Review of Bachelor Thesis

Title: Evaluation of activity and solvency of the China Mobile Limited

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Assessing of financial health is necessary and permanently repetitious task in 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 actual and well chosen.

The aim of the thesis is to analyse the activity and solvency ratios of China Mobile. 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 pyramidal decomposition. In the third section, author firstly described and analyzed the general financial data of China Mobile during the years 2009-2013 and applied the basic method of financial analysis, i.e. common-size analysis. The fourth chapter is focused on the activity and solvency analysis.

The text is well structured and figures used are described sufficiently. However, the graphical representation could be improved, especially figures 2.4 and 2.5. The thesis also suffers some formal imperfections, for instance wrong multiplication symbol occurred in the thesis (*).

Solution to the problem seems to be logical and apparent from the procedure described in the text. I appreciate the sensitivity analysis of asset turnover and debt to assets ratio on given parameter. However, in my opinion there is a mistake because the author represented the change of main ratio when the given parameter remained unchanged. In addition, many comments are reduced on the describing the input data or on commenting on trends and any analysis with seeking further causes is missing. Also many grammatical mistakes occurred in the text and some parts are difficult to understand.
On the basis of reasons described above, it may be concluded that the thesis complies with all 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 25th May 2015

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