

Process of Issuing GDR:

1. To find the depository bank
2. Issue the shares to depository bank
3. Deposit the fees
4. Issue of GDR

Capital budgeting:

Capital budgeting, and **investment appraisal**, is the planning process used to determine whether an organization's long term investments such as new machinery, replacement of machinery, new plants, new products, and research development projects are worth the funding of cash through the firm's capitalization structure (debt, equity or retained earnings). It is the process of allocating resources for major capital, or investment, expenditures.^[1] One of the primary goals of capital budgeting investments is to increase the value of the firm to the shareholders.

Methods of capital budgeting:

1. **Payback period** (this method refers to the period in which the proposal will generate cash to recover the initial investment made.)
2. **Discounted cash flow** (calculates the cash inflow and outflow through the life of an asset. The discounted cash inflows and outflows are then compared.)
3. **Net present value** (In this technique the cash inflow that is expected at different periods of time is discounted at a particular rate. The present values of the cash inflow are compared to the original investment.)

Forms of dividend:

1. Cash dividend
2. Stock dividend
3. Property dividend
4. Scrip dividend (promissory note which states to pay a later date)

Inventory management:

Inventory management refers to the process of ordering, storing and using a company's inventory: raw materials, components and finished products.

Objectives: