REPORT ON BACHELOR THESIS

Topic: Financial analysis of Procter & Gamble Company

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The submitted bachelor thesis is focused on the traditional part of financial management, particularly on the utilization of the financial analysis within management of firms. Topic of the thesis can be considered as convenient for thesis on the Bachelor's level of study.

Thus, the topic of the bachelor thesis is “Financial analysis of Procter & Gamble Company” and main goal of the thesis is to assess the financial performance of Procter & Gamble Company, based on the data from 2007 to 2011.

The goal of the thesis is explicitly stated within Introduction and its formulation is clear. From the conclusions of the thesis we can state that the objective has been met.

Bachelor thesis is divided into two main parts, methodological part and application part.

Methodological part of the thesis starts with a brief introduction of the nature and purpose of financial analysis and subsequently student focuses her attention on the description of the basic methods of financial analysis, such as common-size analysis, financial ratio analysis and pyramidal decomposition of ROE.

The analyzed company is introduced from various relevant points of view at the beginning of the analytical part of the thesis, while main attention is focused on the vertical and horizontal analysis.

The key part of the thesis is Chapter 4, which is devoted to the detailed analysis of particular ratio indicators. Here author demonstrates her ability of analytical thinking by using the advanced approaches of financial analysis (method of gradual changes). Results of the analysis are graphically presented, summarised in the tables and commented. Conclusion of the chapter is then devoted to the summary and recommendations.

Author’s language is at sufficient level, but with lots of grammatical mistakes and typing errors. Expert language is mostly correctly used, but there are some mistakes in the text. Comments on results are often insufficient and only descriptive. There are no references
to the source in the methodological part of the thesis. Nevertheless, author's ability to communicate in a coherent manner is correct.

Despite the above objections, I recommend the submitted thesis to defense.

Topic for discussion:

1. Which method has been used for quantification of the sub-ratios influences within ROE decomposition in Table 4.5? There is contradictory information on the page 47 (table and text below). What are the advantages and disadvantages of the gradual changes method and logarithmic method?

Ostrava, June 20, 2012

Petr Čurný