OPINION ON BACHELOR THESIS

Topic: Evaluation of Financial Situation of Baidu Company

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The submitted bachelor thesis deals with the evaluation of financial situation of chosen company. The financial analysis is method for an assessment of financial condition and performance and it is useful tool for future decision. From this point of view this topic is possible to consider for actual and contributive.

The aim of the thesis is to assess the financial performance of Baidu Company, based on data from 2009 to 2013.

Besides introduction and conclusion the bachelor thesis is divided into three main chapters. The first one is devoted to description of the financial analysis methodology. The second chapter presents profile of the company. The last on is devoted to evaluation of financial situation of the company.

In the first chapter the author describes financial statements, i.e. balance sheet, income statement and cash flow. Subsequently the common size analysis is described. Then the groups of financial ratios analysis such as liquidity, activity, solvency and profitability ratios are defined. In the end of this chapter the author presents pyramidal decomposition.

In the second chapter the analysed company is introduced. The author describes history, products, strategies of the company and makes a common-size analysis, i.e. vertical and horizontal of the financial statements.

The last chapter can be considered the key part of the thesis. Firstly, Author makes a common-size analysis, i.e. vertical and horizontal of the financial statements. After that the author calculates financial ratios which was defined in theoretical part on the basis of financial statements for the period 2009 – 2013. For quantification of influence of partial indicators on ROE indicator pyramidal decomposition analysis was made. For quantification of influence author used method of gradual changes. Author presents the results in tables and graphs and suitable comments are stated.

It must be mentioned that the author did not avoid both formal and factual mistakes. There are some discrepancies in quantification of particular indicators within pyramidal decomposition in practical part. The literature is not fully referred in the text of the thesis. Electronic documents are not stated according to standards. There are some grammatical mistakes too.

Despite the above mentioned, I recommend the bachelor thesis to the defense.

Ostrava, May 30, 2014

Ing. Ingrid Petrová