REPORT ON BACHELOR THESIS

Topic: Evaluation of Financial Situation of Baidu Company

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The submitted bachelor thesis is focused on the traditional part of financial management, particularly on the utilization of the financial analysis within management of firms. Topic of the thesis can be considered as convenient for thesis on the bachelor's level of study.

Thus, the topic of the bachelor thesis is “Evaluation of Financial Situation of Baidu Company”.

The goal of the thesis is stated within Introduction and its formulation is clear. Nevertheless, formulation of the goal, as well as topic of the bachelor thesis, is defined too broadly. It would be much more convenient to analyse deeper only chosen part(s) of financial situation of the company.

Bachelor thesis is divided into two main parts, methodological part and application part.

Methodological part of the thesis starts with a brief introduction of the nature and purpose of financial analysis and subsequently student focuses her attention on the description of the basic methods of financial analysis, such as common-size analysis, financial ratio analysis and pyramidal decomposition of ROE.

The analyzed company is introduced from various points of view at the beginning of the analytical part of the thesis, while main attention is focused on the history, products, technology, management and strategies of the company.

The key part of the thesis is Chapter 4, which is devoted to the common size analysis and subsequently to the analysis of particular ratio indicators. In the last part of this chapter student tries to analyse the deviation in the key ROE indicator by means of the pyramidal decomposition and method of gradual changes. Results of the analysis are graphically presented, summarised in the tables and commented.

It must be noted that submitted thesis is full of both formal and factual errors and that thesis as a whole is on below the average level. There is inappropriate and inadequate way of
referring in the methodological part, if any. Tab. 2.1 (p. 7) should definitely not be signed as “own calculation”. Description of some symbols is missing or is incorrect, e.g. (2.25). Chapter 3 is useless for the purpose of thesis (and again without references), the input data should be rather described in this part. Most of the comments in the application part are descriptive rather than analytical nature. There is no comparison of the reached results with the industry average or with some competitors. Calculation and results in the tables 4.17 – 4.21 are incorrect. Bibliography (electronic sources) is not elaborate under the standards.

Author’s language is at sufficient level, but with lots of grammatical mistakes and typing errors. Expert language is used mostly correctly, but there are some mistakes in the text.

Summary

Research Topic / Problem Identification:

Significance of Topic Excellent Good Fair Poor
Clarity of Goal Excellent Good Fair Poor
Clarity of Literature Excellent Good Fair Poor

Methodology:

Description Excellent Good Fair Poor
 Appropriateness Excellent Good Fair Poor
 Justification Excellent Good Fair Poor
 Analytical Techniques Excellent Good Fair Poor

Results / Conclusions

Accuracy of Calculations Excellent Good Fair Poor
 Comments Excellent Good Fair Poor
 Conclusions Excellent Good Fair Poor

Written Expression:

Clarity Excellent Good Fair Poor
Integration Excellent Good Fair Poor
Argument Logic Excellent Good Fair Poor
Spelling & Grammar Excellent Good Fair Poor
References Excellent Good Fair Poor

Despite the above objections, I recommend the submitted thesis to defense.

Ostrava, June 2, 2014

Petr Gumy, PhD