REVIEW OF BACHELOR THESIS

Topic: Financial Analysis of HUAWEI Company

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The submitted bachelor thesis concentrates on traditional topic of financial management – financial analysis of a company. Financial analysis is process evaluating businesses, projects, budgets and other finance-related entities to determine their suitability for investment. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid, or profitable enough to be invested in. When looking at a specific company, the financial analyst will often focus on the income statement, balance sheet, and cash flow statement. In addition, one key area of financial analysis involves extrapolating the company’s past performance into an estimate of the company’s future performance.

The topic of bachelor thesis is "Financial Analysis of HUAWEI Company". The goal of the bachelor thesis is the financial analysis of HUAWEI by applying selected methods to assess the past and current financial situation, based on the historical data of 2007 – 2011 form company’s annual report. This goal was achieved.

This thesis includes five chapters, the first chapter is introduction and last chapter is conclusion. Second chapter is concentrated on description of financial analysis methods, which will be applied in application part, i.e. sources of financial analysis, horizontal and vertical analysis, financial ratios, pyramidal decompositions and influence quantification. In the following chapter is described the selected company. Firstly, there is described company profile, production and service, research, development and innovation, its history and company strategy.

The most important part of the bachelor thesis is the chapter fourth. Firstly, student made common-size analysis Balance Sheet, Income Statement and Cash Flow Statement. Subsequently, student calculated financial analysis from each group (profitability, liquidity, solvency and activity) of the HUAWEI Company over the period of 2007 – 2011. Results of financial analysis are commented and accompanied of the tables and graphs. At the end this chapter student made the DuPont analysis and influence quantification analysis. The student used two method influence quantification, the method of gradual changes and logarithmic decomposition method.

The submitted bachelor thesis is understandable and tables and graphs are clear. Author confirmed good knowledge of mentioned subject. Student used only five source of bibliography. Formal level submitted thesis is very good.

I recommend this bachelor thesis for defense.

In Ostrava 3rd June 2013

Ing. Kateřina Zelinková