Supervisor's Review of Bachelor Thesis

Title: Profitability Analysis of Nokia 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.

The aim of the thesis is to conduct a profitability analysis of Nokia company. The
thesis is divided into five chapters. The first one is introductory, the second one may be
considered as theoretical and the third and fourth chapters as application part. The last chapter
concludes the work.

The second chapter is devoted to the description of financial analysis. Here, the main
attention is paid to the methods of financial analysis including the influence quantification. In
the third section, there are firstly described and analyzed the general financial data of Nokia
during the years 2006-2010 and the basic method of financial analysis are applied, i.e.
horizontal and vertical common-size analysis and ratio analysis. The fourth chapter is focused
on the profitability analysis. Firstly, the ROE is decomposed into the particular ratios and
afterwards the impact of these particular ratios on the ROE is assessed.

The text is well structurized, but the description of decomposing ROE should be rather
a part of subsection 2.2.2. Used graphs and figures are described sufficiently. Solution is
logical and apparent from the procedure described in the text. Graphical presentation and
working with references are sufficient. Analyzing parallel system of ratios in Section 3 can
be considered as a strong point of the thesis. Also seeking further causes and
commenting the results by events happened in company and economy is very valuable.
Author also formulates the potential threats resulted from the ratios and furthermore
she formulates some recommendation to avoid the non-desirable state. In my opinion,
this thesis could be valuable for manager who would assign such analysis.

On the basis of reasons described above, it may be concluded that the thesis complies
with all formal and content requirements imposed on this kind of work and according to
procedure described and presented, it can be said that the goal was complied with. Therefore
I recommend the work to the defence.

Ostrava 20th June 2012

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