Supervisor’s bachelor thesis evaluation report

Student: Ying Tang
Title: Financial Analysis of Yum! Company
Supervisor: Ing. Martina Novotná, Ph.D.

The thesis is focused on the problem of financial analysis, which is a topical problem in the area of corporate finance. The objective of the thesis is stated in the introductory chapter, the student aims at analysing the operating activities and the financial performance of the Yum! Company over the period 2007 - 2011. With respect to the content and results of this work, it is evident that the goal has been achieved.

The structure of the thesis reflects the thesis assignment, the author proceeds systematically and logically from the theoretical background to the practical application of selected methods. The overall elaboration meets formal requirements; references and literature have been properly used. The author has demonstrated her ability to collect information and data and to present results concisely and in a scholarly form. The visual layout of the work is adequate; however there are minor spelling and typing errors in the text.

The work consists of five main chapters. The theoretical background and description of methodology is included in chapter two. The student has paid adequate attention to all main areas of financial analysis. In the third chapter of this work, the general information about the Yum! Company is provided, including the description of main activities. The attention was paid to the comparison of the greatest fast food companies in the United States and characterisation of important competitors such as McDonald’s and Subway. The core chapter of this work is chapter four, in which the practical application of selected methods is carried out by the student. The company has been assessed by common size analysis (vertical and horizontal) and financial ratios analysis, the attention is paid to four main areas such as activity, liquidity, leverage, profitability and market ratios. The analysis is performed in detail; some indicators have been compared with McDonald’s ratios. Results and findings are clearly presented in tables and graphs, accompanied by author’s interpretations; however not always in a comprehensive manner (e.g. page 33, where the student could have paid more attention to the explanation of debt-to-equity ratio in 2008, the reason is not clearly explained or discussed). DuPont analysis and quantification of influences (2007-2011) is carried out clearly and in detail, which can be positively taken into account. Since the financial statements are presented in annexes, including some tables with input data, e.g. 4.2, 4.5, 4.8, 4.21 is pointless.

Based on the thesis, the student is able to identify a problem and use an appropriate methodology to solve the problem. It is evident that the student is capable of original and independent work. Regardless of the comments above, the work satisfies the requirements for the elaboration and provides author’s original results and suggestions.

For the reasons above, I recommend the thesis for the oral defence.

Ostrava, June 3, 2013.

Ing. Martina Novotná, Ph.D.