Supervisor's Review of Bachelor Thesis

Title: Profitability Assessment of Kofola CeskoSlovensko a.s.

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Assessment financial health is a necessary and permanently repetitious task in financial management, especially when it is focused on seeking further reasons for 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 analyze the profitability ability of Kofola company...” during the period 2014–2018. 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 the basic methods of financial analysis are applied, i.e. common-size analysis as well as ratio analysis excluding profitability ratios. The fourth chapter records profitability ratio analysis and assesses the return on equity (ROE) for further details.

Text suffers minor formal imperfections, which are defined in Guidelines No. EkF_SME_12_002 Version G. The text is not well structured. Some tables are spread over two pages, some titles of figures/tables are also separated from the main body of figure/table. However, the author does not work sufficiently with literature.

From the expert’s point of view, some minor imperfections also occurred. Comments are mostly reduced on describing results and author assesses the financial health only partially. Reasons for undesirable states are mostly omitted. Any comparison with the industry is missing and therefore some conclusions might appear as too simplifying.

I propose this question to answer during the defence of thesis:

1) Return on equity was lower than the return of assets in 2016 and 2018. What are the reasons for that?
Based on reasons described above, it may be concluded that the thesis complies with the most formal and content requirements imposed on this kind of work and according to the procedure described and presented, it can be said that the goal was accomplished. Therefore, I recommend the work to the defence.

In Ostrava 16th May 2019

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