to align our efforts and ensure a successful campaign.

Based on your availability, I suggest scheduling the meeting for [Date] at [Time] in [Location]. Please let me know if this works for you, or if you have any alternative suggestions.

Additionally, please come prepared with your insights and ideas regarding target audience segmentation, key messaging, and the media channels we should focus on.

Thank you for your attention to this matter. I look forward to meeting and working together to achieve our marketing objectives.

Best regards,

[Your Name]

[Your Position]

[Your Contact Information]

- **Business Letter Example**

[Your Name] [Your Address] [City, State, ZIP Code] [Email Address] [Phone Number] [Date]

[Recipient's Name] [Recipient's Position] [Company Name] [Company Address] [City, State, ZIP Code]

Dear [Recipient's Name],

I am writing to inquire about the status of my recent job application for the [Position Title] at [Company Name]. I submitted my application on [Date] and wanted to follow up to express my continued interest in the position.

I firmly believe that my qualifications and experience align closely with the requirements outlined in the job posting. I am confident that my skills in [relevant skills] and my previous experience in [relevant experience] would make a valuable contribution to your team.

I would greatly appreciate any information you can provide regarding the hiring process and an update on the status of my application. If necessary, I am available for an interview at your convenience.

Thank you for considering my application. I look forward to hearing from you soon.

Sincerely,

[Your Name]

- **Report Example**

[Your Company Logo]

[Report Title]

[Date]

**Executive Summary:** The executive summary provides a concise overview of the report's key findings, conclusions, and recommendations.

**Introduction:** The introduction section provides background information about the topic and outlines the purpose and objectives of the report.

**Methodology:** This section describes the research methods, data collection techniques, and analytical tools used to gather and analyze the data.

**Findings and Analysis:** Present the findings and analysis based on the research conducted. Use charts, graphs, or tables to support the data and provide insights into the results.

**Conclusions:** Summarize the main conclusions derived from the findings and analysis. Address the research objectives and provide recommendations based on the conclusions.

**Recommendations:** Provide actionable recommendations that address the issues discussed in the report. These recommendations should be practical and aligned with the organization's goals.

**Conclusion:** Summarize the main points discussed in the report and emphasize the importance of the findings and recommendations for the organization.

**References:** Include a list of sources and references used in the report.

**Appendices:** If necessary, attach any supplementary materials or additional data that supports the findings and analysis.

- **Proposal Example**

[Your Company Logo]

[Proposal Title]

[Date]

**Executive Summary:** The executive summary provides a concise overview of the proposal, including the problem statement, proposed solution, anticipated benefits, and the request for support or investment.

**Introduction:** Present the background information and context related to the proposal, highlighting the issue or opportunity that needs to be addressed.

**Problem Statement:** Clearly articulate the problem or challenge that the proposal aims to solve. Explain the significance and impact of the problem on the organization.

**Proposed Solution:** Describe the proposed solution or course of action in detail. Highlight its feasibility, anticipated outcomes, and alignment with the organization's objectives.

**Timeline and Budget:** Provide a timeline outlining the key milestones and deliverables. Include a budget breakdown, including estimated costs for resources, equipment, or any other relevant expenses.

**Benefits and Anticipated Outcomes:** Emphasize the benefits and advantages that the proposed solution will bring to the organization. Quantify the anticipated outcomes and potential return on investment.

**Conclusion:** Reiterate the importance of the proposal and summarize the key points discussed. Encourage the recipient to support or invest in the proposed solution.

Thank you for considering this proposal. We are confident that it will significantly contribute to the success of our organization.

Sincerely,

[Your Name]

[Your Position]

[Your Contact Information]