

Review Paper on Financial Management in Small and Medium Enterprises

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Abstract: *The primary aim of this study is to examine recent studies on small and medium-sized enterprises (SMEs) with the purpose of identifying the key issues pertaining to the financial management of SMEs. Three essential elements of financial management include: (1) The management of cash flow and liquid assets. Cash is the company's most valuable nonhuman asset. (2) The matter of acquiring assets for the long term, which dictates the operational strategy of a firm in the long run. (3) Worries over the allocation of financial resources, the composition of the company's financial framework, and the expenses associated with obtaining funds. The issue of liquidity management is the most urgent. If a company fails to formulate an effective strategy for effectively managing its working capital, it will not achieve long-term success. The primary cause of SMEs' problems is usually the insufficient financial management skills of owner-managers.*

Keywords: Financial distress, corporate finance, cash flow management, small and medium-sized enterprises