

Supervisor's Review of Bachelor Thesis

Title: **Profitability Assessment of a Given Company**

Author: **Congrong Xu**

Assessing of financial health is a necessary and permanently repetitious task in financial management, especially when it is focused on seeking further reasons of non-desirable conditions and when suitable recommendations are formulated. For that reason, the theme of the thesis may be considered current and well chosen.

The aim of the thesis is to assess the profitability of Huiyuan Juice Group Limited during the period 2011–2015. The thesis is divided into five chapters. The first one is introductory, the second one may be considered theoretical and the third and fourth chapters represent an application part. The last chapter concludes the work.

The second chapter is devoted to the description of financial analysis. Here, the main attention is paid to the methods of financial analysis including the influence quantification. In the third section, the general financial data of the analysed company are firstly described and analysed and the basic method of financial analysis are applied, i.e. horizontal and vertical common-size analysis. The fourth chapter records profitability ratio analysis and assesses the return on equity in further details.

The text suffers some minor formal imperfections, which are defined in Guidelines No. EkF_SME_12_002 Version E, e.g. the wrong symbol for multiplication (*) occurred in the text. However, all these are not significant and should not influence the final assessment at all.

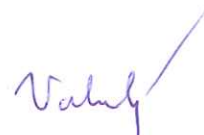
The text is well structured and the description of the procedure is clear. **I really appreciate the graphical presentation that is excellent.** The author combines several types of graphs to highlight some coherences.

From the expert's point of view, the thesis is of a great value. The author after the ROE decomposition summaries which ratio is the most important for the company. The detailed decomposition is also excellent. **I also appreciate the suggestion proposed by the**

student as well as those explanations are on reduced on comments on input data used for calculation.

Thus, according to the reasons above, it may be concluded that the thesis complies with the most formal requirements imposed on this kind of work and **I recommend the work to the defence.**

Ostrava 26th May 2017



Ing. Jiří Valecký, PhD
Department of Finance
VSB-TU Ostrava, Faculty of Economics