Diploma thesis appraisal

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Title of the thesis: Valuation of the Company by Selected Methods

The topic of the thesis is a business valuation. The goal of the thesis is to appraise a listed company, Dongfeng Motor Group. The stated goal is in line with the assignment and the topic of the thesis. As can be seen from the elaboration of the thesis, the goal was fulfilled.

The structure of the thesis is logical and in line with the stated goal. Excluding the introduction and conclusion chapters, the thesis is structured into three main chapters. The first chapter is theoretical and student describes the methodology applied for the business valuation. This chapter includes the description of strategic analysis, financial analysis and valuation methodology itself. Student is also describing the sensitivity analysis within this chapter, however the description is only verbal and missing any mathematical formulas. In the second chapter the Dongfeng Motor Group is briefly characterized. The third chapter is the most important part of the thesis as student performs the appraisal of Dongfeng Motor Group within this chapter. There is also SWOT analysis and financial analysis performed in this chapter. However, the findings obtained in these two analyses are not influencing the appraisal itself and thus can be moved to the previous chapter as they are only description of the company.

Concerning the appraisal, I must conclude that its trustworthiness is questionable. From the chapter 4.3.1 I understand that the revenues were predicted based on the GDP. From the chapter 2.1.3 I understand how the investments, depreciation and net working capital were predicted, however the procedure of calculation is not documented in the practical part of the thesis. Moreover there are many more accounts planned both in income statement and balance sheet (see the tables 4.3-4.8) without the description of rationale.

The thesis is written in line with the Principles for Elaboration of Final Theses, but there can be found many formal and grammatical imperfections.

Despite all these objections, I can conclude that the goal of the thesis was fulfilled (although the practical part of the appraisal is poorly described) and I recommend this thesis for defense at the final exam.

Ostrava, May 9, 2014

Ing. Aleš Kresta, Ph.D.