THE OPTIMAL DISTRIBUTION OF AVAILABLE FUNDS IN DIFFERENT INVESTMENT CATEGORIES BY GOAL PROGRAMMING

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ABSTRACT:
In this research paper, the application of goal programming to multi-objective financial management decision situations are examines. The paper indicates the existing application areas of financial planning, profit, capital-adequacy ratio, risk-asset ratio, all investment; cash reserve ratio, liquidity, diversification, commercial loan selection in government and public sectors. The investment planning in Commercial Banks is an important fact in bank financial planning procedures. In this paper the priority based linear goal programming (LGP) is used for bank investments problems. An LGP model is presented here to achieve the targets of profit, capital-adequacy ratio and risk-asset ratio. The review shows the goal programming has been widely applied to financial planning management problems. This paper will examine the test results.

KEYWORDS: Goal Programming, Banking, Optimization, Liquidity Management, Ratios.

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