Asset and liability management (often abbreviated ALM) is the practice of managing financial risks that arise due to mismatches between the assets and liabilities as part of an investment strategy in financial accounting. ALM sits between risk management and strategic planning. It is focused on a long-term perspective rather than mitigating immediate risks and is a process of maximising assets to meet complex liabilities that may increase profitability. Management of ALM is crucial as it helps in balancing financial risks and maintaining a healthy financial position. ALM is a key component of an investment strategy in financial accounting.

Financial analysis helps assess financial statements through tools such as Ratio Analysis, DuPont Analysis, and Common Size Financials to judge a company's performance. It involves evaluating liquidity, capital structure, turnover, growth, and valuation ratios to determine the financial health of a company. Financial statements, including the profit and loss account and balance sheet, are the backbone of financial analysis. The book considers the general principles of liabilities management, liquidity management, cash management, and credit risk. Case studies of the telecom industry and major companies like Bank One, Daewoo, and Xerox help readers understand the importance of good liabilities management and the consequences of inadequate liabilities management. Strategies and advice on balancing financial risk for leveraged companies are also provided. In today's highly leveraged economy, good liabilities management has become vitally important for the health of companies and sectors. Adequate internal liability controls can greatly reduce risk.