Report on Bachelor Thesis

Topic: Financial Analysis of the Chinese Railways Company

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Bachelor thesis of the student Xiaoyin Chen concentrates on traditional topic of financial management – financial analysis of a company. One of the primary objectives is identification of major changes in trends, and relationships and the investigation of the reasons underlying those changes, and so the area of the financial management is very important for company management and its decision-making. The topic of the bachelor thesis fully corresponds with the topics of bachelor thesis at the Department of Finance.

This thesis is focus on financial analysis of the Chinese Railway Company. Probably the main goal of the theses is financial analysis of the Chinese Railway Company from 2009 to 2013.

Bachelor thesis is divided into five main chapters, where first chapter is introduction, last chapter is conclusion, second chapter is theoretical and methodological, third chapter is descriptive and the chapter fourth is the application part.

Second chapter is concentrated on description of the financial analysis methods, which will be applied in the fourth chapter, i.e. common-size analysis [vertical and horizontal], financial ratios and DuPont analysis [gradual changes, logarithmic decomposition method and function decomposition method]. Third chapter, which is very short, is overwritten of Chinese Railway Company.

The most important part of the bachelor thesis is the chapter fourth. The fourth chapter is able to divided into three parts. At first, author described Chinese Railway Company by common-size analysis [vertical and horizontal] over the period of 2009 – 2013. In the second part, author made the financial analysis [ratios of liquidity, activity, solvency and profitability] and the last part includes pyramidal decompositions by methods of gradual changes, logarithmic decomposition and function decomposition. Results of methods are commented and presented in the tables and by graphs.

It is necessary to state, that comments should be better (comments are often reduced on the description input data and results, author should try to explain more reasons for changes in Chinese Railway Company) and the main goal definition is not clear in introduction and conclusion. It is also necessary to say that author should formulate some own financial recommendations or treats for this company.
Although comment of results is incomplete and there are many punctuation and formal mistakes, the main aim of this thesis has been fulfilled and so, the bachelor thesis can be recommended to defense.

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