Reviewer's diploma thesis assessment

Student: Hongmin E
Title: Fundamental Analysis of Nike Company
Reviewer: Ing. Martina Novotná, Ph.D.

The thesis is focused on fundamental analysis which is a common method used by investors for the purposes of stock valuation. The objective of the thesis is clearly stated in the introductory part as the fundamental analysis of Nike Company. With respect to the content and results of the thesis, it is evident that the student has achieved the aim of her work.

The structure of the thesis is logical; the student systematically proceeds from the theoretical background to the practical application of fundamental analysis. Apart of introduction and conclusion, the thesis is consisted of four main chapters. First, the theoretical description of fundamental analysis is provided. The application of fundamental analysis is conducted in the remaining chapters in the following order. The student starts with the macroeconomic analysis of US economy, then she focuses on the industry analysis in the chapter four. Finally, the intrinsic value is estimated as a part of business analysis. The student used dividend discount model, free cash flow to equity model and book value approach to calculate the intrinsic value. The overall results are summarized in the conclusion. The steps of calculations are in most cases described by the student however she could have paid more attention to some parts and better clarification, e.g. why the student assumes different rates of growth in DDM and FCFE model.

It is evident that the student is capable of original and independent work. The work contains minor grammar and typing errors; some parts could have been discussed in more detail, namely the stock price valuation as previously mentioned. The tables, figures and equations are appropriately included in the text however not always properly numbered or commented. For example, data in the table 3.1 do not correspond with the graph 3.3 (p. 22), there is no reference to table 3.1 in the text, the wrong number of graph on the page 23. The student used appropriate literature and other sources however they are not always clearly shown (chapter 3.4 and 4.1). Although the literature is referred to in the footnotes, the Harvard style could have been used for better clarity.

Regardless of the comments above, the work satisfies the requirements for the elaboration and provides author's original results. For the reasons above, I recommend the thesis for the oral defence.

Ostrava, May 19, 2014

Ing. Martina Novotná, Ph. D.