Report on Bachelor Thesis

**Topic:** Financial Analysis of the Lenovo Company

**Student:** Peiye Shi

Bachelor thesis of the student Peiye Shi concentrates on traditional topic of financial management – financial analysis of a company. One of the primary objectives is identification of major changes in trends, and relationships and the investigation of the reasons underlying those changes, and so the area of the financial management is very important for company management and its decision – making. The topic of the bachelor thesis fully corresponds with the topics of bachelor thesis at the Department of Finance.

The aim of bachelor thesis is the financial analysis of the Lenovo Company by applying selected methods (“The main purpose is to estimate the company and get a deep understanding of the company”).

Bachelor thesis is divided into five main chapters, where first chapter is introduction, last chapter is conclusion, second chapter is theoretical and methodological, third chapter is descriptive and the chapter fourth is the application part.

Second chapter is concentrated on description of the financial analysis methods. First, the author describes the financial statements. Then are presented and described selected liquidity, solvency, activity and profitability financial ratios and DuPont analysis. Third chapter is focused on the introduction and description of the Lenovo Company.

The most important part of the bachelor thesis is the chapter fourth. Here, author made the financial analysis company of the Lenovo Company over the period of 2008 - 2012. This chapter is divided into four parts, in the first and second part is company analysis by the common-size analysis of company statements, in the third and fourth part are calculated selected financial ratio and made DuPont analysis of return on equity (ROE). Results of methods and ratios are commented and presented in the tables and by graphs.

In this thesis is used horizontal and vertical analysis of the income statement and balance sheet, but these analyzes are not in the theoretical part of the thesis described, which must be regarded as a shortcoming. It is also necessary to state, that comments should be better (comments are sometimes reduced on the description input data and results, author should try
to explain more reasons for changes) and author could formulate more recommendations or
treats for the Lenovo Company. However, it is necessary to appreciate the application of
DuPont analysis. The main aim of this thesis has been fulfilled, although comment of results
is incomplete and the author doesn’t respect the formal guidelines fully, the bachelor thesis
can be recommended to defense.

In Ostrava, 25th May 2013

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