It figures out how to pay for operations and growth. For example, if interest rates are reasonable, taking on debt might be the best response. A company might also seek funding from a private investment company, consider selling assets, or selling capital where applicable.

At the point when the team refers to capital structure, they are apparently dealing with a company's debt-to-equity ratio which gives an understanding of how strong an organization is financially or how risky the organization is financially.

3. Working Capital Management

Working capital management of an organization deals with managing bookkeeping methods and accounting policies intended to keep track of current assets, current debts, cash flow, inventory turnover ratio, working capital ratio and much more. The basic task of working capital management is to assure the organization
dependably keeps up adequate liquid cash to meet its short-term debts and operational cost.

This is one type of financial management where the team needs to maintain working capital management to smoother the company's operational cycle and also to increase the company's earnings.