REPORT ON BACHELOR THESIS

Topic: Evaluation of Probability and Liquidity of the TSINGTAO Brewery Company Limited

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The submitted bachelor thesis is focused on the traditional management's task, which is utilization of the financial analysis for the correct financial decisions. Whereas these decisions have significant impact on the company's value, the topic of the thesis can be considered as traditional, current and convenient for thesis on the bachelor's level of study.

Thus, the topic of the bachelor thesis is “Evaluation of Probability and Liquidity of the TSINGTAO Brewery Company Limited”.

The goal of the thesis is explicitly stated within Introduction and its formulation is more or less clear (there could be stated also some information about pyramidal decompositions and recommendations as expected result). From the conclusions we can state that the objective has been met.

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

The first chapter is focused on the description of the financial analysis methodology. Student describes in the basic methods of financial analysis, such as vertical and horizontal analysis, ratio analysis and pyramidal decomposition. The focus is put on the profitability and liquidity ratios. End of the chapter is devoted to the analysis of deviations in the pyramidal decomposition, where student describes particularly logarithmic method, which is further applied in the application part of the thesis. There could be also some basic description in this chapter.

Next chapter is focused on the basic characteristics of the analysed company and description of the input data. This chapter also includes the assessment of the overall financial situation of analysed company in the particular years performed by common size analysis.

The key part of the thesis is Chapter 4, which is devoted to the detailed analysis of profitability and liquidity ratio indicators of the analysed company. Author also compares reached results with two main competitors, which leads to better and more accurate assessment of the situation. Next large subchapter, which can be regarded as a crucial part of the thesis, is
devoted to the deeper analysis of the chosen key indicators by means of the pyramidal decompositions and analysis of the deviations and subsequently to the quantification of the recommendation based on the results of the pyramidal decompositions by means of sensitivity analysis.

The paper's composition is coherent. The methods used in the paper are reasonable and well described. The text refers to the tables and pictures with corresponding numbers. Utilization of the combination of the vertical and horizontal analysis is praiseworthy, but resulted graphs are little bit confusing. There is also one mistake in calculation, when author apparently uses different input data for calculations in the table 4.1 and tables 4.7-4.10. What was reason for that? Author's language is mostly correct, financial expressions are used correctly and exactly. Generally, author's ability to communicate in a coherent manner is correct and without remarks. Objection can be referred to the comments on results, which are sometimes only descriptive.

**Summary**

**Research Topic / Problem Identification:**

- **Significance of Topic**: Excellent
- **Clarity of Goal**: Excellent
- **Clarity of Literature**: Excellent

**Methodology:**

- **Description**: Excellent
- **Appropriateness**: Excellent
- **Justification**: Excellent
- **Analytical Techniques**: Excellent

**Results / Conclusions**

- **Accuracy of Calculations**: Excellent
- **Comments**: Excellent
- **Conclusions**: Excellent

**Written Expression:**

- **Clarity**: Excellent
- **Integration**: Excellent
- **Argument Logic**: Excellent
- **Spelling & Grammar**: Excellent
- **References**: Excellent

For the above reasons, I **recommend** the submitted thesis to defense.

Ostrava, June 2, 2014

Petr Guraj, PhD