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جامعة محمد بوضياف – المسيلة
كلية العلوم الاقتصادية والتجارية
وعلوم التسيير
قسم العلوم المالية والمحاسبة

ENGLISH FOR FINANCE AND BANKING

Masters (2)

Course for Master students in Finance and Banking

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Chapter 1

FINANCE

➤ **Defining finance**

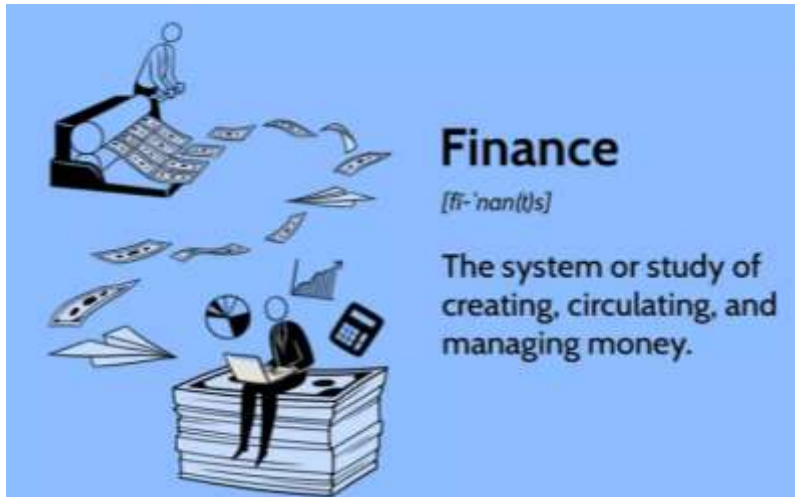
Finance is a term broadly describing the study and system of money, investments, and other financial instruments.

Finance is defined as the system or study of creating, circulating, and managing money.

Many of the basic concepts of finance come from the microeconomic and macroeconomic theories.

Finance is a term for matters regarding the management, creation, and study of money and investments. It involves the use of credit and debt, securities, and investment to finance current projects using future income flows. Because of this temporal aspect, finance is closely linked to the time value of money, interest rates, and other related topics.

The concept of time value of money (TVM) essentially states that a \$1 today is worth more than a \$1 in the future.



➤ **The categories of finance**

Finance can be broadly divided into three categories:

- **Public finance**

The public finance sector includes the government taxes, spending, budgeting, and debt issuance policies that all affect how a government pays for the services it provides to the public.

- **Private finance**

Private (personal) finance applies to individual consumers, and the ways they manage their spending, save for the future, and pay for the basic needs.

- **Corporate finance**

Corporate finance refers to the financial activities related to running a corporation.

➤ These three categories contain main subcategories, including:

- Behavioural finance
- Intangible finance
- Experimental finance
- Financial mathematics