

BOOK REVIEW

BASICS OF BUSINESS MANAGEMENT VOL.-1

(Leadership, Financial Management & Economics)

By-Elly R. Twineyo Kamugisha

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Book Reviewed By

SONIKA CHOUDHARY

Department of Commerce, Meerut College, CCS University, Meerut (U.P.) India

INTRODUCTION

This book is authored by Elly R. Twineyo Kamugisha a renowned author in the field of finance and accounting. He wrote many books on finance and accounting and given a very appreciable contribution in the field of book writing. This is the first edition of such a book with a combination of economics, leadership and financial management. The book "**Basics of Business Management**" devotes to the perfect blend of leadership, financial management and economics. It has four parts contains whole prospect of leadership relates to managers, managers relates to financial management then to economics. This book is an excellent source to the students, organization and managers to understand the relationship of leadership to managers and managers to financial management.

Here is the four parts have been discussed in brief to explore the content of the book in a brief manner.

Part-I -This part contains only one chapter name as "Introduction to Leadership and Management". It entails the whole aspect of an organization and how it is related to the leader & management. It enlighten the all perspective related to leadership (qualities, style of leadership). It discusses the management process, behavioral traits with complete explanation encompassing the two very strong words power and authority. Proper tables and charts have been used to discuss the concepts. This part lays emphasis on different concepts - conflict management and time management. A principle is explained in a very impressive manner and gives a very clear view to manage the time in respect to organization.

Part-II-This part has four chapters which are as follows-

1. Management of cash
2. Credit management
3. Management of working capital
4. Financial ratios and investment analysis

**Corresponding Author*

This part contains the important aspect of business management which is the first chapter "Management of Cash". It discusses the cash flows of the organization and its problems. It gives a deep knowledge of concepts covered in cash management. It identifies the need of cash, cash budget ingredients and type of cash flows.

Second chapter "The Credit Management" gives a brief view of the organizational credit policies and their credibility for the organization and its functioning.

The third chapter "Management of Working Capital" discusses the concept of working capital, its importance, need within the organization and implications. It also discusses the levels of working capital and determinants. It also gives a vast view to understand the working capital by discussing the different sources of working capital to different businesses. It gives a perfect view of organizational operating cycle.

Fourth chapter "Financial Ratios and Investment Analysis" shows us the financial ratios types, their application in different examples given to understand the concept. It discusses the project selection methods in a very useful manner. Investment analysis and portfolio management has given a great emphasis to clarify the different pattern of investment arena and place to invest in different securities. It discusses different theories of investment in securities and different market instruments. It classifies the different investment avenues and also discuss different type of policies related to portfolio. It gives a deep emphasis on portfolio monitoring and evaluation for investment by giving a good presentation in tables and graphs.

Part-III- This part consist of three chapters name as follows:

1. Supply and demand
2. Theory of production
3. Market structures and competition

This part starts with the initial introduction to some basic concepts. The first chapter starts with introductory part of micro-economics. It starts with the concepts of supply and demand, its uses and application, also explain the demand and supply curve, demand types and demand avenues by showing in graphical presentation. Proper use of bar graphs have been given to discuss the concept. Price determination is linked with market mechanism to collaborate the elasticity and its types to discuss the effect on demand of the product. It discusses the experienced and decision utility on the demand of the product.

The second chapter "Theory of Production" deals with the concepts, factors and cost of production in a very explanatory way to help the understanding of production. Labor demand and the production function both concepts gives a very accurate view of labor in market demand and connect it with production function. Profit maximization theory and theory stakeholder's explained in a very detailed and elaborate manner.

Third chapter "Market structures and competition" deals with different market competition scenarios. Different barriers have been discussed in this chapter for entering in the market. The concept of profit maximization to the monopolist is discussed in a very brief manner. Government role in supporting the market and market failure due to different factors gives a clear view to understand the market nature.

Part-IV- This part devotes to macro-economics consist of 8 chapters which are as follow:

1. Economic growth and economic development
2. Population, Unemployment and the labor market
3. International trade
4. National International Competitiveness
5. Consumption, Saving and Investment

6. Money, Banking and the Financial system
7. Public Finance and Fiscal policy
8. Foreign Aid

First chapter "Economic growth and Economic Development" envisages the meaning of GDP (National Income), different approaches to GDP, different ways of growth pattern and its factors have been discussed in a very impressive manner by quoting the examples of different countries. Rostow's model of stages of economic growth is explained to understand the levels of growth. Concept of economic development is discussed with the perspective of underdeveloped countries.

Second chapter "Population, Unemployment and the labor market" refers to economic development in correlation with per capita income. It discusses the Malthusian model of economic development and its failure.

Third chapter "International trade" includes the terms related to domestic trade and international trade, also discusses the different theories of international trade. It describes the organizations related to international trade with economic integration.

Fourth chapter "national and International Competitiveness" relates to international environment of competition. The concept of international competitiveness, its theories and implications have been discussed. It includes the different levels of competitiveness (at firm level & Industry level), determinants of national advantage. **Export promotion agency** has been discussed in this chapter with its concepts, function, advantages and challenges.

Fifth chapter "Consumption, Saving and Investment" discusses the concept of foreign direct investment, determining factors, conditions of investment and also discusses **Washington Consensus**.

Sixth chapter "Money, banking and Financial system" discusses the five parts of the financial system in which money is explained in detailed manner with its theory, determinants, demand motives for money, functions and limitation of commercial banks and central bank is explained in depth. Concept of inflation, causes, effect and its types is explained.

Seventh chapter "Public finance and Fiscal policy" envisages the public revenue, Budget and tax policy of the government and the type of taxes.

Eighth chapter "Foreign aid" contains the foreign aid provided for developing countries from different development assistance committee. Developing countries need the foreign aid for their budget deficit and developed countries give the foreign aid because of geo-political reasons according to some studies.

CONCLUSION

In today's dynamic economic environment, effective managerial decision-making requires timely and efficient use of information. This book will provide students with a basic understanding of the economics with relation to financial management and leadership that can be used in decision making. The contents will sharpen the analytical skills of the students by integrating their knowledge with decision-making techniques. Students will learn to use different economic and financial management models to isolate the relevant elements of a managerial problem, identify their relationships, and formulate them into a managerial model to which decision-making tools can be applied. In short, this work is a very useful, concise and all-round assortment of all the pre-existing economic concepts and techniques in their simplest and the most intuition-friendly form. This book is a perfect blend of good knowledge for the use of not only the students but also academicians and managers.

