Title: Financial analysis of the company of the Walt Disney Company

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Bachelor thesis of the student Zijia Luo concentrates on traditional topic of financial management, i.e., financial analysis of a company. This area of the financial management is always important for company management for company wealth analysing and making additional decisions if the expected results divert significantly from the real ones. From this point of view the topic for bachelor thesis has been selected appropriately. The topic of the bachelor thesis and its difficulty fully corresponds with the topics of bachelor thesis at the Finance department.

The goal of the bachelor thesis – as declared in the introduction – is the financial analysis of the Walt Disney Company. As it is apparent from the results, the goal of the bachelor thesis was satisfied.

Bachelor thesis is in accordance with the bachelor thesis assignment divided into five main chapters, where the chapter fourth – the application part – is the most important part of the bachelor thesis.

Second chapter concentrates on the methods description, which will be applied in the practical part of the bachelor thesis, i.e. common-size analysis (horizontal and vertical), financial ratios application and pyramidal decomposition and analysis of deviations.

Chapter three is focused on the rough description of the Walt Disney Company description. In this case, it is a company operating in entertainment sector with branches spread worldwide.

The most important part of the bachelor thesis is the chapter fourth. Here, authors made the financial analysis of the selected company. Data source are financial statements of the company over the period of 2006-2010. First, horizontal and vertical analysis is applied on balance sheet, P/L statement and cash flow statement. Next, by financial ratios profitability, liquidity, activity, solvency and capital structure is analysed. In the end, pyramidal decomposition and analysis of deviation is employed. Here, author has selected ROE as a basic ratio and three different component ratios (here profit margin, assets turnover, financial leverage). For analysis of deviation, two methods are applied: method of gradual changes and logarithmic method. Results of this analysis are summarized in the Tab. 4.30 and tab. 4.31 and graphically presented in the Figure 4.10.

Results of all methods are continuously commented, summarized in the tables and graphically presented.

Summary
On the basis of the results and contents of the bachelor thesis it is possible to say, that the main aim was satisfied. Author of the thesis has turned out to be able to solve the financial problem, which is the main assumption to recommend the bachelor thesis for oral defence.

Ostrava, 13th June 2012

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