

Two Sigma Quant Interview Questions

7

Quant interview questions at Two Sigma shared by candidates

Top Interview Questions

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Quant at Two Sigma was asked...

Jul 17, 2010

if the risk-free rate increase, will it increase the possibility to exercise an American option?

[3 Answers](#)

Assuming a Brownian motion, the average stock price would go up. For a call option, it is never optimal to exercise early, so it does not matter. For a put, it is optimal to exercise when deep in the money, but a rising stock (on average) would only decrease the probability for a put option to go deep in the money. Hence the answer is NO.

hmmm.... but there is more value now in being short stock with rates higher. assuming all things equal including stock price, i would say the answer is yes, there is greater probability to exercise a put option to be short stock and have interest bearing cash.

I think the risk-free rate is only for money market. Therefore, when the risk-free rate increase, it is more likely to exercise the put and use the money to invest in money market when the put is deep in money.



Quant at Two Sigma was asked...

Mar 4, 2018

Talk about resume

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Quant at Two Sigma was asked...

Mar 4, 2018

About prob question (hard)

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Quant Research at Two Sigma was asked...

Jul 17, 2016

write a string class in C++

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Quant Research at Two Sigma was asked...

Jul 17, 2016

Newton method in C++

[Be the first to answer this question](#)



Quant Research at Two Sigma was asked...

Jun 25, 2010

describe a strategy you made that you think it is truly different from others. Why?

[Be the first to answer this question](#)



Quant Researcher at Two Sigma was asked...

Aug 29, 2016

stats questions, math puzzles, coding. Coding test before interview is quite challenging, make sure to prepare before hand as there is a time limit. Many languages are allowed -- so pick the most familiar language,

[Be the first to answer this question](#)