OPINION ON BACHELOR THESIS

Topic: Financial Situation Evaluation of the Li Ning Company Limited

Author: Shuang Rui

The submitted bachelor thesis is devoted to the evaluation of financial situation of chosen company by the help financial analysis methodology. The financial analysis is considered one of a significant area of financial management. From this point of view the topic of the thesis can be considered for actual and useful.

The aim of the thesis is to use some financial analysis methods to analyze Li Ning Company’s financial situation from the year 2009 to 2013.

Besides introduction and conclusion the bachelor thesis is divided into three main chapters.

The first one is devoted to the description of financial analysis methodology. The author describes common size analysis and very briefly main sources of financial analysis, i.e. balance sheet, income statement and cash flow. Subsequently groups of financial ratio analysis such as liquidity, activity, profitability and leverage ratios are defined. In the end of this chapter the author presents pyramidal decomposition and methods for influence quantification.

In the second chapter the analysed company is introduced. The author describes history, market operation, development and main competitors of the company.

The last chapter is an application part, in which the author makes evaluation of financial situation of the company by the help of stated methods. Firstly author makes a common-size analysis, i.e. vertical and horizontal of the financial statements. After that author calculates financial ratios on the basis of financial statements for the period 2009 – 2013. Within activity ratios the comparison with competitor companies (Anta and Adidas) was calculated. Finally, for quantification of influence of partial indicators on ROE indicator DuPont analysis was made. Firstly the author presents a comparison with the company Adidas in 2010, 2012 and 2013 and subsequently uses method of gradual changes and logarithmic method for quantification of influence of partial indicators on ROE.

The structure of the thesis meets the topic and the aim of the thesis. The results are presented in tables an graphs and provided by suitable comments and findings.

Considering fulfilling the formal guidelines for writing the final thesis, I recommend the bachelor thesis to the defense.

Ostrava, June 3, 2015

[Signature]

Ing. Ingrid Petrová