Title: Financial analysis of HTC Company

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Bachelor thesis of the student Hang Xia is focused on financial analysis of a company. This topic is important for company management to get rough information on financial health of the company and to have useful information for support of future decisions. From this point of view, the topic is chosen well; moreover its difficulty corresponds to the requirements on such works at Finance department.

As it is stated in the introduction, the goal of the bachelor thesis is to assess the financial performance of HTC Company by applying selected methods of financial analysis. As it is apparent from the contents and the conclusion, the goal has been fulfilled.

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

Second chapter concentrates on the methods description, which will be applied in the practical part. Author uses elementary methods - common-size analysis (horizontal and vertical), financial ratios, pyramidal decomposition and influence quantification.

Chapter three is first focused on the rough description of the HTC Company description – company operating in mobile phone sector. In the second part, horizontal and vertical common-size analysis is made. Balance sheet, Income statement and Cash flow statement are analysed here by these methods.

The most important part of the bachelor thesis is the chapter fourth. Data source are financial statements of the company over the period of 2007-2011. Here, author made the financial analysis of the selected company by employing financial ratios described in the theoretical part. In this part, profitability, solvency, liquidity and activity is analysed. Results are presented in tables and charts. Next, pyramidal decomposition of selected base ratio (here return on equity) is decomposed by three component ratios (profit margin, assets turnover, financial leverage). Influence on base ratio is analysed by method of gradual change.

It is necessary to mention, that the quality of the figures and the tables could have been on higher level. In some parts, there are more mistakes than acceptable.

Overall summary

On the basis of the results and contents of the bachelor thesis it is possible to say, that in spite of the fact of above mentioned shortcomings, the main aim has been fulfilled. Author of the thesis showed and proved that he is able to solve and analyse given financial problem, which is the main assumption for recommendation the bachelor thesis for defence.

Ostrava, 24th May 2013

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bachelor thesis reviewer