Review of Bachelor Thesis

Title: Financial Analysis of Lianhua Supermarket Holdings Company

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Assessing of financial health is necessary and permanently repetitious task within financial management, especially when it is focused on seeking further reasons of non-desirable conditions and when suitable recommendations are formulated. For that reason, the theme of the thesis may be considered as actual and well chosen. However, the aim of the thesis is not formulated in the introduction part at all.

The text suffers a few imperfections. Margins are too wide (thanks to that the text seems to be longer); the punctuation in the areas of equations is mostly missing; explanation of symbols in formula (2.23) is not appropriate and other influence quantification methods are omitted.

In terms of application part, there are also some imperfections. Some comments are too simplifying, for instance the most is explained by the financial crisis, but further reasons are not searched. Some comments are missing and the main causes remain unrevealed, for instance the spreads of liquidity ratios, why the ROE decreased more sharply than ROA in 2010, why the number of supermarkets has arisen but the percentage of turnover decreased in spite of the fact that the number of hypermarkets increased a little, why the percentage of investments is increasing etc.

Argumentation should be also better. A lot of comments are reduced on the describing the input data and further analysis with seeking further causes is mostly missing. Not only results, but also input data are influenced by the same event and therefore author should not concentrate on them only and should seek the reasons in events and decision made by the company or authorities. Author also could formulate more recommendations for the company or threats. The strong point of thesis is the comparison of company with branch and with rivals. However, also here could be paid more attention to the analysis and less to description being obvious from tables and figures.

General speaking, the thesis does not analyse sufficiently and the comments are not supported with relevant arguments every time. Thus, the author demonstrated analytical skills partially only, but we can say that the aim of the thesis was complied with. Moreover, it seems that the author works with method correctly and applies them properly therefore I recommend the thesis to the defence.

Ostrava 22nd Mai 2013

\[\text{Valený}\]

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