

## Review of bachelor thesis

**Author: Zi Ye**

**Topic: Assessment of the Financial Position of the Selected Company by the Financial Analysis Methods**

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Fast changes not only of external surroundings of enterprises influence increasing claims on a good knowledge of their financial position, their weaknesses and strengths. The one of possibilities how to determine facts that can provide this information is usage of an individual methods of financial analysis. The aim of submitted thesis is assessment of financial position of the selected company within the certain period and that is why can be stated that the topic of the bachelor thesis can be considered as relevant and contemporary.

The bachelor thesis is divided into five chapters. The content of the individual chapters is a proof of its logical consistency. The author first describes theoretical aspects of the individual methods of financial analysis. Her attention focused on details of common size analysis, ratio analysis and pyramidal decomposition of selected solvency ratio. Data presented in this part of the thesis are mostly stated explicitly and a good author's knowledge of the mentioned methods is clear. When it comes to the pyramidal decomposition, we can find mistakes and inaccuracies specifically in equation 2.44, 2.46 and 2.47, vice versa formula describing main idea of this decomposition is determined correctly.

The third chapter is devoted to a practical application and we can see the description of main characteristics of selected company. Author assessed corporates with common size analysis, ratio analysis and pyramidal decomposition of selected topic indicator – return of equity. Firstly common size analysis is precisely described in detail. The author uses tables and graphs to show findings changes. The most of presented results and comments are correct. Nevertheless, there are a few mistakes. For example in case of pre-tax profit margin and return on assets results mentioned in table 4.11 do not correspond with input data and with formula 2.9 and 2.10. Instead of marketable securities information about cash and cash equivalents value should be presented in table 4.12. Value of paid interest shown in table 4.14 differs from data of income statement. On the other hand is necessary to emphasize that found data are described and explained relatively in detail. Thanks to this, it can be claimed that the author's knowledge is relevant to this level of study.

Regarding formal aspects of thesis, length of it is adequate, but author did not respect certain formal requirements such as number of lines on the page. Writing style is good and understandable.

Generally, it can be claimed that the author's text demonstrates good knowledge of this area and the bachelor thesis can be recommended for defence without reservation.

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