SUPERVISOR'S BACHELOR THESIS REVIEW

Title: Financial analysis of China Vanke Company  
Student: Yaxin Guo

Bachelor thesis of the student Yaxin Guo 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 help to support 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 make financial analysis of China Vanke 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 of the bachelor thesis, i.e. common-size analysis (horizontal and vertical), financial ratios application and pyramidal decomposition and analysis of influences.

Chapter three is focused on the description of the company, which will be analysed. In this case it is China Vanke Company – a real estate company.

The application part of the bachelor thesis is the contents of the chapter four. On the basis of available accounting data provided from financial statements over the period of 2007 – 2011, selected methods of financial analysis are applied. First horizontal and vertical analysis is applied on balance sheet, income statement and cash flow statement. Next, financial ratios are used for analysis of company's profitability, liquidity, solvency and activity. In the end, pyramidal decomposition and influence quantification is applied. As a base ratio return on equity is chosen, which is decomposed by the following component ratios: net profit margin, assets turnover and financial leverage is used. For influence quantification, method of gradual change and logarithmic method are employed. Results are presented in Tab. 4.12 and Tab. 4.13, results comparison is in Tab. 4.13.

Overall summary

On the basis of the results and contents of the bachelor thesis it is possible to say, that the main goal of the bachelor thesis has been fulfilled. Author of the thesis proved, that she is able to solve and analyse given financial problem, which is the main assumption for recommendation for defence.

Ostrava, 21th May 2013

Ing. Miroslav Čulík, Ph.D.  
bachelor thesis supervisor