



Finance Sector Interviews – Information compiled by Nadim Choudhury

Finance interviews consist of a mix of 'fit' and technical questions, sometimes including mini-cases. If you get a question from an interviewer, try to think about why you are being asked this question - what is the interviewer really trying to get at? The interviewer is primarily seeking to assess your:

- Cultural fit with their organisation/team
- Level of motivation to work in that industry, in their company, and in a particular geographical region
- Understanding of the position applied for
- Knowledge of the company, its position in the segment of business you are interested in and recent deals
- Ability to differentiate between them and their competitors
- General awareness of the financial markets
- Expertise in any area (finance sector, product or industry) in which you have claimed to have expertise
- Innate skills and attributes - persuasiveness, networking, drive, integrity, problem solving, decision making and initiative

General Tips

- First impressions are made quickly! Show energy and enthusiasm from the start
- Be confident not arrogant
- Know your CV inside out - be prepared to speak in very specific detail about anything you have put on your CV
- You should generally be keeping up with market news, but don't forget to give the news a good scrub on the morning of your interview to make sure there haven't been any last minute big stories about the firm you are meeting, or moves in the markets
- If you have claimed an expertise on your CV (i.e. accounting, derivatives), be prepared to get asked fairly technical questions on the subject
- Remember the interview is a "discussion" - be prepared to ask questions
- You can follow up with a pleasant, brief thank you email, but anything more than that becomes a bother

Sample Finance Interview Questions

GENERAL QUESTIONS:

- Tell me about yourself – Your communication abilities are being evaluated. The way you deal with this question sets the stage for the rest of the interview. You should never be too long or short – 2 minutes will be appropriate. It is also a good idea to talk about interests outside of work
- Why are you interested in working in London (or any other city)?
- What courses have you liked most? Least/why?
- What do you expect from your internship?
- What are the most important things to you in a job?
- What motivates you in life?

SAMPLE QUESTIONS: WHY FINANCE?

- What attracts you to a career in the industry?
- Do you understand the lifestyle issues and why do you or don't you have a problem with them?
- What do you understand about the responsibilities of an analyst/associate position would be?
- What other firms or sectors are you speaking to? Why?
- Are you also interviewing with consulting firms? Which ones? Why?

SAMPLE QUESTIONS: YOUR SKILLS

- How does your past career qualify you for a position in this industry? Why are you not going back to a prior career?
- What are you learning that will help you in your work with us?
- Please choose a past work experience and explain what you learned and did and how it would be relevant to a job here?
- Tell me about a time when you had to develop client relationships.
- Describe a situation in which it was difficult to obtain information you needed, and how you managed to be successful

TEAMWORK & LEADERSHIP

- Tell me about your experiences of working in teams. What kind of team member are you?
- Have you ever been on a team that did not function as well as you would have liked? What did you do about it?
- Describe an instance in which you had a significant impact on a situation

SAMPLE QUESTIONS: ETHICS & INTEGRITY

- Have there been any situations where your personal/professional values have been challenged? How did you face/overcome them?

SAMPLE QUESTIONS: OUT OF THE BLUE QUESTIONS:

Keep your cool and state your logic!

- What is 17 times 19?
- What is the angle between the minute hand and the hour hand clock when it is 3.15?

SAMPLE QUESTIONS: FIRM SPECIFIC QUESTIONS:

- Why our firm?
- Who have you met or talked to in our firm?
- What do you think of the stock price of our firm? And the outlook?
- Do you have any questions? – (a good opportunity to show you've done research on the firm)

SAMPLE QUESTION: MARKET AWARENESS

This includes broad range of questions regardless of sector and professional experience

- Where did FTSE/NASDAQ/OIL/GOLD/USD/EURO/POUND trade at or close at yesterday?
- What is the effect of the weakening dollar on the Trans Atlantic border M&A activity?
- What is the impact of the Euro?
- What deal(s) have you recently followed

- What do you think of macro events in country?
- What do you think of developments in _____ sector?
- What do you think of macro event in Country?
- Where is the Market going? And why?
- Do you read the Financial Times every day? What is on the front page today? What was on it yesterday?
- Which part of the FT do you read and why?
- What stocks do you follow regularly? How do they compare to others in their industry? What are their P/E's Would you recommend investing at this level?

SAMPLE QUESTIONS: FINANCE SKILLS

This includes a broad range of questions regardless of sector and professional experience

- What are the various methods of valuation? What are the pros and cons of each method?
- Walk me through a cash flow statement
- Explain DCF Analysis
- What is the cost of capital? How will you compute it?
- What variables does option price depend on?
- What would you personally invest in? Why?
- What is a bond?
- What is a credit rating?
- What are the various types of risk in the financial markets and how would you protect against them?
- What does the yield curve look like today and why? What is it?
- What is CAPM?
- What is the difference between a stock's beta and volatility
- What are the different ways in valuing a company? What are the pros and cons for each method/technique?
- What would have a greater impact on valuation, a ten percent reduction in revenues or a one percent reduction in discount rate?
- What is a discount rate?
- Why might a company choose to issue debt versus equity?
- What could a company do with excess cash on the balance sheet?
- What is an IPO?
- What is an LBO?
- What is the ideal capital structure of a firm?
- What are the strategic issues surrounding a merger or an acquisition?