

Focus to Wealth Maximization depend on tradeoff between Risk and Return, cost of capital management

A value maximization need decision so a manager of corporation take three financial decisions investment decisions, financing decisions and dividend decision. One of the most important issues in this case that if the company will desperate profit or not. so a shareholder will pay more to the stock of corporation with a high dividend layout. All these three decision integrated and inter action because investment decision depends on risk–return tradeoff. A risk project must be generated a high return and .versa to versa