Background Questions

1. Walk me through the highlights of your resume. I'm interested in the decisions you have made.
2. What was your SAT score? Be ready to explain any weak-points.
3. What other colleges did you apply to?
4. What made you choose Brandeis?
5. What were your grades in college?
6. Why did you choose your major?
7. What was your favorite class at Brandeis so far? Why? What was your grade?
8. What was your least favorite class at Brandeis so far? Why? What was your grade?
9. What are your proudest accomplishments?
10. What are your 5, 10, 20, 40 year career plans?

Analyst Related Questions

11. Why investment banking?
13. What other firms are you interviewing with and why? Are you interviewing with consulting firms also? What career opportunities are you exploring other than I-banking?
14. Why our bank?
15. If you were the CEO of our bank, what three things would you change?
16. Who is in the bulge bracket?
17. Rank the firms with whom you're interviewing in order of preference. Where do we fit? Who is our competition (in the major categories)?
18. What differentiates our firm? What are our firm's strengths? Weaknesses?
19. Do you understand lifestyle issues and why do you or don't you have a problem?
20. Besides the hours, what is your greatest concern about investment banking?
21. Why do you want this job?
22. What is one skill that you think will be most important in doing your job?
23. As an analyst, what tasks would you like to spend most of your time doing? What percent of each day do you see yourself doing those tasks?
24. What is in a pitch book?
25. Describe a typical day of an investment banking analyst?
26. What are the qualities required for an I-banker?
27. What do you understand the responsibilities of an analyst to be? Give me examples of a leadership project.
28. How do your past experiences qualify you for a position in investment banking?
29. What do you hope to accomplish while you are working here?
30. What group do you want to work for inside I-banking and why?
31. What classes are you currently taking to get ready for an analyst position?
32. What qualities do you think are important for this industry?
33. Do you possess those qualities?
34. Do you understand the structure of our summer program, full time position, and your job requirements?
35. Here’s a whiteboard. Stand in front of it and present a chapter from your favorite finance textbook. You have five minutes.

Financial Industry Questions

36. Why would two companies merge?
37. What major factors drive mergers and acquisitions?
38. What are some common anti-takeover tactics?
39. What is a LBO? Why leverage up a firm?
40. How can a buyout firm help its investors realize a return on their investment?
41. Why might a company choose to issue debt vs. equity?
42. What could a company do with excess cash on the balance sheet?
43. What does the yield curve look like?
44. What did our firm’s stock close at yesterday?
45. What is the DJIA at today? NASDAQ? S&P500? What is the long bond at? Fed funds rate?
46. Where is the market going? Bond, equity and forex? Where do you think interest rates will be in the next 12 months?
47. What happened on the markets in the past three months?
48. Do you read the Wall Street Journal everyday? What’s on the front page today?
49. Describe a current event in the market.
50. Tell me about a recent merger that interested you. Why was it interesting?
51. Tell me three items on the front page of today’s Wall Street Journal.
52. Do you follow an industry, a stock?
53. What industry do you follow and what numbers do you look at to determine if a firm is doing well in that industry.
54. What do you personally invest in?

Technical Questions

55. How do you value a company?
56. What is the CAPM?
57. What is the Beta and where would you go to find a firm’s Beta?
58. How and why would you unlever a beta?
59. How would you calculate a firm’s WACC? What would you use it for?
60. How do you calculate the firm value for the firm below?
   a. Shares outstanding 100,000
   b. Stock price $20
   c. Debt $500,000
   d. Cash and equivalents $500,000
61. What would have a greater impact on valuation, a 10% reduction in revenues or 1% reduction in discount rate?
62. What major factors affect the yield on a corporate bond?
63. A firm is using LIFO, and prices on supplies start decreasing. What are effects on I/S, BS and CFS?
64. Is it always better to use Pooling rather then Purchase in a merger? If sometimes Purchase is better, tell me when?
65. Company A trades at P/E of 20. Company B trades at P/E of 10. Both are considering acquiring Company C, which trades at P/E of 15. For which of the two acquiring companies would the deal be dilutive? For which would it be accretive? Explain why for each.
66. Suppose you are buying a new fixed asset - part cash and part debt. Take me through how it affects all the financial statements.
67. What is EBITDA?
68. Walk me through the major line items of a Cash Flow Statement.
69. Say you knew a company’s net income. How would you figure out its cash flows?
70. What is goodwill? How does it affect net income?
71. What are deferred taxes? How do they arise?
72. What is working capital?
73. Walk me through a typical cash flow statement, balance sheet, or income statement.
74. Company X’s net income is ___; how do I compute their cash flow?
75. What is goodwill? How does it effect net income?
76. Why would a company choose pooling over purchase accounting?
77. What is working capital?
78. How would you evaluate the creditworthiness of a tuna manufacturer with three factories in different locations throughout the U.S.?
79. If you could buy one stock today, what would it be and why?
80. Discuss the effect of rising interest rates on the US economy.
81. What issues does XYZ Company have in entering a given industry (Porter framework)?
82. When do you use a WACC versus a cost of equity?
83. How would you spend $1,000,000 besides investing it?
84. If two stocks are trading at the same EBITDA multiple, but one is trading at a 1x revenue multiple and the other is trading at a 2x revenue multiple, which company has better margins?
85. What did Myron Black and Fisher Scholes do for finance?
86. What is the difference between EPS and diluted EPS?
87. What is the difference between the Income Statement and the Statement of Cash Flows?
88. What is the link between the Balance Sheet and the Income Statement?
89. What is the link between the Balance Sheet and the Statement of Cash Flows?
90. Walk me through the major line items on a Cash Flow statement.
91. Walk me through the major line items on an Income Statement.
92. What happens to each of the three primary financial statements when you change 1) gross margin 2) capital expenditures 3) any other change.
93. Why might there be multiple valuations for a single company?
94. How do you calculate the terminal value of a company? If using a growth rate, why does it drop so suddenly?
95. Why are the P/E multiples for a company in London different than that of the same company in the US?
96. What are the different multiples that can be used to value a company?
97. How do you get the discount rate for an all-equity firm?
98. Can I apply CAPM in Latin American markets?
99. How much would you pay for a company with $50 million in revenue and $5 million in profit?
100. What is the difference between APV and WACC?
101. How would you value a company with no revenue?
102. Name three companies that are undervalued and tell me why you think they are undervalued?
103. Which industries are you interested in? What are the multiples that you use for those industries?
104. Is 10 a high P/E ratio?
105. Describe a typical company’s capital structure.
106. If you add a risky stock into a portfolio that is already risky, how is the overall portfolio risk affected?
107. Put the following portfolios consisting of two stocks in order from the least risky to the most risky and explain why:
   a. Cable television company & oil company
   b. Airline company & cruise ship company
   c. Airline company & oil company
108. How do you calculate a company’s Days Sales Outstanding?
109. How do you calculate a company’s current ratio?
110. Gotham Energy just released second quarter financial results. Looking at its Balance Sheet you calculate that it’s Current Ratio went from 1.5 to 2. Does this make you more or less likely to buy the stock?
111. Xeron Software Corporation’s days sales outstanding have gone from 58 days to 42 days. Does this make you more or less likely to issue a Buy rating on the stock?
112. What kind of capital would you issue for a startup?
113. When should a company buy back stock?
114. Is the dividend paid on common stock taxable to shareholders? Preferred stock? Is it tax deductible for the company?
115. When should a company issue stock rather than debt to fund its operations?
116. Why would an investor buy preferred stock?
117. Why would a company distribute its earnings through dividends to common stockholders?
118. What stocks do you like?
119. Why did the stock of XYZ company decrease yesterday when it announced increased quarterly earnings?
120. Can you tell me about a recent IPO that you have followed? What about it was interesting?
121. What is your investing strategy?
122. How has your portfolio performed in the last five years?
123. If you read that a given mutual fund has achieved 50 percent returns last year, would you invest in it?
124. You are on the board of directors of a company and own a significant chunk of the company. The CEO, in his annual presentation, states that the company’s stock is doing well, as it has gone up 20 percent in the last 12 months. Is this company’s stock in fact doing well?
125. Which do you think has higher growth potential, a stock that’s currently trading at $2 or a stock that is trading at $60?
126. What do you think is happening with ABC stock?
127. Why do some stocks rise so much on the first day of trading after their IPO and others don’t? How is that money left on the table?
128. What is insider trading and why is it illegal?
129. Who is a more senior creditor, a bondholder or stockholder?
130. What is the relationship between a bond’s price and its yield?
131. How are bonds priced?
132. How would you value a perpetual bond that pays you $1,000 a year in coupon?
133. When should a company issue debt instead of issuing equity?
134. What major factors affect the yield on a corporate bond?
135. If you believe interest rates will fall, which should you buy: a 10-year coupon bond or a 10-year zero coupon bond?
136. Which is riskier: a 30-year coupon bond or a 30-year zero coupon bond?
137. What is the long bond trading at?
138. If the price of the 10-year Treasury note rises, does the note’s yield rise, fall, or stay the same?
139. If you believe interest rates will fall, should you buy bonds or sell bonds?
140. How many basis points equal .5 percent?
141. Why can inflation hurt creditors?
142. How would the following scenario affect the interest rates: the President is impeached and convicted?
143. What does the government do when there is a fear of hyperinflation?
144. Where do you think the U.S. economy will go over the next year?
145. How would you value a perpetual zero coupon bond?
146. Let’s say a report released today showed that inflation last month was very low. However, bond prices closed lower. Why might this happen?
147. If the stock market falls, what would you expect to happen to bond prices and interest rates?
148. If unemployment is low, what happens to inflation, interest rates, and bond prices?
149. What is a bond’s “Yield to Maturity?”
150. What do you think the Fed will do with interest rates over the next two years?
151. Your client is a privately held human resources software company. You are advising the company in its potential sale. Who would you expect to pay more for the company: Oracle Software (a competitor) or Kohlberg Kravis Roberts (an LBO fund)?
152. Are most mergers stock swaps or cash transactions and why?
153. What is a dilutive merger?
154. What is an accretive merger?
155. Company A is considering acquiring Company B. Company A’s P/E ratio is 55 times earnings, whereas Company B’s P/E ratio is 30 times earnings. After Company A acquires Company B, will Company A’s earnings per share rise, fall, or stay the same?
156. Can you name two companies that you think should merge?
157. What is a hostile tender offer?
158. What is a leveraged buyout? How is it different than a merger?
159. If Company A buys Company B, what will the Balance Sheet of the combined company look like?
160. Your client is a car maker. The CEO approaches you and says he wants to start making branded jackets. What do you tell him?
161. What is the Fisher effect?
162. Two companies are trading at the same EBITDA multiples but different EBIT multiples. What might that mean?
163. There are two identical companies: same income statements, balance sheets, and cash flows however one is trading at a higher PE ratio than the other. Why might that be?
164. What is the parallel multiple of PE using EBITDA. Why is it used?
165. Is an increase in A/R a use or a source of cash?
166. If a company has negative net income and negative EBITDA how can you value the company, besides DCF?
167. What is the square root of 53?
168. What is 12 x 24?
169. What does it mean when people say “debt is cheaper than equity.” Why is that the case? Is it always true?

**Personality I: Experiential Questions**

170. Give me some examples of quantitative projects. Highlight your quantitative accomplishments.
171. Tell me about a time when you took responsibility for a project.
172. Give me some examples of a teamwork project.
173. How do you work in teams?
174. How do you handle a non-contributing team member?
175. What do you add to a group when you take on a team assignment or a group task?
176. Think of the team you worked most with and give me a word that describes each team member.
177. How would your group mates characterize you? How would you characterize yourself in the group dynamic? If I spoke with your group mates, what would they say you needed to improve?
178. When did you perform well (poorly) in a group?
179. Tell me how you have modeled with equations in the past.
180. Can you tell me about a time when you handled many things at the same time?

**Personality II: Stress Questions**

181. What would you say are your greatest strengths? Your boss? Your best friend?
182. What would you say are your greatest weaknesses? Your boss? Your best friend?
183. From your resume it seems that you like _____, why are you interested in finance?
184. What is one word that describes you best?
185. Describe a failure? What did you learn from it?
186. When was the last time you lost your temper, why? How do you handle stress?
187. Are you a leader or a follower?
188. What was the most ethical decision you had to make?
189. While interviewing for a Boston 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 Boston?

190. If I gave you an offer right now would you accept?

191. Who has influenced you the most, besides any family members?

192. Describe a time when you had an ethical dilemma and how you resolved it.

193. What is your most significant accomplishment?

194. If you were a vegetable - what would you be?

195. Let's imagine you died and are giving a speech at your funeral. What would you say? What would others say?

196. On a scale of 1-10, 1 being intelligent, 10 being hard working, where do you find yourself? And you can't say 5 (or you can only pick 1 or 10).

197. What is your most challenging experience?

198. Tell me a joke.

199. What has been your greatest challenge since beginning Brandeis?

200. Suppose I was going to evaluate you and thirty of your Brandeis 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?

201. What is the riskiest thing you've ever done?

202. Are you more risk averse or risk seeking?

203. What was the hardest thing for you to learn in your past job or in a recent course? How did you go about learning it?

204. When did you show leadership?

205. Describe a time when you had a personal conflict and how you resolved it.

206. How do you handle stress?

207. Let me give you a situation: It is Friday afternoon. Tomorrow morning you have to catch a flight to Boston for your best friend’s marriage, and you are in the wedding. You have informed your deal team well in advance and they know that you will be gone. Just when you are about to leave, you find out that a client wants to meet with the banking team tomorrow. What will you do?

208. Say you are supposed to meet your girlfriend for dinner but the MD asks you to stay late. What do you do? Can you give me an example of a similar situation you have faced before?

209. Why should we hire you?

210. Let's say I give you this summer/full-time job today. Now let's move to the future and say that at the end of the summer, you find out that you didn't get a full time offer, or that six months into the job you are fired. Give me three reasons why this could happen, and what you can do to prevent this?

211. What motivates you?

212. Can you give me an example of an experience of failure?

213. You don't seem like you are a very driven person. How will you able to handle a job in banking?

214. You might be really excited about investment banking now, but how do I know you'll be able to put in the 100 hour weeks regularly?

**Personality III: “Friendly” Questions**

215. What do you do in spare time?

216. What do you do to relax?

217. What did you eat for lunch?

218. How do you like Waltham?

219. What do you do when you're bored?

220. What do you read? What's the last book you read?

221. What type of activities did you pursue while in college?

222. What is your favorite website?
### Guesstimates

223. How much timber was required to rebuild New Orleans?
224. How big is the diaper market in China?
225. How many square feet of pizza is consumed in the US every year?
226. How many gallons of white paint are sold in the US every year?
227. How would you estimate the weight of the Chrysler building?
228. Why are manhole covers round?
229. How many golf balls fit on a 747?
230. How many gas stations are there in the US?
231. Fidelity question: if the entire population China stood up with outstretched arms touching, how many times would they encircle the Earth?
232. How many manhole covers are there in NYC?
233. It's 3:15 - what's the angle between the hands on the clock?
234. You have a 3 liter jug, a 5 liter jug and a continuously running hose. Using those 3 things, how do you get exactly 4 liters in the 5 liter jug?
235. You have 9 balls, with one weighing more than the others, but you can't tell by just picking it up. Using a scale no more than two times, how would you find the ball that outweighs the others?
236. You have 12 balls, with one being a different weight than the others, but you can't tell by just picking it up. Using a scale no more than three times, how would you find the odd-ball and if it is heavier or lighter?
237. You are faced with two doors. One door leads to your job offer and the other leads to the exit. In front of each door is a guard. One guard always tells the truth. The other always lies. You can ask one question to decide which door is the correct one. What will you ask?
238. A company has 10 machines that produce gold coins. One of the machines is producing coins that are a gram light. How do you tell which machine is making the defective coins with only one weighing?
239. The four members of U2 (Bono, the Edge, Larry, and Adam) need to get across a narrow bridge to play a concert. Since it's dark, a flashlight is required to cross, but the band has only one flashlight, and only two people can cross the bridge at a time. This is not to say, of course, that if one of the members of the band has crossed the bridge, he can't come back by himself with the flashlight. Adam takes only a minute to get across, Larry takes two minutes, the Edge takes five minutes, and Bono takes ten minutes. A pair can only go as fast as the slowest member. They have 17 minutes to get across. How should they do it?
240. What is the decimal equivalent of 3/16 and 7/16?
241. What is the sum of the numbers from 1 to 50?
242. You have a painting that was $320 which is now selling for 20 percent off. How much is the discounted price?
243. How many Delta Airlines planes will take off in the next hour in the US.
244. A straight flush beats a four-of-a-kind in poker because it is more unlikely. But think about how many straight flushes there are – if you don’t count wraparound straights – you can have one starting on any card from two to 10 in any suit. That means there are 36 straight flushes possible. But how many four of a kinds are there – only 13. What’s wrong with this reasoning?
245. If you have seven white socks and nine black socks in a drawer, how many do you have to pull out blindly in order to ensure that you have a matching pair?
246. If I were to fill this room with pennies, how many pennies would fit in it?
247. Say you are driving two miles on a one-mile track. You do one lap at 30 miles per hour. How fast do you have to go to average 60 miles per hour?

### Questions for the Interviewer/Alumnus

248. What is a typical day like?
249. What are the hours in the industry really like? Are they 100 hours every week? Is it the same for every firm?
250. How do people cope with the lifestyle issues in the industry?
251. What are the things investment bankers like about their jobs? What would they like to change (besides the hours)?
252. What is the future of the industry for the next few years? How will the industry change?
253. What is the career track in the industry? What skills are required at what stage?
254. What is so exciting about this job?
255. What is the culture of an investment banking firm as compared to a Fortune 500 company? Compared to a startup?
256. What are the exit opportunities after 10 years? After 2 years?
257. What do you enjoy most about working for this company?
258. What attracted you to this organization?
259. Can you describe the work environment?
260. How do you describe the philosophy of the company?
261. What do you consider to be the organization’s strengths and weaknesses?
262. Can you tell me more about my day-to-day responsibilities?
263. What specific skills from the person you hire would make your life easier?
264. What are some of the problems that keep you up at night?
265. What would be a surprising but positive thing the new person could do in the first 90 days?
266. How does upper management perceive this part of the organization?
267. What do you see as the most important opportunities for improvement in the area I hope to join?
268. What are the organization’s three most important goals?
269. How would you describe your own management style? Those around you?
270. What are the most important traits you look for in a subordinate?
271. Tell me more about what you do?
272. Why did you choose a product/industry group?
273. Talk about your relationship with Associates, VPs, and MDs.
274. What are your thoughts on face time?
275. What are your thoughts on a team oriented culture versus a cut throat one?
276. What attracted you to the bank?
277. What do you consider the strengths and weaknesses of the Analyst program at the bank?
278. What do you consider the three most important skills an analyst must have?
279. What do you want to do next year? How has your experience influenced that decision?
280. What do you enjoy most about working for this company?