PREFACE

Present day banks function in an environment of intense competition, technological change, volatility in inflation and interest rates and world wide economic uncertainty. A sound financial management is necessary in banks where funds are involved. Financial problems if unsolved will eat into the vitals of banks. The financial management in banks helps in monitoring the effective deployment of funds in fixed assets and in working capital. The total requirement of funds both in short period and long period should be estimated in banks. Financial management essentially helps in optimising the service output in banks for a given input of funds. Of all the managerial problems of banks financial crisis is considered to be the most significant problem. The ability of the management to adapt to change, raise funds, invest in assets and manage wisely will affect the success of the banks. Thus, through efficiently acquiring, financing and managing assets, the financial management contributes to the banks and to the vitality and growth of the society as a whole. In the new environment, the banks should be able to manage multi-dimensional operations in situations of both large inflows and outflows of capital. It is unfortunate to note that no serious attempt has hitherto been made to study the financial management aspect of the bank
management. It is high time that a sound financial management system be introduced in the banks. The study comprehensively covers how the financial decisions affect the size, growth, risk and return of the banks. It also envisages the various financial management aspects in the scheduled banks in the private sector incorporated in the State of Kerala. The Federal Bank Limited, The South Indian Bank Limited, The Catholic Syrian Bank Limited and The Dhanalakshmi Bank Limited are the four scheduled banks which come under the study. Since the topic selected for the present study is of great significance and relevance, it is considered worth studying.

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