

Chapter 17 Managing Business Finances

Section 17.1 Financial Management

Section Summary with Key Terms and Academic Vocabulary

Financial Management A financial plan outlines the financial projections about a new firm or venture. Businesses use financial plans to make decisions about the future. Financial plans include the amount of money a business will need to start and operate. They also include financial forecasts. A forecast estimates the financial outlook for a business over the next few years. Financial planning also involves budgeting. A budget is a plan that specifies how money will be used or spent during a particular period.

Key Terms _____

financial plan A set of documents that outline the essential financial facts about a new firm or venture

capital Money supplied by investors, banks, or owners of a business. Start-up capital is the money used to pay for the various assets and expenses of a new venture or business.

financial forecast An estimate of a business's financial outlook for each of the next few years

budget A plan specifying how money will be issued or spent during a particular period

Academic Vocabulary _____

project To plan, figure, or estimate for the future

expand To increase the extent, number, volume, or scope of

require Demand as necessary or essential

predict To declare or indicate in advance