

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Bachelor Thesis Abstract**

**Economic analysis of selected advertising company**

**David Froněk**

## **1 Introduction**

This bachelor thesis will perform economical and marketing analysis of the selected marketing company.

The economic analysis looks at the enterprise as a whole . This unit will be analyzed using different tools. Like any analysis at first, the company will be described and defined to the reader. Thereafter, the whole decomposed into smaller parts that will be analyzed. As a basis will serve the tools of an economical analysis , financial analysis (part of economical analysis) and last but not least, the marketing analysis. The thesis will also focus on external and internal analysis of the company.

## **2 Summary**

This bachelor thesis performed economical and marketing analysis of selected marketing company. It is using real data acquired from the company accounting department. During writing of this thesis were selected analysis and results consulted with the director and financing chief of the company. Therefore were selected for the most appropriate economical and marketing methods for analysing the company.

The literature review explains the theory which is then applied on a real data from the company. The marketing analysis was performed with obtained info from the founder and his employees from the company.

The original balance sheet and income statement from the company were analysed in detail and data from these internal documents were used to preform financial analysis, the financial and valuation ratios analysis.

In the conclusion of the thesis are recorded obtained results and it is explained what affected these results the most.

## **3 Objectives and Methodology**

### **3.1 Objectives**

The main objective of the work is to execute economical analysis of the existing company. This thesis is using real and up to date data collected from the company.

#### **Goals**

- 1) Evaluate position of this company in the advertising market
- 2) Evaluate weaknesses and strengths in the management and operation of the company
- 3) Optimize costs in the company

#### **Subgoals**

- 1) Collect data regarding funding of the whole company - find unnecessary items, optimization
- 2) Compare analyzed advertising company with other companies

### **3.2 Methodology**

In the thesis following methods are used :

- 1) Data collection
- 2) Induction and extraction of text
- 3) Analysis methods – correlation analysis, descriptive analysis
- 4) Use financial indicators – performance, return on equity, balance sheet evaluation, numerical analysis

## 4 Results

### 4.1 Conclusion

The example of the F-mark company shows how the economical theory works in real business. The phenomenon of vertical growth of the company is very common and happens often until the optimal size of the company is reached. F-mark is the real proof.

The performed SWOT analysis results shows the main strengths, opportunities, weaknesses and threats of the company. The F-mark company has good position on the marketing market. There are some insufficiencies. But they the benefits prevail.

In the analyzed balance sheet and income statement are no obvious unnecessary items. From an interview with one of the directors of the company, who is also the financial chief arised that the company is trying to save as much money as possible. They are producing products in China where it is cheaper to minimize the material costs. They are buying the cheaper but quality services for their business.

The performed analysis of financial ratios shows economically successful years and economically weak years. This fluctuation is caused by unstable demand for marketing products and services. The valuation ratios show the economical stability or instability of the company during the examined years. The analysis showed interesting results. The company had liquidity ratios around the recommended values only in year 2014. That warns management of the company how to use the financial assets of the company, to improve this and to prevent bankruptcy.

The correlation analysis between issued invoices and years they were invoiced, showed value close to 0. That means very weak relationship or even no relationship.

Comparing the previous analysis of financial ratios and valuation ratios, with the correlation analysis, shows that the ratios are not depend on the number of issued invoices during the examined years.