

ETHICS IN FINANCE

WHAT DOES FINANCE MEAN:

Finance means fund or other financial resources; it deals with matter related to money and the market. The field of finance refers to the concept of time, money and risk and how they are interrelated. Banks are the main facilitators of funding. Funding means asset in the form of money. Finance is the set of activities that deals with the management of funds. It helps in making the decision like how to use the collected fund. It is also art and science of determining if the funds of an organization are being used in a right manner or not. Through financial analysis, any company or business can take decision in making financial investments, acquisition of company, selling of company, to know the financial standing of their business in present, past and future. It helps to stay competitive with others in making strategic financial decisions. Finance is the backbone of business; no business can run without finance.

WHAT IS ETHICS AND WHAT IS ETHICS IN FINANCE MEANS:

Ethics is the study of human behavior which is right or wrong. In general, ethics means doing right things to others, being honest to others, being fair and justice to others. Even ethics in finance is a compartment to general ethics. Ethics are very important to maintain constancy in social life, where people work together with one another. In the process of social development we should not be conscious of ourselves but also conscious to take care of others. Ethics in finance is one of the main things which everyone has to follow from the small, medium and big

level company because all most all the country depend up on the financial background of the country because without financial component no business can run for a long time. The assumption of modern financial-economic theory runs counter to the ideas of honesty, devotion, dependability and loyalty. Ethics in finance may vary from different industries to different industries but everyone is liable to-do their work at utmost good faith. Peoples who involved in finance activity have to serve both their company and their customers at utmost good faith.³

CODE OF ETHICS IN FINANCE:

1. Act with honesty and integrity, avoiding real or clear conflicts of interest in personal and professional relationships.
2. To provide information which is full, fair, accurate, complete, objective, relevant, timely and understandable, including in and for reports and documents that the Company files with, or submits to, the other public communications made by the Company.
3. Act in accordance with all applicable laws, rules and regulations of governments, and other appropriate private and public regulatory agencies.
4. Act in good faith, responsibly, with due care, competence and carefulness, without misrepresenting material facts or allowing my independent judgment to be subordinated.
5. Respect the confidentiality of information acquired in the course of business except when authorized or otherwise legally obligated to disclose the information. It should not be used for personal advantage
6. To promote ethical behavior among our associates.
7. Adhere to and promote this Code of Ethics.

ETHICS IN FINANCE IN DIFFERENT FIELDS:

People trained in finance may enter in to different fields and in different line of work in which they will identify different ethical values followed in different line of work. These eight general values remain the same but there will be a small variation in ethical dilemmas. The situation of a stockbroker is different from that of a mutual fund manager, a market regulator or a corporate financial officer.

People in finance involved in lot of activities which depend not only in handling of financial asset but also involved in using of those asset and taking care of it.

Everyday billions of financial transaction takes place with a high level of integrity.

However, there are several opportunities in finance for some people to gain at others' expenses. Finance simply concern with other people's money and other people's money invites misconduct. Some of the professionals in the financial service whom are bound to serve their clients are as follows they are stockbrokers, bankers, financial advisers, mutual fund, pension manager and insurance agents.

Financial manager in corporations, government, and other organizations have to take care of their 4 employers and manage their asset as well. In finance everyone is trusted to carry certain duties from financial analyst to market regulators. Ethics in finance is not only a concerned for an individual in a particular occupation or profession but also for financial market and financial institution. Finance is a main function of every business enterprises and many non-profit organizations and governmental units. Corporate financial manager are responsible for making a decision like invest capital to the planning of merger and acquisitions. While in other hand Public finance is concerned mostly with raising and disbursing fund for governmental purposes.

NEED OF ETHICS IN FINANCIAL MARKET, SERVICE INDUSTRY AND PEOPLE IN ORGANIZATION:

Despite the diversity of financial roles and activities, there are three major areas where there is need of ethics are as follows:

Need of ethics in finance market

– In financial market there are some barrier which includes unequal information, bargaining power, and resources. Finally, market transactions between two parties often have third-party effects. These are the few things which affect ethics in financial market.

Need of ethics in financial service industry

– This financial service industry will affect most people directly. This industry has a duty to develop the product according to people's need and market them in correct manner. But this kind of financial service industry normally deals with client and try to gain clients confidence on them and finally do the duties which will satisfy their clients and not to people's. Their main aim is to stay competitive with others.

Need of ethics for financial people in organization

– Huge number of people in finance are employee of an organization. This include person who approve some project which should not be approved, they approve in order to gain money in the term of bribe. Most of the unethical activities like giving wrong report and wrong data to the company in order to get more money start from here which pushes whole financial market and financial service industry down because all most in all organization there are lot a number of people who are held in finance roles and activities.

CONCLUSION:

No business and company can run without finance. It is LIFEBLOOD for all the organization. So if almost all the field in finance follows ethics in their duty almost all other process will function very well without any discrepancies.5