REVIEWER’S BACHELOR THESIS ASSESSMENT

Title: Assessment of the financial position of the selected company by the financial analysis methods

Student: Mengran Qin

The bachelor thesis of the student Mengran Qin Chen is aimed at assessment of the financial performance of the company. Company’s financial performance is crucial goal of the financial management as the management needs to analyse the company’s financial situation to be able to make appropriate future decision. From this point of view, the topic for the bachelor thesis has been chosen in and appropriate manner. The topic of the bachelor thesis and its difficulty fully corresponds to the requirements on the bachelor thesis at the Finance department.

The objective of the bachelor thesis – as it is declared in the introduction – is to perform the financial analysis of the China Mobile Company by chosen methods. As it is apparent from the procedure and results, the objective of the bachelor thesis was fulfilled.

Bachelor thesis is in accordance with the bachelor thesis assignment divided into two parts: theoretical and practical.

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.

Third chapter gives overview of the company, whose company’s performance will be analysed. In this bachelor thesis China mobile company is analysed and evaluated.

The most important part of the bachelor thesis is the chapter fourth. In this chapter, author performs the financial analysis of the chosen company. Data source are financial statements of the company over the period of 2009-2013. First, horizontal and vertical analysis is applied on balance sheet and Income statement. Next, key financial ratios are employed on the company. There is profitability, liquidity, activity, solvency analysed. In the end, pyramidal decomposition and analysis of influences is employed. Here, author has chosen ROE as a base ratio and three different component ratios (here profit margin, assets turnover, financial leverage) to check, which of these component ratios influences the base ratio the most. For analysis of influences, functional method is used. Results of this analysis are summarized in the Tab. 4.25 – 4.29; the final order of the component ratios with respect to the impact on the base ratio is in Tab. 4.30.

Overall summary

Generally, the quality of the bachelor thesis is rather poor. Even though the results are correct, the comments on them are not sufficient and just describe what is obvious from aggregated results in tables without providing any deep explanation. The text is full of grammatical mistakes, sometimes the sentences give no sense and it is difficult to say what the author meant. On the top, the formal quality of the bachelor thesis is very low, as well (axes in graphs are without titles, the same is true for most tables, some abbreviations are not explained, etc.). Moreover, it is apparent that the statements in conclusion are not author’s opinions and conclusions, but are copied from internet sources.
All this factors have negative impact on the overall assessment and quality of the bachelor thesis. Nevertheless, the bachelor thesis can be admitted to defence.

Ostrava, 21\textsuperscript{th} May 2015

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reviewer of bachelor thesis