



**MADRAS SCHOOL OF SOCIAL WORK (AUTONOMOUS)**  
**#32, CASA MAJOR ROAD, EGMORE, CHENNAI – 600 008**

**P.G DEPARTMENT OF SOCIAL WORK**  
**(AIDED)**

**II M.S.W (HRM) - 2021**

**SOFT SKILLS REPORT**

## **Financial Management**

**Held on - 08/02/2021 (Monday)**

**Total number of students - 22**

**Resource Person – Mr.Prasanna**

### **Profile of the Resource Person –**

Prasanna, is an HR and development professional with more than 16 years of experience in HR, NGO management, CSR consulting, and teaching.. During his tenure at Ma Foi Foundation he was instrumental in designing and developing various projects in education, health, sports and livelihood. In 2005, as part of the foundation he headed CIOSA, a network of NGOs, corporate and individuals in Tamil Nadu. The network has more than 200 NGOS. It serves as a platform for mutual collaboration. The network has helped NGOs raise funds, find volunteers, raise voice, and also in CSR activities.

In 2012, he became Head of HR and Corporate affairs of Ma Foi Group, where he was responsible for group's internal HR and corporate affairs. Before his MBA he worked in Indian Express as subeditor. He contributes articles on Gandhi, CSR, and development sectors in some of the Magazines. Currently he teaches HRM in Loyola College under Ma Foi and continues to consult development organizations and social enterprises under Aram Porul.

### **First Session**

The session started around 08:15 a.m. with an introduction to the resource person by Mr.Seenivasan. After welcoming the resource person, Mr.Prasanna initiated the session on “Financial Management”

The concept of business was discussed among the students for a clear view and clarity towards the need of financial management. The interaction gave different perspective from all the students regarding business. Upon inter relating each other, the measure of growth in business was discussed.

The resource person gave different scenarios to explain company financial position, cash flow, profit & loss statement and funding for the business. Human Resources need the knowledge of financial management since their primary goal is recruiting, orienting, and retaining a skilled workforce, including benefits administration and employee compensation. Aligning HR Strategy with Business strategy needs the management of finance, calculating production and earning data.

Any decision taken by the human resource including bargaining, incentive program, bonus, variable pay, rewards for the employees, budget, retrenchment and payroll needs financial management.

The financial management starts with an introduction towards balance sheet analysis, cash flow statement and profit & loss statement. Leveraging funds for the company depends on these concepts in finance.

**Balance Sheet analysis** - A balance sheet is a financial statement that reports a company's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure. The growth of the company can be viewed with the help of the assets and liabilities in the balance sheet.

Some of the concepts discussed during the study are:

- Gross profit is the profit a company makes after deducting the costs associated with making and selling its products, or the costs associated with providing its services.
- EBIT – Earning before interests and taxes - Earnings before interest and taxes (EBIT) is an indicator of a company's profitability.
- PAT – Profit after tax - Profit after-tax is the earnings of a business after all income taxes have been deducted.

For better understanding, some sample questions were also given to understand how to calculate gross profit and Earning before interests and taxes (EBIT) along with Profit after tax (PAT). These calculations also described about cash flow statement and profit & loss account.

**Cash Flow statement** - A cash flow statement is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company. Out Flow and In flow of cash has been calculated for a business entity.

**Profit & Loss Account** – Profit & Loss account is one of the financial statements of a company and shows the company's revenues and expenses during a particular period. Profit and Loss incurred by a company has been calculated.

Followed by the practice sums, a session on analysing the contents of the balance sheet was taught. Assets and Liabilities and their inter linked concepts such as Fixed Assets, Current Assets, Current Liabilities, Long term and Short term liabilities, Owner's Fund were also taught.

Some examples to understand these balance sheet analysis concepts were done by the students with the help of the facilitator. Some real time situations in

business were given for the students for better perception about the application of balance sheet. All the questions or doubts regarding the first session was discussed before recess.

**Break** – 10:45 a.m. – 11:15 a.m.

### **Second Session**

The second session concentrated on observing the application of the concepts. The facilitator explained about different assets and liabilities in a company.



The four terms used widely in financial management are:

**Total Assets** - Total assets refers to the total amount of assets owned by a person or entity. Assets are items of economic value, which are expended over time to yield a benefit for the owner

Total Assets can be calculated as the sum of fixed assets and Current Assets

**Capital Employed** - Capital employed, also known as funds employed, is the total amount of capital used for the acquisition of profits by a firm or project.

Capital Employed is the sum of owner's fund and long term liability.

**Net worth** - Net worth is the value of the assets a person or corporation owns, minus the liabilities they owe. Net worth is the owner's fund.

**Working Capital** - Working capital, also known as net working capital (NWC), is the difference between a company's current assets, such as cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, such as accounts payable. Working capital measure the liquidity.

These concepts in business financial management helps in optimising the cash flow in the company and helps in determining and understanding the current position of the company assets and liabilities. The profit and loss account consists of relationships between the values such as:

- EBIT – Earnings before interest and tax - Deduct interest
- EBT – Earnings before tax - Deduct tax
- EAT – Earnings after tax - Deduct dividend
- RE – Retained earnings

Lin or ratios between the balance sheet and the profit and loss account values.

- Return on assets – ROA
- Return on net assets – RONA
- Return on capital employed – ROCE
- Return on invested capital – ROIC

Calculation for the profit and loss account was given in the following area with different business scenarios. Based on the balance sheet, cash flow statement and profit & loss account, ratios and real time situations were compared to prepare a better business program or incentive plan.

The problems helped in observing the applicability of financial management for the human resource students. It also gave a wide perspective on the necessity to gain the knowledge in business of a company to optimise the operations, sales and plan human resource management based on the company finance. Many questions regarding the sessions were raised by the students which were cleared by the facilitator by the end. Feedbacks were also shared regarding the session.

The sessions were ended by 01:30 p.m.



<b>SOFT SKILLS – DAY 1</b>			
<b>Sl.No</b>	<b>Reg.No</b>	<b>Name</b>	<b>Status</b>
1	1915772091002	Deepak T Kappen	Completed
2	1915772091004	Dhivya Bharathi P	Completed
3	1915772091005	Imran R S	Completed
4	1915772091006	Jafrin Asfara	Completed
5	1915772091007	Kezia Keerthana Finney	Completed
6	1915772091008	Krishna Rethnam R	Completed
7	1915772091009	Mohammad Shadaab	Completed
8	1915772091010	Nandhini Srinivasan	Completed
9	1915772091011	Padma Priya S	Completed
10	1915772091012	Parvatha Sundari S	Completed
11	1915772091013	Ramya S	Completed
12	1915772091014	Rohith Jason Meshach P I	Completed
13	1915772091015	Sandhra Elizabeth Joseph	Completed
14	1915772091016	Saranya G	Completed
15	1915772091017	Sathiya Anandhi P	Completed
16	1915772091018	Seenivasan P	Completed
17	1915772091019	Siddarth O J	Completed
18	1915772091020	Swarna H	Completed
19	1915772091021	Trinima Morais F	Completed
20	1915772091022	Venkatesan R	Completed
21	1915772091023	Vignesh A	Completed
22	1915772091024	Vinodhini R	Completed

*Almarshy*

