Reviewer’s bachelor thesis evaluation report

Student: Jin Zeng
Title: Financial Analysis of the Company Metro AG
Reviewer: Ing. Martina Novotná, Ph.D.

The thesis falls within the area of corporate finance, particularly the evaluation of company’s financial performance, which is a proper and current topic for the bachelor thesis. The objective of the thesis is clearly stated in the introductory chapter. The work aims at analysing the financial situation of Metro AG Company. The student sets also partial objectives, where the one of them is to “make some comments to the company’s performance”, which is not quite appropriate expression for the thesis. Regarding the content and results of this work, it is evident that the main goal has been achieved by the student.

The structure of the thesis is consistent with the thesis assignment, the author proceeds systematically and logically from the theoretical background to the practical application of chosen methods. The work is divided into five main chapters. First, the objective is stated and methods of financial analysis are described. In the next part, the author gives an overall overview of Metro AG Company, such as main activities, structure of the company or characterisation of main competitors. The core chapter is the fourth chapter, where the student uses methods of financial analysis on company’s data. The student carries out vertical and horizontal analysis of balance sheet and income statement, and then the financial ratio analysis follows (2007-2011). Finally, DuPont analysis and analysis of influences is carried out, both method of gradual changes and logarithmic method were used for changes between years 2007 and 2011, which can be positively taken into account. Main findings of the analysis are summarized in conclusion; the student could have paid more attention to suggestions for the company.

The author has demonstrated ability to collect information and data and to present results concisely and in a scholarly form. The visual layout of the work is adequate; the work contains tables and charts always accompanied by comments. The thesis shows that the student is capable of original and independent work. The work contains minor grammar and spelling errors, some parts could have been analysed in more detail (e.g. liquidity ratio analysis). Some explanations rather describe ratios and changes than critically assess and discuss possible relationships. There are some inaccuracies in the text, for example Tab. 3.2, the expression “increase” is rather “an annual change”. The tables 4.1, 4.3, 4.8, 4.10 and so on are not necessary; the input data has been already included in annexes.

Regardless of the comments above, the work satisfies the requirements for the elaboration and provides author’s original results and suggestions. I recommend the thesis for the oral defence.

Ostrava, June 3, 2013.

Martina Novotná