

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Bachelor Thesis Abstract

Financial Analysis of Chelyabinsk zinc company in Russia

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Summary

The Bachelor thesis is devoted to the theoretical aspects of the financial analysis and the way of its evaluation. Stable financial condition is a necessary condition for the effective operation of the enterprise. This thesis is about the Chelyabinsk Zinc Plant JSC – is the largest producer of zinc in the Russian Federation.

Theoretical part is based on literature review, concerning the financial analysis. This part contains the definitions of different types of financial analysis, which were used in the practical part of the bachelor thesis.

The practical part includes description of the selected company, industry analysis, financial analysis and analysis of financial stability, allowing to evaluate the profitability of the company. Carrying out the financial analysis of economic activity of the enterprise during 2015-2017 is the purpose of this research. This analysis was performed on horizontal and vertical analysis for the balance sheet and income statement. The financial ratio analysis was conducted. Based on this analysis the state of profit and loss was calculated.

Keywords: financial analysis, annual report, company, horizontal analysis, vertical analysis, fundamental analysis, financial statement.

Objectives of the thesis and methodology:

Aim of the thesis

The aim of the Bachelor thesis is to measure the financial performance and development of Chelyabinsk zinc company in Russia by using different techniques of financial analysis.

The objectives to achieving the aim of the thesis are as follows:

- to analyse and to study the theoretical background of financial analysis;
- to evaluate the current financial satiation of the company;
- to make own suggestions for possible improvements.

Methodology:

The Bachelor thesis is divided into two parts – the theoretical and practical part. The theoretical part provides important information about the financial analysis itself and the ways of its evaluation. In the practical part will be used horizontal, vertical analysis and different kind of ratios for analyzing the financial statements. For identifying strengths, weaknesses, opportunities and threats will be used SWOT analysis. Synthesis and extraction is used as well to process data.

Theoretical part:

The theoretical part of the Bachelor thesis is based on literature review concerning the financial analysis. Financial analysis in its traditional sense is a method of research through the dissection of complex phenomena into its component parts. The goals of financial analysis are achieved by solving a certain interrelated set of analytical tasks. The analytical task is to specify the objectives of the analysis, taking into account the organizational and informational capabilities of the analysis. There is also information about users of financial analysis, characteristics of financial statement and financial ratio analysis.

Practical part:

The practical part of the Bachelor thesis was based on the literature analysis from the theoretical part. In the practical part there are a description of the company, market analysis, analysis of product, partners and competitors, which was based on the market research. Financial ratios such as ROA, ROI, ROS were used in the practical part of Bachelor thesis which helped to determine financial stability of the company. SWOT analysis helped to identify the strengths and weaknesses of the company, its opportunities and threats.

Conclusion:

During the 3 years the author has gained knowledge in the field of Economics. During the process of working on this bachelor thesis, author acquired a lot of useful knowledges in different calculations such as: financial analysis, horizontal, vertical, different kind of ratios.

Chelyabinsk Zinc Plant JSC is the absolute leader in extraction and production of zinc

in Russia. Carrying out the financial analysis of economic activity of the enterprise during 2015-2017 was the purpose of this research. The profit sum has grown, investments into fixed assets were carried out, receivables sum has decreased, available funds were made in securities. The enterprise uses own and loan capital for production development.

According to the vertical analysis, over the analyzed period in structure of assets of the enterprise there was a decrease in a share of fixed assets. Cash flow analysis shows that the enterprise is financially steady: the pure cash flow during 2016 and 2017 has increased, has positive value.

During the analyzed period liquidity indicators are in limits of standard values and tend growth. The enterprise is ready to repay the short-term liability, liquidity increases.

By results of the financial analysis of economic activity of Chelyabinsk Zinc Plant JSC it is possible to draw a conclusion: the enterprise has a stable financial condition, low dependence on external sources of financing, there is a readiness to repay short-term liabilities.

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