The bachelor thesis of the student Xiaoyin Chen is focused on traditional topic of financial management, i.e. financial analysis of a company. This area of the financial management is always important for company management for company financial position analysis and making additional decisions if the expected results divert significantly from the real ones. From this point of view, the topic for the bachelor thesis has been selected in and appropriate manner. The topic of the bachelor thesis and its difficulty fully corresponds to the requirements on bachelor thesis at the Finance department.

The objective of the bachelor thesis – as it is declared in the introduction – is to perform the financial analysis of the Chinese Railways Company. As it is apparent from the procedure and results, the objective of the bachelor thesis was fulfilled.

Bachelor thesis is in accordance with the bachelor thesis assignment divided into five main chapters, where the chapter fourth – the application part – is the most important part of the bachelor thesis.

Second chapter concentrates on the methods description, which will be applied in the practical part of the bachelor thesis, i.e. common-size analysis (horizontal and vertical), financial ratios application and pyramidal decomposition and analysis of influences.

Third chapter is focused on the rough description of the Chinese Railways Company description – a company providing passengers and freight transport services in China.

The most important part of the bachelor thesis is the chapter fourth. In this chapter, author performs the financial analysis of the chosen company. Data source are financial statements of the company over the period of 2008-2013. First, horizontal and vertical analysis is applied on balance sheet, P/L statement and cash flow statement. Next, by financial ratios profitability, liquidity, activity, solvency and capital structure is analysed. In the end, pyramidal decomposition and analysis of influences is employed. Here, author has chosen ROE as a basic ratio and three different component ratios (here profit margin, assets turnover, financial leverage) to check, which of these component ratios influences the base ratio the most. For analysis of influences, three methods are applied: method of gradual changes, logarithmic method and functional method. Results of this analysis are summarized in the Tab. 4.25 and graphically presented in Chart 4.28.

Overall summary
On the basis of the results, contents and the procedure of solution it is possible to say, that the main objective was fulfilled. Author of the thesis proved to be able to solve given financial issue, which is the main assumption for the bachelor thesis defence.

Ostrava, 19th May 2015

Ing. Miroslav Čulík, Ph.D.

bachelor thesis supervisor