Supervisor's Review of Bachelor Thesis

Title: Profitability assessment of a selected company

Author: Yuan Tian

Assessing of financial health is necessary and permanently repetitious task within financial management, especially when it is focused on seeking further reasons of non-desirable conditions and when suitable recommendations are formulated. For that reason, the theme of the thesis may be considered as actual and well chosen.

The aim of the thesis is to conduct a profitability analysis of Samsonite company. The thesis is divided into five chapters. The first one is introductory, the second one may be considered as theoretical and the third and fourth chapters as application part. The last chapter concludes the work.

The second chapter is devoted to the description of financial analysis. Here, the main attention is paid to the methods of financial analysis including the influence quantification. In the third section, there are firstly described and analysed the general financial data of Samsonite during the years 2008-2012 and the basic method of financial analysis are applied, i.e. horizontal and vertical common-size analysis and ratio analysis. The fourth chapter is focused on the profitability analysis. Firstly, the ROE is decomposed into the particular ratios and afterwards the impact of these particular ratios on the ROE is assessed.

The text suffers some formal imperfections which are explained in Guidelines No. EkF_SME_07_004. Margins are too wide and a wrong symbol for multiplication occurs in Chart 2.3.1. Author does not follow the general rules for writing mathematical equations, for instance Equation (2.34) (also wrong punctuation occurs here), uses hyphen inappropriately and moreover confuses it with dash. Also the references are not written correctly. Student uses wrong format (for instance p. 21).

The text is well structured. Solution is logical and apparent from the procedure described in the text. Graphical presentation is sufficient; however, the bar chart is more suitable instead of Chart 4.1. Unfortunately, author does not work with books mentioned in bibliography within the theoretical part and a lot of comments are reduced on the describing the input data or on commenting the trend and further analysis with seeking further causes is mostly missing. Fortunately, student at least assessed the development and drew some conclusion from it. However, more recommendations or threats for the company could be formulated. Figures and tables are described sufficiently. After the checking of plagiarism, some sentences were copied from another thesis. Due to the fact that it concerns also the comments and conclusion which must be drawn by the author, this offence is really serious.

However, in spite of some imperfection mentioned above, it may be concluded that the thesis complies with the most formal and content requirements imposed on this kind of work and according to procedure described and presented, it can be said that the goal was complied with. Therefore I recommend the work to the defence.

Ostrava 23rd May 2014

Ing. Jiří Válek, Ph.D.
Department of finance
VSB-TU Ostrava, Faculty of Economics