Supervisor's Review of Bachelor Thesis

Title: Indebtedness assessment of a selected company

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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 an indebtedness analysis of Morrison Supermarket company during the years 2008-2012. 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 Morrison 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 ROE decomposition and the impact of indebtedness is assessed.

The text suffers some formal imperfections which are explained in Guidelines No. EkF_SME_07_004. Margins are too wide and wrong symbol for multiplication occurs in Chart 2.3.1. Author also does not follow the general rules for writing mathematical equations, for instance Equation (2.16) (also incorrect punctuations occurs here), and uses hyphen inappropriately. Also the references are not written correctly. The student uses wrong format (p. 21) and moreover combine both styles (IEEE and Harvard) are combined which is not suitable at all.

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. Author could also formulate more recommendations or threats for the company. Figures and tables are described sufficiently.

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

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