



FINANCE INTERVIEW QUESTIONS

Contents

- General Questions
- Investment Banking Questions
- Sales and Trading Questions
- Corporate Finance and Risk/Insurance Questions
- Other Finance Area Questions
- Firm Specific Private Wealth Management
- Firm Specific Investment Banking Questions
- Firm Specific Sales and Trading Questions
- Firm Specific Equity Research Questions
- Firm Specific Corporate Finance & Risk/Insurance Questions
- Questions to Ask Interviewers

General Questions

Personal Questions:

- Briefly walk me through your resume. Tell me about yourself. Tell me about your experience.
- What motivates you?
- What is the latest book you have read outside of school?
- What are your short and long-term goals? How you intend to achieve them?
- What are the three most important events in your life?
- Where do you see yourself in 5 years? 10 years?
- What are your greatest strengths and weaknesses? (Typically 2-3 each)
- How would your peers/family describe you?
- How would your supervisor, professor, and a teammate describe you?
- Are you the type of person who plans everything out and sticks to a plan or are you the type of person that changes and adjusts your plans frequently? Support with examples.
- What are the three most important events in your life?
- Define leadership? Are you a leader?
- What's the difference between a leader and a manager?
- Tell me about a time you had an ethical dilemma. What did you do?
- Name 3 characteristics that distinguish you?
- Describe one of your most significant accomplishments at school and at work.
- How do you feel about traveling for work?
- What skills are you lacking, and how do you plan on attaining them?
- How smart are you? How do you know you are smart?
- What argument should I make to my partners for your candidacy?

Academic Questions:

- What schools did you apply to? Why did you choose George Washington?
- How do you feel you stack up against everyone in your class? (academically, professionally, etc.)
- Why did you choose your undergraduate institution?
- Why did you choose your particular major/concentration?
- Why did you go to business school?



-
- What activities are you involved in at school?
 - What were your goals when entering GW?
 - What did you get on your SAT and/or GMAT?
 - What was your undergraduate GPA?
 - What is your business school GPA? Any other graduate programs?
 - What were your grades in Accounting & Finance?
 - Summarize the skills that you learned in your major/concentration in 3 simple headings.
 - Tell me about your coursework and how it has prepared you for the job?

Company:

- The three questions you will always get: “Why finance?” “Why our firm?” “Why you?”
- What other firms are you considering? What are the differences between us and them?
- Who are our competitors?
- In which areas is our firm strongest / weakest?
- Do you have any questions for me?
- Why NYC? (Chicago, Charlotte, DC, San Francisco etc)
- What other industries are you considering? Why?

Work Experience Questions:

****If you cannot answer a question with an example from work then choose a school related or personal example.***

- Tell me about a time when you faced adversity and how you overcame it? / What is an example of a high-pressure experience you have had and how did you handle it?
- Talk to me about leadership positions you've held, whether in a personal, academic, or professional setting.
- What were your responsibilities at your last job/internship? Why did you choose to work there?
- Tell me about your efforts to accomplish a goal or meet a standard in your last position. What were the goals or standards? Give me an example of what you did to meet them.
- What was one of the toughest problems (or assignments) you have ever encountered at work? Describe the situation and what you did about it.
- Describe a situation in which you recognized a potential problem as an opportunity. What did you do?
- Describe a time when you encountered unexpected obstacles or setbacks when you tried to accomplish objectives and deliver what was expected. What was the outcome?
- How has your past work experience made you suitable for this job?
- Tell me about the most complex project you ever worked on. What was your approach? What role did you play? What problems did you encounter as you tried to find and implement a solution?
- Give me an example of a time when you successfully worked within a team.
- Describe a complex or challenging team project of which you are particularly proud. What was the accomplishment? What was your role and contribution?
- Have you ever been part of a group or team that was floundering? What was going on? What did you do?
- Tell me about a time you worked with a group of people who were very different from each other, including yourself. What was that like? What were some of the situations that came up? How did you handle them?
- What role do you play in team situations?
- Have you ever worked on a newly formed team? How did it go? What did you do?
- Have you ever worked on a dysfunctional team? What was the issue? What was the outcome?
- Have you ever worked on a cross-functional/cross-departmental team? What was the outcome?
- Tell me about a time when you helped someone else achieve a goal. What did you do?
- Tell me about an instance where you faced an ethical issue. What was the outcome?
- Tell me about a time when you successfully resolved a conflict.
- Tell me about a failure, and what you learned from it.



-
- Tell me about a time that you were able to persuade a co-worker, client, or supervisor that your idea was more effective than theirs.
 - Tell me about a job where you had to work long hours.
 - How do you account for the non-finance jobs or interests on your resume? Explain convincingly why you want to work in the Financial Services industry / Corporate Finance.
 - Tell me about a time you worked with a group of people who were very different from each other, including yourself. What was that like? What were some of the situations that came up? How did you handle them?
 - Tell me about a time when you faced adversity and how you overcame it?
 - How well do you work under pressure? What is an example of a high-pressure experience you have had. What was the task? What was the deadline? How did you handle it?
 - What career would you go into if you didn't get an investment banking (or other) offer?
 - Sell me on your quantitative skills.
 - What is your view of the economy over the next year?
 - What is your view of the stock market over the next year? Where is the market going?
 - Where is our stock trading? Where did the Dow close yesterday? S&P 500? 10 year Treasury?
 - Where do you think interest rates are headed? Why?
 - What is making headlines in the WSJ today?
 - Do you personally invest in stocks? Which ones, why?
 - Give me an instance when you had to make a quick decision? What was the outcome?
 - What would you do if you couldn't work on Wall Street?
 - What's not on your resume that you want me to know about?
- *Also refer to the Sample Behavioral & Evaluative Interview Questions Worksheet*

Interest / Industry Knowledge:

- The three questions: "Why Investment Banking, Sales, Research, Corporate Finance?" "Why our firm?" "Why you?"
- I understand you are interested in a position in financial services. Why did you pick GW then? We rarely hire from GW; how could they prepare you for this type of industry?
- Why you are interested in a specific career in (Investment banking, Sales and Trading, Research, PWM, Asset Mgt, Venture Capital, Hedge Funds, Corporate Finance, etc...)
- Are you willing to make a long-term commitment and sacrifice your lifestyle? (hours, etc.)
- What other industries are you pursuing a job in?
- Compare Corporate Finance to Investment Banking. Do you think they require different sets of skills?
- What is a typical day like as an Associate?
- What happened on the markets in the past three months?
- Do you read the Wall Street Journal everyday? What's on the front page today?
- What do you think about all of this consolidation in the industry?

Knowledge of Firm:

- What other firms are you considering? What are the differences between us and them?
- Tell me about some of our recent deals?
- Who are our competitors? In which areas is our firm strongest / weakest?
- Why will you be a good fit in this firm?

Miscellaneous

- Suppose I was going to evaluate you and thirty of your GW compatriots on one quality with the winner receiving something very desirable such as one million dollars and you are allowed to determine that quality, what would it be?
- What did you eat for lunch? How do you like DC? What do you do when you're bored?
- What is the riskiest thing you've ever done?



- Think of the team you worked most with and give me a word that describes each team member.
- Are you more risk averse or risk seeking?
- Let's imagine you died and are giving a speech at your funeral. What would you say?
- How would you spend \$1,000,000 besides investing it?
- While interviewing for a Chicago office of a bank, the interviewer tells you that he/she is getting the impression that you are more interested in the New York office. You are. However, why do you tell him/her that you are more interested in Chicago?

Investment Banking Questions

General

- What makes a good LBO target?
- Rank in order of the cost of capital: Treasury Bill, Mezzanine, Convertible and Equity.
- Your client's company has P/E of 20. He asks you to advise him between two acquisition targets, one with a P/E of 15 and the other with a P/E of 25. What is your advice?
- What is an alternative to declaring dividends?
- On average, what happens to the acquirer's share price in a large stock merger? What happens to the target's share price?
- Why merge? Why go public?
- What does it mean if a deal is "accretive"?
- What is a bond?
- In summary, what is a convertible security? What are the benefits of issuing/buying this security?
- A company needs to invest in a new business opportunity. Describe three ways they can obtain this funding.
- A company with negative EPS has a share price of \$100. What is going on here?
- What are some considerations when adding leverage to a company?
- Why add debt to your capital structure?
- How do you measure the value added to the firm by taking on leverage?
- Your MD comes to you and tells you to look at Company X as an acquisition candidate. What do you look at?
- What is Due Diligence? What are you looking for? Why do it?
- Tell me about an acquisition/merger idea that you have. Why is it a good idea?
- A high P/E firm acquires a low P/E firm. What is the impact on stock price? Vice versa?
- Who are the stockholders of a corporation? What are their differing objectives?
- What are synergies?

Valuation

- Explain the concept of present value.
- How do you value a company?
- Value this company.
- Why might a technology company be more highly valued in the market (P/E) than a steel company stock?
- How would you value a three-legged stool company? (*Key is defining economy, industry, competition, sources of supply, etc. to create full picture*)
- How do you value the equity of a company?
- You have one night. How would you value a Moroccan bank (private)?
- Discuss methods to calculate Terminal Value.
- How do you value the entire firm?
- You have a software company and a shoe company. Both need to raise capital. You can use debt or equity. Which do you choose and why?
- What are some ways you would value a private company?
- You have 2 hours to value a telecom company using comparables analysis. Walk me through the steps you would take.



- If you could pick one of the three to value a company which would you use and why? : EBIT, EBITDA or NI.
- Which valuation method typically produces the highest value? Why?

Discounted Cash Flow

- Perform a Discounted Cash Flow Analysis.
- Describe components of free cash flow in a DCF?
- What are the primary weaknesses of the DCF?
- What is the most volatile part of a DCF?
- What is the most volatile part of a DCF: WACC, Free Cash Flows or Terminal Value?
- How would the DCF model for an oil company differ from that of a high tech company?
- What is IRR? How is it calculated?
- Describe the two most important components of a DCF. Why are these components the most important? How do you mitigate this?

Cost of Capital / Risk

- How would you calculate WACC? What is it?
- What principal underlies weighted average cost of capital?
- How would you calculate cost of debt?
- Explain Beta in plain English. How do you compute Beta?
- Which company would have a higher Beta and why - a waste management company and a high tech company?
- What is CAPM? How do you find the cost of equity? What does it mean?
- What does a stock price measure?
- The Fed makes a statement saying that inflationary concerns are leading to an increase in interest rates – how will this increase in interest affect bond prices? Yield?
- Calculate the yield to maturity of a bond whose price is \$99, face is \$100, 10% coupon. The bond matures one year from today, and pays an annual coupon.
- If you buy a put and buy a call, what is this strategy called?
- What would you use as a proxy for the long-term risk free rate?

Private Equity

You are looking to invest in a new biotech company. How would you value it?

In a Venture Capital/Private Equity environment, the valuation approach is different from the typical Discounted Cash Flow (DCF) method—more of a ‘bare bones’ approach. Basic steps are:

1. *Project performance of firm into the future and assume exit in 3-5 years. (typical of private equity)*
2. *Estimate exit value using an exit multiple*
3. *Discount exit value to present using a discount rate from 30 – 75% -or- you could calculate the IRR of the cash flows and compare them to a targeted rate of return.*

A private equity firm would avoid using WACC, CAPM, etc. because their investments are typically on the outside edge of the industry, without peers, without publicly traded markets, etc. Also, one of the key value drivers for VC firms is the exit values, and this method highlights that.

Sales and Trading Questions

General

- What is your view of the economy over the next year?
- What is your view of the stock market over the next year? The bond market? The currency market?
- If I gave you \$100,000 to invest, what would you buy? Why? Give me 3 stocks you would buy? Why?
- What makes a good Salesperson/Trader?



- What are credit default swaps? How are they quoted?
- What's 22*24?
- Sell me on your quantitative skills?
- Give me an instance when you had to make a quick decision? What was the outcome?
- What is your view of the economy over the next year?
- What is your view of the stock market over the next year? The bond market? The currency market?
- If I gave you \$100,000 to invest, what would you buy? Why?
- Give me 3 stocks you would buy? Why?
- What would you do if you couldn't work on Wall Street?
- Various questions to test basic fixed income concepts.
- What is the 10 year trading at?
- What is duration?
- What is convexity?
- Various probability questions.
- How would you explain credit spread?
- If the yen/dollar exchange rate is 100 yen/\$ today and the one year forward rate is 105 yen/\$, what does this imply?
- Say you're long 100 GE. How would you hedge?
- Calculate a forward rate (given certain spot rates).
- What does negative convexity mean and what products are negatively convex?

Brain Teasers

- There are 9 pool balls, 1 is heavier than the rest. With a balance scale, you have 2 moves to tell me which one is heavier. What are your two moves?
- What is the expected value of rolling a single die? ---- 3.5
- How many degrees are between the hour and second hand when it's 9:30? *-105 (remember, the hour hand has moved to mid-way between 9 and 10)*
- You and I both have an unlimited supply of quarters. We take turns putting quarters (1 at a time) on a round table (cannot overlap or be stacked) and the object of the game is to be the last person to put a quarter on the table. Do you want to go first or second? Why?
- What is 7 divided by 8?
- What is the square root of 0.1?
- You have two ropes that burn in a non-linear, erratic fashion, but each one takes exactly 60 minutes to burn. How would you use them to tell when 45 minutes have passed?
- You and 3 friends go to the movies. How many different combinations of seating arrangements can there be? 6

Corporate Finance and Risk/Insurance Questions

General

- What is the largest (most common) deduction taken by most corporations?
- In terms of obtaining financing for a project, walk me through the process.
- How would you rate a company's debt?
- What are the most common measurements of company performance?
- What do you think about Xs merger with Y, what are the synergies?
- Why do you want to transition from engineering to finance?
- Describe a difficult situation (in terms of peer contact) that you have encountered.
- Walk me through the steps in valuating another company, what is the most important input?
- What is a futures contract?
- Why hedge? Explain to me a common type of hedging that you would expect (X Company) to undertake.
- Why (Corporate/Commercial bank) Finance? Why not IB? What's the difference?



- What skills are necessary to work in a (corporate /commercial bank) finance setting? What skills from your past experience are transferable to a position in our corp. finance dept.? What skills are you lacking?
- (e.g. *if using Nestle*) What happened with (Hershey)? What changes would you have made to ensure a successful outcome? (*For another corp. choose an applicable situation. The idea is to test market knowledge and critical thinking skills*)
- What is our stock trading at? Market Value? Price-earnings ratio? (if applicable)
- We are having trouble managing our division. What do you think are the key performance metrics and how might you go about improving them?
- Tell me about a recent deal that has been in the papers.
- How would you go about valuing for a potential sale, spin-off or liquidation? *Regardless of industry, there are a number of different valuation methodologies; however, the three principal methods of valuation are: Discounted Cash Flow (DCF) Analysis, Comparables Analysis, and Industry/M&A Multiples.* Which of these methods would you use for a start-up (Comps)
- What is/how do you determine free cash flow? (Free cash flow is calculated by subtracting capital expenditures and dividend payments from cash flow from operations.)

The calculation can be illustrated as follows:

Earnings Before Taxes and Interest (EBIT)

- Taxes on EBIT

+ Change in Deferred Taxes

= Net Operating Profit Less Adjusted Taxes (NOPLAT)

+ Depreciation and other non-cash expenses (e.g., amortization & depletion)

= **Gross Cash Flow**

Increase in Operating Working Capital

+ Capital Expenditures (CAPEX)

+ Investment in Goodwill

+ Increase in Net Other Assets (this can be a catch-all category)

= **Gross Investment**

Other Finance Area Questions

Wealth Management

- What are some of the factors that differentiate private portfolio managers from mutual fund or pension fund managers?
 - Unlike a mutual fund manager, a private asset portfolio manager has to be familiar with the risk and return tradeoffs for numerous asset classes, and be comfortable with the tax and legal structures of the accounts.
 - Private wealth managers are much more involved in their clients' day to day lives and changing goals.
 - Private wealth clients may care less about the total return of securities and more about tax issues, preservation of capital, return effects on non-liquid assets and reaching charitable goals.
 - Individuals who are involved in private client services have the key challenge of balancing their duties as money managers and personal client service

Accounting

- What is the largest contributor to deferred tax assets on a balance sheet?
- What are deferred revenues? Give me an example of a firm that would have deferred revenues and why.
- How do all the financial statements tie together?
- How do you get NOPAT from NI?
- What has more impact on the value of a company - a 10% drop in revenues or a 10% increase in cost of capital?
- How do you derive Free Cash Flow (FCF)?
- A company discovers that some of its equipment is overvalued, and takes a write-down. Describe all the changes that would take place on the financial statements.



- What is working capital? Why is it important?
- Define sources and uses of capital?
- Run me through an Income Statement. Define Operating Income?
- What are the three main sections of the Statement of Cash Flows?
- What goes into cash flow from operations? Give me an example of a source/use of cash.
- If a firm pays out 100% of their earnings as dividends, is their cash flow negative?
- Where do you find shares outstanding?
- How can Accounts Payable, which are debts that you pay down, be a source of cash?
- How do you value NOLs?
- Give me the journal entry for the write-down of debt.
- All else being equal, how would the balance sheets of Coca Cola and Pepsi differ?
- What are deferred taxes? Give me an example of how they arise.
- What is EBITDA? Why is it important?

Project Finance

- What experiences led to your interest in a career in project finance?
- What industries do you think are conducive to Project Finance?
 - Power
 - Oil and gas
 - Mining – resource extraction
 - Some infrastructure
- What criteria are important to consider when first assessing a project?
 - Political Risk / local political involvement
 - Market for the commodity
 - Availability of commodity
- How would you approach making a model for the project?
 - Get input/assumptions from the sponsor
 - Determine the financial market conditions for the site
 - Get data availability from public services
 - Determine the length of construction and operation period
 - Segregate inputs clearer fashion, outputs into financial information
 - Determine who is the reader for the output (gov't, investor-lender...) and write accordingly
- What evidence can you present that you have excellent modeling skills?
- Determine a (financial) sensitivity analysis.
 - Interest rates
 - Price
 - Loan structure
 - Input costs
- Tell me about a time when you failed to apply good quantitative skills in an analysis.

Real Estate

- Where are the most advantageous development opportunities?
- Should a specific project be developed?
- If so, of what product type should it consist?
- When should it be developed?
- How would you determine the financial viability?

Firm Specific Private Wealth Management Questions

Goldman Sachs



Graduate – MBA - Summer Intern

- What interests you about private wealth management
- Have you ever sold anything before? (picks up a pencil) Sell me this pencil.
- What are the markets doing? What are they expected to do this year? What are driving these trends?
- What are 3 positive things your best friend at school would say about you?
- What are 3 negative things someone whom you don't get along with at school would say about you?
- What do you want to talk about?
- What do you know about Goldman Sachs?
- Do you follow the markets?
- Tell me about the markets?
- Tell me about one of the markets - what's happening on a macro level, and then we'll dig down."
- Tell me about a stock you follow – P/E, CEO, prospects, where is it trading now, etc.

Firm Specific Investment Banking Questions

Blackstone

Graduate – MBA – Internship

- Present Value Question: Would you rather have a lump sum now of lottery winnings or get it in installments?

Citigroup Global Corporate & Investment Bank

Graduate – MBA

- Why are your grades so low?
- Many questions revolved around the valuation paper written in the valuation course:
 - What was its capital structure?
 - What methods did you use to value the company?
 - Which free cash flow did you use and what rate?
 - If you used free cash flows to equity, what rate would you use?
 - How would you arrive at the amount of debt?
- What is your opinion on the current valuation of tech stocks?
- How would you value a privately held Argentinean company?
- Work out a DCF and give alternative ways to measure terminal value
- How is cost of debt and equity calculated? If CAPM is used, do you use domestic or local RF rates and equity market premiums?
- If you use US rates and risk premium, how do you capture the additional risk of investing in an emerging market?
- Does the AOL/TW merger make sense?
- What is CAPM?
- What is Beta?
- How do you compute Beta?
- How would you value an internet company?
- What is working capital?
- What has more impact on the value of a company - a 10% drop in revenues or a 10% increase in cost of capital?
- What internet business model do you think will work and why? How is the market pricing these companies?
- What would qualify a company as a 'comp' in comparable company analysis?
- Show me how to do a DCF.
- How would you calculate WACC?
- Let's say you sell an asset for 200, its book value is 100, walk me through all the adjustments you would make to the financial statements.
- What can you tell me about preferred stock - should one invest in it?



- What does it mean if a stock has a beta of 2?
- If you have cost of debt of 10% and cost of equity of 10%, what is your WACC?
- What is deferred revenue?
- How would a \$50 gain on a sale of equipment flow through the balance sheets?
- What are the three valuation methods? Which gives the highest value? Lowest?
- Tell me about a deal in the last year that you found interesting, and tell me why;
- Which company would have a higher Beta and why - a waste management company and a high tech company?
- If Company A has a Beta of 2 and Company B has a Beta of 0.5 - what does this mean?
- Book value of asset= 1 Sale value= 2. Take me through the changes in the financial statements. What would be the difference if the company manufactured these assets?
- A company has \$400 million in cash and no other assets. They have no debt, and their market capitalization is \$200 million. What is happening here?
- What are the four main components of the Statement of Cash Flows?
- A company's 2004E P/EBITDA is 10x, and its 2005E P/EBITDA is 8x. What is happening here?
- What qualities make a good Managing Director?
- Last question: can you tell me a joke?

Credit Suisse

Graduate - MBA

- Why do you use WACC to discount Free Cash Flow?
- Sell me on your technical skills.
- Walk me through a typical day as an Associate.
- Explain deferred revenues. What is an example?
- Walk me through the sale of an asset. How does this affect the financial statements?
- A company earns income, which increases retained earnings. How does the balance sheet balance? What happens to the other half of the balance sheet?
- You have two companies. One uses LIFO to account for inventories, and the other uses FIFO. Which one of these companies will have higher net income?

Deutsche Bank

Graduate - MBA

- Discuss how you would handle currency issues in cross border deals.
- Discuss changes in WACC to accommodate cross border deal needs.
- How do you value an Australian boating company? If you could only compare it to US-based companies, how do you account for differences in their betas?
- (After expressing an interest in M&A) Take one your old employers as a potential client, and from a high-level strategic point of view, explain what type of company you would recommend it to acquire or merge with?
- Talk about the most stressful 24-48 hours of your life. Why was it stressful? How did you respond? What did you take away from it?
- Walk through the valuation of a firm with special emphasis on the market multiples method.
- What is the definition of deferred revenue? Provide an example. Where is it on the balance sheet?
- What are some ways you would value a private company?
- What is the difference in the numerator between a P/E ratio and a P/sales ratio?
- How do all the financial statements tie together?
- Explain equity accounting, how would you account for dividends from a firm in which you have an equity interest?
- Explain beta in plain English.
- Is size a factor when finding a company's beta?
- What was your biggest failure? Why? What would you have done differently?
- If you got an offer from every other bank except ours, which one would you accept? Why?



- Your client's company has P/E of 20. He asks you to advise him between 2 acquisition targets, one with a P/E of 15 and the other with a P/E of 25. What is your advice?
- You have 2 hours to value a telecom company using comparables analysis. Walk me through the steps you would take.
- Explain how you will build a helicopter that can fly to the moon.
- What would the P/E be for a tech stock?
- How would you value a stock that doesn't pay dividends?
- Why would a corporation not want to have large amounts of cash on its balance sheet? What would you advise such a company to do?
- Follow up: Do you think Microsoft is a takeover target? Why?
- Where do dividends show up in the free cash flows computation?
- Where are dividends on the income statement?
- Are dividends tax deductible?
- You are given 10 stocks, what criteria do you choose to evaluate which stock is the best?
- How do you determine cost of debt if you are not a public firm?
- Case: How much fee do you pay as an airline to the government when you want to start a new airline route from NYC to Ithaca? Give me your thought process? How do you value the new airline?
- Which multiple do you use for which industries?
- Explain why you take Enterprise value for the EBITDA multiple and why Equity value for net income multiple?

Goldman Sachs

Undergraduate and Graduate:

- Why Goldman Sachs?
- What is inflation?
- What do interest rates mean?
- If you had \$100,000,000 at age 20, how would you invest it?
- What are you most passionate about?
- What do you think of the current state of the market?
- Where do you predict interest rates to go?
- If you were advising the CEO of a company that owns 30 office buildings throughout America, how would you value his properties?
- What countries do you believe are suitable for investment at this time?
- What are the Treasury Secretary's current goals?
- Explain the situation with the Chinese Yuan
- Why don't the Chinese revalue their currency?
- What is the current situation in the housing market?
- What caused the housing boom? The housing bust?
- What is the current price of a barrel of oil?
- If you were representing the Saudi government, where do you want oil prices to be?
- What would be the effect of changes in oil prices?
- Since alternative fuel is such a big issue, tell me about your opinions and any solutions you foresee
- What do interest rates do to the housing market?
- What is the purpose of raising interest rates?
- Why would inflation potentially decrease interest rates and how would that affect stocks?
- How confident are you that you want to do Investment Banking/Equities?
- What can you bring to Goldman?
- If you could choose another career other than investment banking, and money was not a factor, what would you choose?
- Be able to discuss a few stocks and if you think they are over/under valued
- Without knowing anything about real estates and how it is valued, how would you assume property is valued?
- What 6 factors affect the price of an option?



- If you were representing a client in the milk industry who wanted a hedge against the price of milk declining, how would you go about doing so?
- What questions would you ask an investor before designing their portfolio?
- What market indicators do you look at to assess the market?
- What is the current state of the domestic economy?
- If another catastrophic event occurred on domestic soil, what would happen to the markets?
- Have you read anything interesting lately?
- Do you value education?
- Where do you want to be in 5 years?
- What is a swaption?
- When times have failed, how did you respond?
- How can you lead without managing?
- Which financial statements do you think is most important to read?
- What does the measure R mean in statistics?
- What is the Black-Scholes equation?
- What is the square root of 0.6?
- Do you currently invest?
- Do you read the WSJ? What was the most interesting article to you in today's paper and why?
- Can you explain an option?
- What is American, European, Bermudian Option?
- What is a protective put?
- If a client calls in one day and sees that the market is reacting poorly to recently released economic data, what do you say to them to calm them down?
- What is your opinion of the economy right now?
- Is there a certain stock you are looking at right now?
- What will convince me that you can work well under extreme amounts of pressure?
- What is the current Dollar-Naira exchange rate?
- How has the Naira moved against the dollar recently?
- How would you invest 5 billion dollars?
- What do you see as the future for US and Global Markets?
- If you could only hold assets in one currency, what would that be?
- Tell me about your math skills.
- What is the current price of gold/oil for the closest delivery month?
- What did the DOW/S&P close at yesterday?
- What do you think of the sub-prime issue?
- What is half of 1% of 5000?
- What is the current federal funds rate?
- Tell me three things that are happening with the market right now
- How would you make money in today's market?
- Tell me everything about the market.
- Why do you want to get in this business?
- If you were the manager of a fund what would you invest in during 2008?

Graduate Specific:

- How much would you pay me today for my promise to pay you a dollar a year for the rest of my life? What questions do you want to ask me to get to your answer?
- Suppose I am one of the CFO's of your clients. Explain to me why I need to increase shareholder's value.
- How do you value a retail bank? How do you calculate the cost of debt for that bank based on their deposits on the liability side? If two banks have the same valuations but have different ROE, which is better?
- Which stock market, if any, will grow strongly in the next couple of years and why?



- What other incentives do you offer to a seller of a company when you want to acquire him, aside of paying for a premium?
- Give me the factors that affect the decision why pay cash, stock or both, when acquiring a company?
- Different ways to calculate the terminal value?
- Explain WACC to me and how cost of equity and cost of debt relate to the growth of WACC?
- Tell me what our biggest risk in hiring you is?
- How are you going to deal with transitioning from a relatively senior position at your past job to an Associate position with us?

Undergraduate – Investment Management – Full-Time- Final Rounds

My particular interviews with GS were very conversational. Questions were “fit” questions and were not heavily technical.

- Walk me through your resume. (A lot of discussion focused on resume and past experiences, probably 80%)
- Why are you interested in investment management?
- How has prior work experience contributed to your interest?
- What aspects of investment management are most appealing?
- What extracurricular activities are you involved in?
- What attracts you to Goldman Sachs?
- How did you find out about the internship opportunities?
- What do you want to get out of the summer?
- What is your opinion of what is going on in the markets?

JP Morgan Chase

Graduate -MBA

- What were the strengths and strategy of your last company?
- Describe a team project that didn't go well? What did you do about it?
- You have 1 hour to come up with comparable multiples for a company. What do you do? (Banks maintain databases that update them continually. Get them from there. Some people answer by saying they'll look for comparable companies with similar market caps, product lines, etc., and then calculate the relevant multiples... wrong answer).
- An international company is looking to raise funds. What do you advise them, and what is your thinking?
- You are advising a multinational manufacturing company looking to set up a plant - what would you advise them?
- Value a company for me (on a piece of paper). (Only data given: sales, costs, outstanding debt, interest expense).
- How do you value the equity alone of the company?
- How do you value the entire firm?
- Which would you expect to have higher leverage -a high tech company or a chain of retail stores?
- Tell me why you would NOT want to work for this firm?
- Describe yourself in one word.
- Explain to me each part of your resume and how you made the decision to go from one thing to the next.
- Tell me about why you were the best person for the last job you did.
- Tell me about a team you were on that had problems and how you dealt with it.
- Follow up: If you were to do it again, what would you do differently?
- Tell me one of the weaknesses of JPMorgan Chase.
- Tell me the ways to value a firm. Explain each. In what cases would you use one versus another?
- What is an alternative to declaring dividends?
- Why would a corporation not want to have large amounts of cash on its balance sheet?
- What are new trends in M&A (they wanted to hear about purchase vs. pooling)?
- Tell me how you can apply what you learned at your first job to investment banking.
- Do you know what your responsibilities will be as a summer Associate?
- If you decided to open a coffee shop in Ithaca what things would you think about? (it boils down to costs, a bit of marketing and NPV)



- Walk me through your resume, telling me not what options you chose in your career, but the reasoning for those them.
- Every candidate is asked to choose a word, and only one, for us to remind him/her at the end of the day, what is yours?
- Do you think your GPA is indicative of your ability/competence?
- You have a very good GMAT; why do you think that you achieved this score because you're smart or because you worked really hard?
- Which are the areas where you would like to work at JP Morgan? Why these areas?
- Why do firms merge?
- What do you think of our merger w/ Bank One? How did it benefit / hurt the investment banking business?
- Which banks do you think are targets for acquisition? Why?
- Talk about our most recent acquisition.

BofA/Merrill Lynch

Undergraduate

- What books have you read lately related to our business? What did you learn from them?
- What are some ways you keep current with news in the financial services industry?
- What expectations do you have about what it will take to get ahead in this business?
- Analytical ability- How many gas stations are there in the USA today?
- Walk me through your resume.
- Tell me about yourself.
- What deals have you read about recently?
- How would company X go about valuing company Y? (three valuation methods)
- How do you complete a DCF analysis? Walk me through a DCF.
- What does a DCF analysis tell you?
- What are public comparables?
- What industry sectors are you interested in? Why?
- Why Investment Banking?
- Why Merrill Lynch?
- What do you want to get out of the summer?
- Any questions for interviewer.
- Where do you see yourself in 5 years?
- Tell me about yourself.
- What can you bring to a team?

Tips:

- Read the Wall Street Journal/Financial Times daily and know what is going on in the markets
- Read about the company you are interviewing with, be aware of their philosophy and principles
- Be passionate
- Be conversational
- Read Vault Guides, including the Finance Interview Guide - they are extremely useful
- Be over prepared

Graduate – MBA - Internship:

- How do you assess the current developments in the stock market?
- How do you value the entire fish market in Asia?
- What is the probability of throwing a 1, 3, 6 and 12 with each time that you toss two dice?
- What is 90% of 520?
- What are the advantages of issuing a convertible bond? When do you decide when to issue equity or keep bond? What are the factors that affect convertible bonds?



-
- How does the WACC change when a company issues a convertible?
 - Under which economic environment is it good to issue convertible bonds?

TD Securities

Undergraduate:

- Have you taken Financial Statements or other business courses?
- Which courses have you taken?
- What are your grades in that accounting/finance classes you have already taken?
- How did you hear about TD Securities?
- Be able to discuss modeling and accounting experience.
- You sold a call option, and have a stock share, what will you do if stock price goes down/up?
- Tell me in detail what you learnt from the New York Trek.

UBS

Graduate

- What countries are not included in the EU?
- When you estimate the terminal value of 2 companies, one in the oil business, and one in technology, how would you estimate the growth rate for its perpetuity?
- How would you measure r_d and r_e when calculating WACC? What do these numbers really mean?
- What is $17*17$? They will ask you this when you least expect it.
- Which is cheaper for an issuer.....a zero coupon bond or a convertible bond? Which would minimize interest payments/conserves cash flow?
- What makes a good LBO target? Why aren't more LBOs happening? How do you make money through an LBO?
- What do you think of the new dividend tax policy? How do you think that will impact corporate finance decisions?
- You have a company with \$200 million in assets, \$100 million in debt, and -\$100 million in equity. Would you pay \$50 million for it?
- When would acquisition comps be lower than industry comps?

Waddell & Reed

Graduate - MBA

- What do you think are the main trends in investment banking going forward?
- What do you think about internet stocks?
- What do you think about the future of conglomerates in emerging markets?
- What is your view on the privatization methods used in the former Communist States? Which privatization method is better the Polish or the Russian one?
- What is your view on the US markets, where will the DOW and NASDAQ be in 1 yr?
- What is driving these markets and are the drivers sustainable?
- What is your view on the Euro/EMU and what are the implications for markets in Europe? How will markets like Italy and the UK interact? Will there be a free flow of capital, both financial and human?
- Tell me about a project or paper that proves your quant skills to me what was the relative value of terminal value to the total value as calculated using a DCF? Is it a large percentage of value and are your growth projections valid?
- Tell me about the financial crises in Asia and what were the underlying causes? Do you think that Japan will face up to the bank loan issue? Why didn't the Philippines get hurt as badly? What about Thailand?
- Is the NASDAQ overvalued? Take Cisco systems, how would you value the company?
- Do you believe in the market efficiency theory? What about internet stocks?
- What's the last book you read?
- What do your teammates tell about you?

WestLB



Graduate – MBA - Associate, Energy Investment Banking

Position of person who interviewed you: Managing Director (2), Executive Director, Director, Associate Director

- What is Project Finance to you?
- Where do you see yourself in 15 years?
- If purchasing a company would you account for it with the purchase method or another method if you are trying to maximize ROCE?
- If you have a portfolio of assets how would you determine how to finance it?
- What does deferred tax liability tell you about a company?
- Why WestLB?
- What have you heard about WestLB?

Tips:

- Be relaxed because 6 interviews is a long day. They are generally very nice and open to any questions about the firm.
- The last interviewer tried to throw me off by not looking at me and disagreeing with everything I said. He also didn't introduce himself.

Firm Specific Sales & Trading Questions

Citigroup Global Corporate & Investment Bank

Graduate - MBA

- What are the five things you need to price an option?
- If you were managing money for GW's endowment fund would you invest with a hedge fund with a 1/20 fee structure? Why?
- If a high yield bond has a yield to maturity of 15%, it would appear you are being paid for idiosyncratic risk. According to CAPM, the market only pays you for systematic risk. Does the 15% YTM on the bond contradict the CAPM principle?
- You ride a bike up a hill at 10 MPH turn around and ride down the hill at 20 MPH to the same starting point. What was your average speed?
- Suppose you had 100 light switches (numbered 1-100) and you turned them all on. Starting with light switch #2, you flip the switch off and proceed to switch off any switch that is a multiple of 2 (ie: 2, 4, 6, etc). You then move onto #3 and flip that switch and any switch that is a multiple of 3 (ie: 3, 6, 9, etc). Do this all the way up to 100. At the end, how many and which light switches are still on?
- How do you take advantage of a yield curve flattening using put options?
- What are your thoughts on inflation?
- What did you do last weekend?
- What do you do for fun?
- What is the most important thing you've learned from your previous experience?
- Is there an industry that you follow? Tell me about it.
- What angle are the hands of a clock at when it is 9:30?
- What value could you bring to the S&T role that no-one else can. What will make me remember you?
- You are on a game show final and the master prize is behind one of three doors. You are told to pick a door and stand by it. The host then goes and opens one of the other doors; the prize is not behind there. You now have a choice to move or stay where you are, what do you do and why?? (hint: the answer is NOT 50:50 probability)
- Where's the Dow?
- Where's the S&P?
- Where's the NASDAQ?



-
- Where the dollar vs. the Yet, Euro, Pound, Canadian Dollar?
 - Where's the 5 year, 10 year, 30 year?
 - I have to choose three people out of twelve, why should I pick you?
 - T Bond Yields (3 Month, 1 Year, 5 Year, 10 Year, Long Bond)
 - Oil Prices – View on Oil prices
 - View on the Market, Interest Rates
 - What would you do to ensure your success this summer?
 - Give me 5 adjectives to describe yourself
 - Give me a 3 minute run-down of your resume
 - Gold prices?
 - Why did you pick your undergrad institution?
 - If you sell 100 at the money calls how would you hedge that?

Credit Suisse

Graduate - MBA

- Do you follow the market? Tell me about a stock you like. Since it doesn't have earnings, what's its Price/Sales ratio?
- Would you say that you are more of an artist or a mathematician? (apparently he equated equity sales to being an art)
- Are German interest rates lower/higher than US rates?
- What does the normal yield curve look like and what is different/odd about the current yield curve?
- If you are bullish on a stock, how can you use a put strategy?
- Give me your opinion on the economy. (Then proceeding to trash my thoughts and told me I wasn't telling him anything new)
- Name a number of recent equity deals CSFB has been involved in?
- Explain EVA.
- Pitch a stock you like, why, what kind of investor would you try to sell it to? (three times)
- What is 7 divided by 8?
- Name three things that make a great sales person
- What stocks are you watching? Where does it trade, what is its market cap, what is its business, what is demand for its product?
- Know basic option diagrams
- Where's the market going?
- What would you invest in right now?
- If you couldn't work on Wall St. what would you do?

Goldman Sachs

Graduate - MBA

- What would you like to tell me that your resume doesn't?
- How close are you to your family?
- Why Goldman?
- Are you sure you would like to trade, you seem like you would be much better for research? Are you sure, I could introduce you to the research people?
- What do you do for fun?
- Explain to me the difference between a trader, a sales-trader, and research sales.
- Why should I hire you?
- What are your 3 best qualities? What are your weaknesses?
- What is your story?
- What desks are you interested in and why?
- People here work harder than any other firm, give me examples of having to work hard.



-
- Tell me about a difficult situation working on a team and how you overcame it.
 - Give me a good example of your leadership abilities.
 - What questions do you have for me? (This was the first question I was asked and he kept asking me what else for half the interview?)

JP Morgan Chase

Graduate - MBA

- Tell me why you can calculate an exact dollar price for an individual bond when rates change, but you cannot calculate an exact change in the value of an index for the same move in rates?
- Draw the yield curve.
- Given three curves identify LIBOR, US Treasuries, and corporate credit.
- What does the yield curve tell you about this company? (Hands me a sheet with the company's debt schedule)
- How would you immunize this company's balance sheet?
- If you think the current yield curve is too steep, how would you take advantage of the situation?
- What does LIBOR stand for?
- If the dollar continues to be weak what kind of stock would you prefer?
- What's the probability of getting at least one 6 when rolling a pair of dice?
- How many degrees are between the hour and second hand when it's 9:30?
- You and I both have an unlimited supply of quarters. We take turns putting quarters (1 at a time) on a round table (cannot overlap or be stacked) and the object of the game is to be the last person to put a quarter on the table. Do you want to start the game or go 2nd and why?
- If the 3 month spot rate is 1.35% and the 6 month spot is 1.40% what is the 3 month forward rate?
- Is the yield curve current steep or flat?
- If you plot the forward rate on the yield curve what does it look like?
- What makes a good sales person?
- If you don't get an offer, what is your second choice of summer positions?
- What are your grades?
- If you think interest rates are going up, what part of the yield curve would you rather be in?
- If the yield curve is upward sloping, is the forward curve above or below the yield curve?
- Derive a forward rate given a one and two year spot rate.
- If interest rates are expected to rise, would you want to hold longer duration or shorter duration bonds?
- If interest rates rise in Germany, what would be the effect on the US Dollar?
- What is 3 month LIBOR?
- What is your view on Interest Rates?
- What is the greatest % change – a 90 point change in the S&P 500, a 150 point change in the DJIA, or a 60 point change in the NASDAQ? (He wants to know that you understand where the markets are at.)
- Where is the Fed Fund Rate at? What is your outlook on it?
- What are certain currency rates at?
- What were our earnings last quarter?
- Why Fixed Income?
- What is the square root of 40?
- What is the square root of 256?
- If you had a three gallon jug, a five gallon jug and an infinite supply of water, how would you get exactly four gallons?
- You have two bins. One bin is filled with ten white balls, and one bin is filled with ten red balls, how would you re-arrange the balls such that you have a greater than 50% chance of picking a white ball?
- If you could go back in history and take out one tyrant, would you, and who would it be?
- What would you change about American foreign policy right now?
- If I had one year to live and \$1 million (and no attachments) what should I do?
- Give me an example of when you had to do many things at one time?
- What are three things I should remember about you?



-
- What are the kind of things that will help you decide which bank to go to this summer?
 - Why are mortgage securities negatively convex?

Morgan Stanley

Graduate - MBA

- How many cigars do you think are smoked in the US on an annual basis?
- A high yield bond and an investment grade bond are both priced to yield 8%, which has higher duration?
- How have bonds been doing this year?
- What has the market priced in for the Fed through the end of the year?
- Are the Red Sox going to sweep the Cardinals?
- How is Morgan Stanley different from Goldman Sachs?
- Teach me about a product you are interested in.
- You're from GW? How did you manage to get in here for an interview?
- What issues will management at this firm face in the upcoming years?
- Do you want a cookie?
- A zero coupon bond due in 24 years is priced to yield 9%, what is its price?
- If you have a zero coupon bond and the company offers to pay par in advance do you take it?
- You sell a credit default swap at 150 and buy one later at 75. You buy a credit default swap at 75 and then sell one at 150. Which situation is better?
- The yield curve perfectly flat at 8%. You buy a 30 year bond that pays 8% but it is callable in 4 years, how is it priced?
- Tell me about a time you had to use estimation abilities quickly.

UBS

Graduate - MBA

- If you had \$200,000, how would you invest it in the market and why?
- What do you think are the variables that move the Hong Kong Property market? (property is the biggest mover on the Hang Seng Index)
- What's the most important of the Greeks?
- Explain volatility in simple terms.
- How is gamma related to delta?
- What's your view on the market?
- What's the VIX at?
- Why is NASDAQ more volatile than the S&P?
- Would you be long or short Vol right now – why?
- What's a credit swap? How does settlement work in a credit swap? How do the traders price the credit swap? (this was an individual's pre-MBA background)
- What other firms are you looking at?
- Do you like getting to know 1 thing really well or do you like learning a little bit of everything?
- Are the other programs at the other banks similar to UBS'?



Firm Specific Equity Research Questions

BofA/Merrill Lynch

Graduate - MBA

- What are your thoughts on regulation FD?
- Why sell side as opposed to buy side?
- Do you invest in the market? What do you own?
- Why GW?
- Tell me why you are here?
- What do you think is different about my job now and ten years ago?
- What do you think is different about my job now and ten years into the future?
- What stock do you like? What do you know that the market doesn't know?
- What are some qualities you think are important to an analyst?
- Explain to me what I do every day? (Interview with a Senior Analyst, not an Associate - roles are vastly different)
- How has the role of a research analyst changed over the last 10 years?
- What do you think makes a good analyst?
- How would you handle a situation where one of your high net worth clients tells you that he/she is going to pull their \$50M from your firm because they will pick their own stocks from now on since he/she feels there is plenty of information available to the public to do just as good of a job, if not better than you?
- I see that you're a career switcher. How/when did you get interested in equity research?
- Why should I hire you? How do you separate yourself from the rest of the candidates interviewing for this job?
- What stock do you like? Now tell me something about that stock that the general public does not know? Since you can't answer that question, over the next six months, what do you think would cut that company's stock price in half?

Fidelity High Yield Analyst

Graduate - MBA

- Why high yield? As opposed to equity research?
- Pitch a stock
- If a firm is going to issue debt, and you can only talk to the CEO, what three questions would you ask?
- What asset class do you invest in?
- How do you value the debt of a firm?
- What industry would you like to cover?

Independence Investment Associates

Graduate - MBA

- What 2 stocks do you like?
- What's your opinion on the market?
- What makes you think you are a good analyst?
- Name the last three books you've read.
- What do you know about research?
- What are your finance skills and what are you doing to improve them?
- Are you planning on applying to the Cayuga Fund?



JP Morgan Chase

Graduate - MBA

- What other companies or indicators would you monitor that may influence the valuation of your stock?
- Why do you want to work for JPM?
- Why fixed income and not equity?
- What makes you a good research analyst?
- Have you visited any research analysts for informational interviews?
- Did you have to publish written research in your prior job? Do you have samples?

Latona Associates

Graduate - MBA

- Describe a situation when you had to take initiative on a project
- Discuss the pros/cons of different valuation methods

Morgan Stanley/Smith Barney

Graduate - MBA

- What other companies or indicators would you monitor that may influence the valuation of your stock?
- In anticipating changes in the price of your stock, what industry/economic indicators would you also monitor?

UBS

Graduate - MBA

- What stock do you like?
- Why sell side as opposed to buy side?
- What would you do if you were placed in a situation in which an investment banker is breathing down your neck to issue a positive report but you think that the stock is lousy?
- Why equity research?
- If you were to die, what would you want people to say about you? What would be written on your epitaph?
- What's your favorite movie?
- How about them Lakers?
- What industry would you like to cover?
- (Follow-up question) If you were going to cover _____ industry, what would you do? Describe the process.
- Why did you choose these comparable companies?
- Do you have a lot of friends or a lot of acquaintances?
- If you were promoted from analyst to associate, what would be the first thing you would do?
- Once you have done your analysis on this new industry, how would you go about selling it to the street?
- What role do you take in a group situation?
- How do you relax?
- What do you think is going to happen to the price of oil with regard to the Iraq and Venezuelan situation?
- Why equity analysis and not investment banking?



Firm Specific Corporate Finance & Risk/Insurance Questions

Air Products

Graduate - MBA

- Case on how to decide to take a project or not:
 - Ask questions on Porter type competitive advantage
 - Refer to the diversification or no diversification theory (why did conglomerates break up in the 70s)
 - Ask questions on strategic fit
 - Discuss risk return profile of projects, take less risky if same IRR (same IRR but less risk means WACC is lower).

Amgen

Graduate - MBA

- Pfizer has developed a new molecule that has potential. We want to buy it. (No further info, just a molecule) How much should we pay for it? How would you go about valuing it? Who would you need to talk to get the information you need?

Potential answers:

- (1) DCF
- (2) Comparable drug price
- (3) Use Real Options Valuation

AIG

Graduate – MBA - Trade Credit Underwriter position: Global Trade Credit & Political Risk group within AIG World Source

- What did you do at your internship with Zurich Emerging Markets that would prepare you for this position
- You'll be working with brokers who can be difficult to deal with – tell me about a time when you worked with someone with whom you couldn't resolve a conflict or who was very difficult to work with
- What do you know about AIG?
- Where do you see yourself in 5 years?
- Walk me through your resume.
- What are your 3 best/worst qualities?
- We encourage teamwork – describe a time when you held a lead role within a team.
- This position includes high client/broker interaction – what sort of client/broker interaction experience do you have?
- How do you evaluate the credit worthiness of a firm?

America West Airlines

Graduate - MBA

- You are losing money on a flight from Richmond to DC. Do you cancel the flight? (No, you might make money on connecting flights)
- You are going to lose money on a single flight from Richmond to DC, even when you factor in connecting flights. Do you cancel the flight? (No, you might need the plane for a different flight that is making money)
- If you could locate an airport hub anywhere in the US, where would it be? (Dallas is a good answer because it is central to the US and in the South where there is usually good weather!)



American Express

Graduate - MBA

- American Express has a Delta card. Say Continental Airlines approached us about issuing a co-branded card, what would we have to consider about issuing a Continental card?
- You just prepared a 10-page document, what parts do you present to your direct manager, and what do you present to the CFO?
- Tell me about your experience in a Matrix company. What experience do you have working with cross-functional departments?
- Tell me a time where internal interests conflicted; what did you do?
- Tell me a time you presented a technical matter to non-technical people.

Caivis Acquisition Corp

Graduate – MBA- Financial Analyst Intern

Interviewed by VP, Corporate Strategy

- How comfortable are you with MS Excel? MS Word? What is your past experience in Financial Modeling?
- What are your plans post-MBA? How does this position fit into what you want to do post-MBA? What do you expect to get out of this position?
- Why MBA? Why Finance?
- Why are you switching careers?
- Do you understand our business model? As a professional with experience in technology, how else do you think you can add value at Caivis? Are you comfortable taking additional responsibilities in a start-up environment?
- Are you comfortable traveling? How much? How often?
- How soon are you available?
- What will be required for obtaining work authorization (international student)?

In addition, I provided relevant writing samples and exercises I had done.

Chevron

Graduate - MBA

- Oil industry knowledge questions
- If you had to measure the performance of our shipping unit, what would you do? (Use your FSA knowledge, and your cost accounting knowledge to figure out the return and cost management issues you need to track and the report types you need to prepare)
- What kind of teams would you need to get the work done? (Multidisciplinary teams: Cost accounting, financial analyst, industry analyst, petroleum engineer, logistics manager)
- Why should I hire you? (i.e. how do your non-finance background skills fit into this job?)
- How I would analyze a decision of whether or not to invest in a new tanker. This required a hypothetical discussion on the income statement of what a tanker might be and how profitable it could be.
- Which Sesame Street character are you most like, and why?
- What do you feel about the weak dollar, how do you think it affects Chevron?
- Will you work overseas?
- Tell me about a time you failed, what happened and what was the outcome? What part did you play?
- Why aren't you going back to your past company for the summer?
- Describe your past company's culture, how did you like it? (I was coming from GE, and they were looking for a personality type that's very different from the "GE type").
- Why do you want to work for Chevron, not Exxon Mobile?



Delta Airlines

Graduate - MBA

- Based on JetBlue's business model, do you think it will succeed?
- What are some of the non-cash expenses on Delta's income statement?
- Why do you think that the 2 most profitable planes are the regional jets and the large jets?
- Would you use NPV?
- How would you analyze cash flow?
- Considering the current business model of JetBlue, what is your forecast about its future business?
- What are 3 decision-drivers for customers to buy a airline ticket?
- What strategies do you have to revive Delta airline?
- Tell me some non-cash items you'd find on Delta's financial statement.
- What's DCF?
- Discuss some synergies/liabilities that would be created by Delta's merger with another company.
- How would you value the synergies from an M&A transaction. In what ways could a transaction enhance or destroy shareholder value?
- Some of our most profitable flights are those with our biggest aircraft (widebodies) and our smallest aircraft (regional jets). Why is this?
- What is the most important financial statement? (I said statement of cashflows)
- If you can only have two of the three financial statements, which ones do you want and why? (I said income statement and balance sheet. With those two, I can solve into the cashflow statement)
- When evaluating a new project, what do you look at? (I said ROI)
- What is Delta's WACC? (I said that I had not solved for it, but I estimated it between 8%-11%)
- What do you like about Delta? (I like the industry and believe their is an opportunity to advance at the company)
- Do you think Delta's beta is above or below 1 and why? (I said above 1, due to the volatility in the business)
- What metric(s) do you consider when evaluating the purchase of a new plane?
- How does the decision of buying or leasing a plane affect Delta?
- What would an approach to valuing a subsidiary be?
- Why did Delta recently announce simplified fares?
- A customer buys a ticket on Dec 31. Pays for the ticket in Jan. Takes the flight in Feb. Explain how three major financial statements are affected each month relative to the aforementioned activities.
- How would you assess whether to continue operating a regional carrier?
- Evaluating an investment with an NPV of \$10,000 today. If you wait one year, the investment has an NPV of 10,300. The opportunity cost of not doing the project today is 2.5%. When do you start the project?
- Same project as above. At one year there is a 30% chance of increasing by \$300, 20% of decreasing by \$200 and 50% chance of decreasing by \$700. When do you start the project?
- How would you assess and evaluate potential impact of unionization?
- Name two competitors that no longer exist and what happened to them?
- Name two companies that Delta has acquired and why
- Tell me about a time that a project wasn't going as scheduled? What happened? What did you do?
- If you were a passenger on a plane, how would assess the profitability of the flight just by looking around you?
- What are some of the considerations that must be made if we were thinking of opening a new route from X to Y?
- Who do you think is Delta's main competitor?
- Other than Delta which of the network carriers do you feel is the strongest and why?



Eaton

Graduate - MBA

- What have I learned in business school. Then to back up that answer I had to explain exactly how the concept of what I had learned worked and how I applied it.
- How would I support an argument for a strategy (what he wanted to know was how I would back up an argument with quantitative data)?

EG Global

Graduate – MBA - Financial Analyst/Business Development Intern

- How comfortable are you with MS Excel? MS Word?
- Why are you interested in this position? What do you expect to get out of this position?
- Why MBA? Why Finance?
- Some questions on the writing samples I had sent before interview.
- Are you willing to continue part-time in Fall and Spring? This was a required condition.
- Are you comfortable taking up administrative responsibilities as required?
- When to when are you available?
- What will be required for obtaining work authorization (international student)?

In addition, I provided relevant writing samples and exercises I had done.

Exxon Mobil

Graduate - MBA

- What are your thoughts on CAPM and capital structure theory (why is XOM not so levered, and the non numerical things that go into calculating WACC in practice)
- Hurdle rates, WACC, IRR – what is the relationship between them (good treatment of this in the Cost Accounting Book, believe it or not)
- What kind of experience are you seeking during your internship?
- Why are you interested in the gas & oil industry?
- What's going on with the stock market right now? Why?
- How do you value an international company? How is it different than valuing a domestic company?

Ford

Graduate - MBA

- Why Ford? Why finance?
- What skills can you bring from your past career?
- Can you describe a time when you've managed technical people?
- Can you describe a time when you explained technical information to managers?
- Walk me through your case solution. Explain assumptions and decisions.
- Group Interview: Got together with other interviewees. Passed out case solutions, described solutions, worked together to come to conclusion, and presented conclusion to interviewers. Lasted 1.5 hours total.



GM Treasury

Graduate - MBA

- Should GM hedge against the economy, their balance sheet, or cash flow statement?
- Assuming GM sells only in the US, how would you calculate the effect a depreciating yen will have on their business in the US?
- How would you value a company? Walk me through a DCF? How do you create a comparable company analysis?
- How would you estimate beta for a new project in the electronic chip industry?
- How would you quantify the impact the exposure of General Motors revenues to fluctuation in the yen?
- How would you value a company? What are the relative merits of the alternative methods?

Honeywell

Graduate - MBA

- Are you a detail-oriented person or more for the big picture?
- Why do you think the price of the nickel (the metal) increased last year?
- What is the main use for nickel?
- What is the area/function you look at Honeywell?
- Honeywell is facing a difficult 4th quarter. What steps would you recommend us to take to increase our cash flow?
- How do you view a business situation/life—see the forest or trees?
- In a declining market cycle, how would you go about improving your cash flows in the short term (this quarter)?

IBM

- Why IBM?
- What skills from your past can you bring to a Finance position?
- Be able to talk about your resume in great depth. Be able to talk about the “personal interest” section of the resume.

IFC

Graduate – MBA -Credit Risk

Round 1

- Describe yourself and walk me through your resume.
- Why you want to apply for this position?
- What kind of skills you have that allow you to be a unique candidate and differentiated from the rest?
- Why are you leaving your current position?
- Why IFC?
- Could you please explain to us about the apparent gap in your resume between XX date and YY date?
- Tell me about a situation in which you had to deal with internal/external clients
- Tell me about your weakness/ strengths
- Tell me about the skills you need to performance your current job successfully?
- What challenge you in your current position?
- Tell me about a difficult situation (or when you made an error); how did you manage it and what did your learn from that experience?
- What is your goal once you enter in the area?
- Does your boss know you are applying for other job opportunities?



Iron Shore Insurance

Graduate – MBA- Risk Modeling Intern

Position of person who interviewed you: Chief Risk Officer

- What have you done relevant to modeling in your past career?
- Which software tools are you familiar with?
- What is your comfort level with Statistics?
- Why insurance? Why risk management?
- Why MBA? Why Finance?
- Are you comfortable doing both business analysis and programming?
- Are you open to relocation? When to when are you available? Do you have the authorization to work/visit Bermuda?

In addition, I provided relevant writing samples and exercises I had done.

Lockheed Martin Investment Management

Graduate – MBA/MSF FT Position: Asset Allocation Analyst – External Equities

Interviewed by three people: 1) Manager – Public Equities 2) Investment Analyst
3) Managing Director – Global Equities

- The first two interviewers were rather informal and low-key. The Managing Director (MD) was more intense
- My resume is reflective of an analytical skill set. The MD asked why I chose mathematics for my undergraduate degree major.
- Besides analytical qualities, he was equally interested in Creativity and Practicality. Accordingly, I drew upon some experiences that I thought highlighted those qualities. Regarding practicality, he asked me about my own investment experience, so I summarized my personal investing activities. There was some individual stock discussion here as well, although the position would not involve equity analysis.
- Qualitative analysis is a big part of this job--you are performing due diligence in the external investment manager selection and monitoring, so there is a large qualitative/subjective component, which is more important than the quantitative skills. I related some recent experience that was relevant here.
- The MD wanted someone who is not afraid to take a position. For this particular job, you have to do great work in support of the investment activities, but you must also have an opinion. He said this is a problem for some people. Again, I highlighted some experiences in which I was asked by supervisors, clients, etc., for my opinion or position on a matter.
- He asked what asset classes I was interested in or knowledgeable about. Of course I said equities, which is the truth, but is also what the position would cover. I did not go into greater detail and he did not ask.
- I was asked about foreign language skills, although the job description did not mention any language requirement.
- He asked me about travel. I summarized my travel experiences over the years, but wasn't sure about the impetus behind the question. I believe he was looking for a certain well-roundedness and experience interacting with a variety of people, and that my relative lack of international travel was a strike against me. However, in the thank-you note, I pointed out the opportunity I have had at GW to work with people from a wide variety of backgrounds and cultures. It would have been nice to have mentioned that in the interview though.
- I was also asked about which classes I've enjoyed the most.

Tips:

If you will be interviewing for a position in which you will be part of the team that is managing external investment managers, be prepared with examples to show that you can not only synthesize and analyze information, but also to form your own opinion on it.

(continued...)



Be prepared with examples of qualitative/subjective decision making. I came with some examples from a recent investment manager search at my employer, and presented my thoughts on the investment managers' strategies. The MD did not necessarily agree with my assessment, but said that presenting an example like that was something he would have done in an interview as well.

Marriott

Undergraduate: Finance/Accounting Intern

- How have you displayed your leadership experience?
- Why did you choose to apply at Marriott International?
- Have you ever had a conflict with a former employer? How did you handle that situation?
- Have you even had conflict with your team member?
- Have you even had a team member that your had to mentor and teach?
- What was the best job you have ever had?

Merck

Graduate – MBA

- How would you compare the cash flow differences between outsourcing and manufacturing in-house?
- Explain some of the factors involved in calculating the risk of a project?

M&T Bank

Graduate – MBA

- Talk to me about what is going on in the Banking industry.

Mass Mutual Financial Group

Graduate – MBA

- What rotations would you like to do through our company, and in what order? (He wanted to know that I knew about their different businesses).
- Why MassMutual?
- Where will you be in 3 years? In 10 years?
- Why would you want to leave MassMutual in 5 years? What were you unhappy with?
- What can you transfer from your last position to this one?

Ortho-McNeil Finance

Graduate – MBA

- You are thinking about licensing a product from a biotech company, walk me through the things I should consider when evaluating this opportunity?
- Mini-case - How would you value a potential acquisition? Details: Small biotech firm developing new cholesterol drug. In Phase III trials and still needs approval. Drug roll-out is 2 yrs away. Company only has R&D and limited manufacturing. No other products.
- Why J&J/Ortho-McNeil?
- Why the pharmaceutical industry?



PSEG

Graduate – MBA

- What is the LIBOR rate in the WSJ? Know what the current LIBOR rate is.
- Tell two jokes

Pfizer (Groton) & Pfizer (Corp)

Graduate – MBA

- How do you value products in the pipeline that have not entered the market (project financing)?
- What are the challenges that the Pharmaceutical industry is facing in the next 5-10 years?
- Why are you interested in corporate finance given your consulting background?
- Tell me about the last book you read.
- Tell me about a time when you had to take initiative.
- Why the Pharmaceutical industry?
- Tell me about a conflict in a team experience and how you handled it.
- What are your favorite classes and why?
- Tell me about a bad manager that you had and how you dealt with him/her.
- What do you want to do at Pfizer over the summer – which subsection

Rolls Royce

Graduate – MBA

- Questions were generally related to my resume and background.
- What are your strengths/weaknesses?
- About the integrative project (business plan) we're working on this week.
- What do I know about Rolls Royce and its business units?
- Name a professional you admire and why?
- What is your weakest subject at B-School?
- Why do you want to do this?
- What did you do in the past that makes you suited for this?
- Name a business leader that you most admire and why?
- What do you know about Rolls-Royce and our products?

Beneficial info:

The interview was very laid-back. They mainly asked me behavioral questions; however they did ask a fair amount of questions about my current employer-as the work I do now in Danaher's Corporate Development Group is very similar. Have a good idea what the job entails, talk to previous interns and current employees. Have a good story why you want to do the job and how you got to the position you are currently in.

S&P

Graduate – MBA

- Name some of the most important ratios is determining the solvency of a company.
- Why do you prefer debt research over equity?
- What ratios would you look at to evaluate the credit risk of a company?
- Explanation of Beta and how a company's beta is different from market
- Know your resume in depth. Expect to explain details from past jobs, and go into one random item from your resume in great depth.



Target

Graduate - First Round / Telephone, MBA Finance Leadership Development Program

- Tell us about a time you had to negotiate a win-win situation? How did you accomplish this? Explain.
- Tell us about a learning experience you've had.
- Tell us about a time you had to make a decision without using quantitative analysis?
- When have you had a message you were trying to communicate that was misunderstood? How could you tell?

Verizon

Undergraduate - Internship

- What trends in communication may affect Verizon?
- She didn't ask any specific questions. We started with a conversation where she wanted to get to know me and I asked her questions regarding her life experiences. She did ask, however, what my GPA was and what I eventually wanted to do for a career.

Tips:

Make sure you can hold a conversation. The interviewer wasn't so much interested in what you do with your academic career, but how well you can communicate with others.

Western & Southern Financial Group

Graduate – MBA

- Why are you interested in our company?
- Describe a situation in which you assumed leadership and confronted adversity.

W.R. Huff Asset Management Companies

Graduate – MBA

- What questions do you have about W.R. Huff? (an odd start to an interview)
- Recommend a high growth investment opportunity (not interested in medium growth)
- Recommend another...
- Recommend another...

Questions to Ask Interviewers

General / Informational

- Tell me about your background prior to going back to school. Where did you work for the summer? Why did you choose this firm? Where else did you consider? Why did you choose this firm for full time employment?
- What are the skills that you learned at your previous job that are most applicable to IB/S&T/Research/etc...
- What is your summer program like i.e., generalist, industry or product specific? (Be careful here – you should already know the answer to this question. It may be better to ask specifically which group(s) they worked with over their experience in the summer program, if applicable). What type of training do/did you receive?
- What kind of feedback process exists over the summer?
- Describe three attributes that would define a qualified candidate for a summer intern position? For a full-time associate position?
- How much interaction do you have with clients? As a summer associate?
- How much interaction do you have with senior management? As a summer associate?



- What percentage of the summer associates are hired full time? What is the most common reason for not getting an offer?
- What are the 2 – 3 qualities that make a successful Investment Banker?
- What skills do you most often utilize: Finance, accounting, marketing?
- What is a typical career progression?
- How often are performance reviews done for full time associates? How does that change throughout your career? Who performs them?
- Would you say that the people here are most tied to their group, division of the firm?
- What was one of your worst experiences at this firm?
- How are associates and summer associates assigned to a deal?
- What is the average number of deals an associate works on at one time?
- How much of an associate/summer associates time spent doing pitches?
- What is the relationship between the associates and the analysts? The summer associates and VP level?
- What is the relationship between IB and the research analysts? How has this changed over the last 12 to 18 months?
- What advice can you impart on someone who is just starting out in this industry?

VP and above

- What is the single difference in your job now as opposed to your previous level (be specific to that person)?
- What is the biggest differentiating factor that you sell in proposal to a client? How do you differentiate your firm?
- Where do you see the firm's biggest opportunities for growth?
- What is the biggest challenge to the firm in the next 1-2 years?

Interviewer

- Now that the immediate financial crisis has passed and the banking industry is returning to profitability, how do you anticipate conditions to look for the next 3-5 years? Certain segments of the industry are performing well and others are not (know which ones)—do you expect those still struggling to turn around?
- How do you expect the proposed government regulation of the industry will impact your firm? How about compensation limitations?
- What are your thoughts on the theme being discussed that banks are “too big to fail”?
- Do you see international growth for your firm? Where?
- What are the top industries poised for consolidation? How will you seize a share of the deals? Financial services, insurance, automotive, energy, oil & gas, internet, high-tech.
- How do you differentiate your firm to your clients? To new clients?
- What is the biggest weakness of your firm? How do you anticipate the firm will address this?
- Describe one of your recent deals. What was the biggest obstacle you had to overcome to win and close the deal?

** These are general questions. Be sure to research your company / industry thoroughly. Refer to The WSJ, The Economist, Financial Times, Industry Trade Journals and CareerBeam for current industry/company issues.*