

REPORT ON BACHELOR THESIS

Topic: Profitability Assessment of a Given Company

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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 "Profitability Assessment of a Given Company".

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 ratios. End of the chapter is devoted to the analysis of deviations in the pyramidal decomposition, where student describes particularly logarithmic and integral method, which are further applied in the application part of the thesis.

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 and basic financial ratio analysis.

The key part of the thesis is Chapter 4, which is devoted to the detailed analysis of profitability indicators of the analysed company. 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 recommendation based on the results of the pyramidal decompositions.

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. 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.

Question for oral defence:

1. In 2014 and 2015 ROA is higher than ROE in the analysed company. What caused this situation?

Summary

Research Topic / Problem Identification:

<i>Significance of Topic</i>	Excellent	<u>Good</u>	Fair	Poor
<i>Clarity of Goal</i>	Excellent	<u>Good</u>	Fair	Poor
<i>Clarity of Literature</i>	<u>Excellent</u>	Good	Fair	Poor

Methodology:

<i>Description</i>	<u>Excellent</u>	Good	Fair	Poor
<i>Appropriateness</i>	<u>Excellent</u>	Good	Fair	Poor
<i>Justification</i>	<u>Excellent</u>	Good	Fair	Poor
<i>Analytical Techniques</i>	Excellent	<u>Good</u>	Fair	Poor

Results / Conclusions

<i>Accuracy of Calculations</i>	Excellent	<u>Good</u>	Fair	Poor
<i>Comments</i>	Excellent	<u>Good</u>	Fair	Poor
<i>Conclusions</i>	<u>Excellent</u>	Good	Fair	Poor

Written Expression:

<i>Clarity</i>	<u>Excellent</u>	Good	Fair	Poor
<i>Integration</i>	<u>Excellent</u>	Good	Fair	Poor
<i>Argument Logic</i>	<u>Excellent</u>	Good	Fair	Poor
<i>Spelling & Grammar</i>	Excellent	<u>Good</u>	Fair	Poor
<i>References</i>	<u>Excellent</u>	Good	Fair	Poor

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

Ostrava, May 25, 2017


Petr Gurný, PhD