**Behavioral Questions & Suggested Answers**

**– Finance –**

**Table of Contents**

1. Fit / Qualitative Question

2. Analytical / Attention to Detail Questions & Suggested Answers

3. Background / Personal Questions & Suggested Answers

4. “Career Changer” Questions & Suggested Answers

5. Commitment Questions & Suggested Answers

6. Culture Questions & Suggested Answers

7. “Future” Questions & Suggested Answers

8. Strengths / Weaknesses Questions & Suggested Answers

9. Team / Leadership Questions & Suggested Answers

10. Understanding Banking & Suggested Answers

11. “Warren Buffett” Questions & Suggested Answers

12. “Why Banking?” Questions & Suggested Answers

13. “Failure” Questions & Suggested Answers

14. “Outside the Box” Questions & Suggested Answers

**1. Fit / Qualitative Questions**

Although we’d like to think otherwise, there are no “correct” answers you can use for

the qualitative questions you’ll get. They depend on your background and your own

experience, and everyone’s different.

However, there are good ways to answer and poor ways to answer. In this section,

we detail the best techniques along with what you should say – and avoid saying.

Most candidates make 2 big mistakes when answering “fit” questions:

**Internal use only. Please do not circulate.**

1.They fail to use **specific** anecdotes to support their points.

2.They do not **structure** their answers properly.

Whenever you’re asked a generic question about “how you work in teams” or

something of that nature, you need to have anecdotes ready to back up what you

say.

You should go through this list and your resume and make sure you have stories

prepared for the most common questions – you can then use those and then adapt

them as necessary for any new questions you get.

Regardless of the question, you also need to structure it properly. Don’t jump

around from point to point – start with the main idea you want to get across and then

support it with examples. Don’t start going off on tangents about your former life in

the circus or how you climbed Mt. Everest.

With the exception of the “Walk me through your resume” question, most “fit”

questions should take no more than 1 minute for you to answer.

Be succinct and conversational in your tone, and you should do fine.

**2.Analytical / Attention to Detail Questions & Suggested**

**Answers**

Analytical and quantitative questions are more common if you’re a Liberal Arts major

or if you haven’t had finance, engineering or math experience.

Interviewers are trying to assess whether “you can count” – you don’t need to be a

math whiz to be a banker, but you do need to be comfortable with numbers and

calculations in Excel.

So if you haven’t majored in something quantitative or your work experience is all

journalism-related, you’ll want to prepare a few examples of your analytical abilities.

Even if you have had finance or analytical experience, you’re still likely to be asked

about your analytical skills – they want to test your communication abilities and make

sure you can express abstract concepts clearly.

These questions are also a good chance to bring up any independent study of

finance you’ve done, which will help your case once again.

**1. I see you’ve done mostly journalism and research internships before. Can**

**you discuss your quantitative skills?**

You should respond by discussing specific times when you had to analyze numbers

and/or use logic. Good examples might include: your personal portfolio, any

**Internal use only. Please do not circulate.**

math/science classes you’ve taken, any type of budgeting process you’ve been

through, any type of research you’ve done that involved numbers.

**2. In your last internship, you analyzed portfolios and recommended**

**investments to clients. Can you walk me through your thought process for**

**analyzing the returns of a client portfolio?**

The key is to break everything down into steps and be very specific about what you

did. So you might say that “Step 1” was getting a list of when they bought each

investment and how much they invested / how many shares they acquired; “Step 2”

was finding a list of when they sold each investment, and what they sold them for; and

“Step 3” was aggregating this data over the years in-between for each investment to

calculate the compound return.

**3. Can you tell me about the process you used to analyze space requirements**

**for the building designs you worked on this past summer?**

Similar to the reasoning above, break it into steps and start by discussing how you

made the initial estimates, then how you refined them and made them more exact

over time while staying within budget and collaborating with your team.

**4. You’ve been working as a lawyer for the past 3 years – what initiative have**

**you taken on your own to learn more about finance?**

You should either present a list of self-study courses or certifications such as the

CFA that you’ve obtained, or speak about your own work studying independently

from textbooks, self-study courses and other sources. Be conservative with how

much you claim to know – re-iterate that you’re “not an expert” but that you have

taken the initiative to learn something on your own.

**5. You were an English major – how do you know you can handle the**

**quantitative rigor required in investment banking?**

Combine the answers to questions #1 and #4 for this one – the key is to use specific

examples rather than just saying, “I got a high math SAT score!” Personal financial

experience, classes, self-study courses and independent study work well.

**6. Can you tell me about a time when you submitted a report or project with**

**misspellings or grammatical mistakes?**

It’s unrealistic to claim that you’re perfect and have never done this. Instead, briefly

mention a time when you made a careless mistake and then spend the majority of

time in your answer discussing what you learned and how you improved, citing

another specific example of how you improved the second time around.

**7. What’s the most number of classes you ever took at once and how well did**

**you do in each of them?**

Once again, it’s best to point to something specific – “During my junior year, I was

**Internal use only. Please do not circulate.**

taking 5 classes at once as well as working part-time and running my business

fraternity – and I still got A’s in all of them.”

Not everyone has a perfect answer, but try to think about the most stressful time in

your academic life and use that as a reference for your answer.

State the “challenge” first, then how you responded, and then how well you did.

**8. How well can you multi-task?**

In keeping with our theme of specificity, give a concrete example of a time when you

were working on multiple projects at the same time – work, school, or activities work

equally well for this one. Also emphasize that despite the considerable demands,

you pulled off everything successfully. Anything involving teamwork or collaboration

is also good to use in this response.

**9. Have you ever worked on a project or report that was shown to a large**

**number of people?**

A journal, student publication or anything similar could be good to mention here, as

could anything shown to a client or multiple clients in your work experience or in an

Internship.

If you don’t have something like this, the best approach is to come as close possible

by saying, for example, “I haven’t worked on a widely circulated publication, but I did

work on such-and-such…, which required that all the details were perfect and that

there were no mistakes…”

You could even cite lab or medical work – even if it wasn’t widely circulated, anything

requiring strong attention to detail suffices.

**3.Background / Personal Questions & Suggested Answers**

Typical background questions include inquiries about where you went to school

(undergraduate and/or business school), what you majored in, and why/where you

studied abroad if you’ve done that.

These questions are not too difficult to answer as long as you’re thoughtful and have

a decent rationale for what you say.

The key points: come across as an interesting person (which you should have no

trouble doing) and also talk about how your experience better prepared you for

investment banking.

Even if you did something seemingly unrelated, such as a Math Major, that can be

turned into a good response to lead into the inevitable “Why banking?” question

you’ll get.

**1. Walk me through your resume.**

**Internal use only. Please do not circulate.**

Start at “the beginning” – if you’re in college, that might be where you grew up or

where you went to high school. For anyone in business school or beyond, it might

be where you went to undergraduate, your first job, or even where you went to

business school.

Then, go through how you first became interested in finance/business, how your

interest developed over the years via the specific internships / jobs / other

experiences you had and conclude with a strong statement about why you’re

interviewing today.

Aim for 2-3 minutes – if you go on longer than this, the interviewer may get bored or

impatient. Also, do not look at your resume when going through your “story.”

The 4 most important points:

1.Be chronological.

2.Show how each experience along the way led you in the direction of finance.

3.State why you’re here interviewing today.

4.Aim for 2-3 minutes.

What are the most common mistakes with the “Walk me through your resume”

question?

1.Going out of order chronologically.

2.Too much exposition – don’t start off by saying, “I’ve had a lot of great

experiences.”

3.Being too short (under 1 minute) or too long (over 5 minutes).

4.Not sounding certain you want to do banking/finance.

5.Listing your experiences rather than giving a logical transition between each

one.

**2. Why did you attend [Your University / Business School]? I’m sure you had**

**many options. / Why did you transfer to [University Name]?**

Say that you looked at a lot of places, but settled on wherever you went due to its

excellent academic reputation, its strong business/finance/economics program, or

something of that nature. If you were interested in something specific it offered (e.g.

you were an athlete and went to Stanford on scholarship, or you went to UChicago

because of its excellent liberal arts program) you can mention that as well. Try to

sound like you made a thoughtful decision rather than deciding randomly.

If you transferred elsewhere, a similar strategy applies but make sure to emphasize it

was for academic reasons. For example, don’t say you wanted to get out of

Massachusetts and move to southern California for an “improved lifestyle!”

**3. I noticed you studied abroad in [Location]. Can you tell me about that**

**experience and why you went there?**

Emphasize you did a lot academically rather than partying 24/7. Many study abroad

programs do, in fact, involve partying 24/7, but you don’t want to admit this. You can

**Internal use only. Please do not circulate.**

mention something about the fun you had, trips you went on, and anything

interesting you did (climbing Mt. Fuji, starring in a Korean soap opera, excavating

ruins in Troy,etc.) but don’t over-do it and make them think you did nothing

constructive while you were there. Think “Work hard and play hard” for this one.

**4. Why did you major in [Your Major]?**

If it was something related to business/economics, you can discuss your interest in

those fields; for other majors, you can emphasize how you liked the challenge and/or

had a personal interest in the field, but also took the time to learn the basics of

business/finance on your own.

**5. Where else did you apply for school? Did you get in anywhere else?**

You applied to a number of top schools and got in at other places, but you went

through a careful decision-making process and settled on your school for a very

good reason.

Show that you’re “in-demand” by others and you always become more attractive –

whether it’s to the bank you’re interviewing at or to the schools you’re applying to.

**6. I see you wrote here that you’re fluent in [Language]. Can you tell me about**

**your most recent internship in [Language]?**

Be prepared for this if you list any common languages on your resume (Spanish,

French, Italian, German, Chinese, Japanese, etc.) or if you happen to “get lucky” and

your interviewer is a native speaker in one of the languages you’ve listed.

I would suggest some practice discussing your work experience in whatever

language(s) you’ve listed and making sure you can speak intelligently, at least

briefly, about what you’ve done.

If you really don’t know much, just tell them upfront rather than making a fool of

yourself and trying to talk about EBITDA when you don’t know the word for it – I

speak from experience on this one.

**7. What do you do for fun?**

Obviously, don’t say anything illegal or questionable/controversial. If you have

anything interesting or not very common (hang gliding, directing movies, bungee

jumping) you should bring that up. Otherwise, just be honest and if you really like

watching or playing football (either kind) or other sports, just talk about your interest

in those.

**8. What was your favorite class in college / business school?**

I would not say anything economics/finance-related – it sounds too artificial. Tell

them about something you were actually interested in – even if it’s not directly

related to banking. They want to see who you are as a person, not whether or not

you know all the Excel shortcuts in the book.

**Internal use only. Please do not circulate.**

**9. What are your favorite movies / books?**

There are 2 common mistakes:

Saying something like Wall Street, American Psycho, or Liar’s Poker that

indicates you’re a boring person.

2.Saying something like Harry Potter that indicates you’re borderline illiterate.

Pick something in the middle – above pop literature/film but not something that

has to do with finance specifically. That just sounds weird.

**10. Tell me something interesting about you that’s not listed on your resume.**

Again, don’t say anything illegal/inappropriate – use common sense. Talking about

that trip to Easter Island or your Brazilian Jiu-Jitsu championship both work well.

**4.“Career Changer” Questions & Suggested Answers**

But if you’ve been in an unrelated industry for awhile, you need to be well-prepared

for “Career Change” questions.

A variant of “Why banking?” questions, “Career Changer Questions” ask why you’re

trying to switch industries, why you picked an unrelated major and have now

changed your mind, or even why you’re making a move within finance.

It’s best to point to a specific anecdote or someone who sparked your initial interest

in finance – assuming you have a story or person in mind.

But even if you don’t, there are “generic” responses that can work well.

**1.You’ve had tons of engineering experience and you’ve worked at many tech**

**companies. Why do you want to be an investment banker now?**

Talk about how you dislike the limited advancement opportunities and how your work

didn’t affect the world at large – only what that specific company was doing. You

want to do finance because you like the business aspect of technology more than

the technology aspect of technology and because you want to make an impact with

your work and become an investor or advisor one day.

**2.You’ve done Big 4 accounting for the past year – why would you want a job**

**that’s a lot more stressful with twice the hours?**

Because your accounting work was boring and mundane, and because there were

limited advancement opportunities. Finance is faster-paced and you’ve realized that

after speaking with a lot of friends and doing your own research that it’s just more

suited to your personality.

**Internal use only. Please do not circulate.**

**3. I see you’ve practiced law at Wilson Sonsini for the past 4 years – if you’ve**

**been there that long, you’re probably on Partner-track by now. Why would you**

**want to leave a lucrative career in law and go back to being an entry-level**

**Associate in banking?**

Emphasize how business people never respect lawyers and view them as nuisances

rather than as a critical part of the team – as a banker, you’d be making deals

happen and actually advising companies rather than just proofreading documents

and doing “Find-and-Replace” in Word.

Of course, you do a lot of this in banking anyway but this angle still works because

bankers really do look down on lawyers.

**4. I see you worked at McKinsey one summer and then went to Citi investment**

**banking the next year. Are you sure you want to do investment banking?**

Yes. Although you worked at McKinsey, you realized you didn’t like consulting

because of the wishy-washy nature of the work (making reports and billing by the

hour rather than billing by the result) and the constant travel and lack of quantitative

skills/learning.

You enjoyed your Citi internship much more and realized you wanted to be in

banking rather than consulting.

**5. Wow. I must be honest, I rarely see people who have accomplished as**

**much as you have at your age. You sold your own company for over $1**

**million within 2 years of starting it, and became a leading real estate investor**

**in Asia at the same time. Why would you ever want to work for other people in**

**banking if you’ve been so successful on your own?**

You don’t view things in those terms. Although you did well, there’s always room to

learn and banking would be a great learning opportunity for you. You’ve spoken with

many friends in the industry and have been impressed by what you’ve heard, and

you want to broaden your experience and knowledge so that you can move into

higher-stakes business.

**6. You’ve worked at a few prop trading firms and also in Sales & Trading. They**

**get paid pretty well and work market hours – so they have it a lot better than**

**us. Why would you want to switch to investment banking?**

You didn’t like the culture of trading, and wanted to have more of an impact by

advising companies on major strategic decisions rather than just making small trades

and investments each day. Banking excites you more because of the broader range

of opportunities and experiences it gives you.

**5.Commitment Questions & Suggested Answers**

“Commitment Questions” are tricky to answer, because the tendency is to come

across either as too unrealistic or too uncertain.

If you’re interviewing for an Analyst position, you don’t want to say you’re 100%

certain you’ll be a banker for life – but you should say it’s what you’re most interested

in doing, and that you do have plans to stay in finance or business.

MBAs will need to show more commitment and assure the interviewer they are

serious about making a career out of it.

Common questions on this topic include where else you’re interviewing, why you’ve

switched careers in the past and testing the old “Why banking?” question again in

slightly different forms, just to make absolutely certain you’re committed.

**1. Where else are you interviewing? Is it just banking? Consulting? Other**

**companies?**

Just banking. You’re not interested in consulting / other options and don’t want to

waste recruiters’ time.

You need to say this even if you’re so uncertain that you’re deciding between

opening a zebra ranch, going on a spiritual journey to Nepal, going back to McKinsey

or starting a Laundromat with your roommate’s uncle.

**2. Are you mostly interviewing at larger banks like us? What kinds of options**

**within banking are you considering?**

Mostly larger banks, but you have received some interest from other places so

you’re looking at a couple options. If you can mention specific names, that makes

your answer even better.

If you’re interviewing in a group like M&A or Healthcare, talk about how you’re mostly

speaking with similar groups to show you’re serious about that one area.

**3. Before you entered business school, I see you switched jobs about once a**

**year. How do I know that you’re here to stay for the long-term?**

Although you switched jobs pre-MBA, it’s quite common to move when better

opportunity arises. However, you’ve done a lot of research, spoken with friends,

alumni and other connections and are certain banking is for you after doing your own

due diligence. You’ve actually looked into other career options and nothing is as

attractive to you as banking.

**4. Recently some Analysts and Associates have left “early” and jumped to**

**hedge funds or private equity. If the opportunity comes up, why would you**

**stay here instead?**

You looked into investing but realized you don’t like the nature of the work – there’s

too much due diligence and “looking at deals” rather than taking action and actually

doing deals. As a result, after all your research speaking with alumni and other

connections, you’re set on banking.

**5. Tell me about a time when you failed to honor a commitment.**

The key with this type of question is to bring up a “failure” briefly and then to spend

most of your time talking about what you’ve learned from it and how you’ve improved

rather than dwelling on the failure itself.

**6.If I gave you an offer right now on the spot would you take it?**

“Yes, show me the dotted line and I’d sign it right now.”

Even if this is a lie, you still have to say it in an interview or you won’t get an offer.

**7. Let’s say that we were to give you an offer – how long would you need to**

**decide whether or not to accept it?**

“Show it to me and I’ll sign and accept it right now.”

Some people think this is “unethical” if you’re really not certain, but keep in mind that

until you’ve signed something in writing you can do whatever you want.

No, they won’t like you if you verbally accept and then renege, but it’s not the end of

the world – just the end of your relationship with that bank.

**6.Culture Questions & Suggested Answers**

A Managing Director once told me that he had never heard a good answer for the

“Why our firm?” question in an interview – but that doesn’t mean you can’t try.

To do so, focus on the people – whom you’ve met and spoken with there, what

they’ve told you about the firm and what appeals to you.

Most banks have very similar cultures – people are nice but competitive and driven,

and there’s the expectation that you can do endless amounts of work for the firm.

And that’s why focusing on people and anecdotes works much better than giving

generic answers.

Other variants of this question include why you want to move to a larger or smaller

firm. You can get away with more generic responses in those cases, but if you have

a good story you should definitely bring it up.

**1. You spent this last summer working at Morgan Stanley’s investment**

**banking division. It seems like you’d be crazy not to go back – why would you**

**want to work for a smaller firm in our M&A group?**

You’re most likely to get this one if you didn’t get a return offer – let’s be honest, who

really goes from Morgan Stanley to a boutique? It’s a tough sell, but you’ll have to

emphasize how you like the smaller environment where you get more responsibility

and work more closely with clients. The banker probably won’t believe you, but it’s

better than outright admitting you didn’t get an offer.

If the topic does arise, just say your lack of offer was because they were not hiring,

because the group did poorly or because of the general economic climate.

**2. Since you worked at Bank of America this past year, you probably have the**

**chance to go to a lot of different large banks – why are you interested in us**

**specifically?**

There’s rarely a “great” way to answer this question, so I would recommend either

referencing someone you’ve spoken with at the bank and what they’ve told you OR if

you don’t have any kind of experience like that, you can just give the usual generic

reasons given for each bank. This question often reflects a lazy interviewer more

than anything else – the real reason you’re interviewing with any bank is because

they’ve given you an interview!

**3. When you were working at that boutique this past summer, you mentioned**

**how you liked the smaller team and more hands-on environment. Why not just**

**go back there? Why do you want to move to a large bank?**

It’s always good to be positive about your experience, but at the same time you also

want to give a good reason as to why you’re moving elsewhere. If you’re moving

from a smaller bank to larger one, you want to emphasize learning about how larger /

major deals happen, how you want to learn from the best and perhaps even how

bankers at your old firm recommended that you go somewhere bigger at the

beginning of your career.

**4. Why are you interested in our M&A division rather than our industry**

**groups? Our Tech, Healthcare and Energy teams have been really successful**

**this year.**

Say that you want to gain solid technical and modeling skills and be exposed to a

wide variety of industries and different markets. Depending on the interviewer, it

may also be appropriate to mention your interest in private equity (if you’re planning

to go that route) and how M&A will get you there.

M&A bankers love to think they’re superior to others because of their “in-depth

technical knowledge and negotiation skills,” so you should play off that and use it to

your advantage.

**5. Why do you want to work in Capital Markets? There’s hardly any market**

**activity these days.**

With this type of question – whenever a certain area is depressed at the moment or

is not doing well – you want to highlight your long-term view of the market and how

things recover in time.

For Capital Markets specifically, you can talk about your interest in the markets since

you were much younger and how you’ve always been fascinated by IPOs, secondary

offerings and such – as always, specific examples are the key to success.

**6. What do you think our bank’s greatest weaknesses are?**

This is a silly question, but I can’t say I’ve never heard it before. In a normal

“weaknesses” question it’s best to say something real and then indicate how you’ve

improved on it, but in this case it’s better to say something more innocuous and

maybe point to a “weakness” like not being strong in Europe/Asia, or not having as

much experience in one industry as another bank – but then indicate how it doesn’t

matter to you because you’re more concerned with other aspects of the firm.

**7. Which of our competitors do you admire the most?**

This is another silly question that is designed to test your knowledge of the industry

more than anything else. The best way to answer: briefly point to a competitor and

state a widely known trait about them that you admire and then explain how the bank

you’re interviewing with also has that quality and might even be better at it.

For example, Goldman Sachs is known for its “one firm” culture and emphasis on

teamwork, while some boutiques pride themselves on more “entrepreneurial” work

environments where those who take the initiative are rewarded.

You could reference these types of qualities and then state how they’re also seen in

the bank you’re interviewing with.

**7. “Future” Questions & Suggested Answers**

You’ll get questions about your future plans and career goals whether you’re an

entry-level Analyst or Associate, or even when interviewing for higher-level positions.

The way you answer these types of questions depends on your level – if you’re an

MBA interviewing for an Associate position or anything above that, you need to show

long-term commitment to investment banking and be more certain about what you’re

doing.

At the Analyst level, it’s better to say you’re not certain yet, but that you do want to

be in business or finance and that banking will give you the skill set, experiences and

network you need.

Be careful of hinting that you want to start a company or do anything unrelated to

banking – those types of answers can work but they can also backfire easily if you

don’t handle them correctly.

**1. I realize it’s still early in your career – you haven’t even graduated yet – but**

**have you given any thought to your long-term plans? Do you think you’ll stick**

**with investment banking?**

If you’re interviewing for an Analyst position, you can be more uncertain about your

future and just state you don’t know 100% where you’ll be yet, but banking is what

excites you most and is what will give you the skills you need to succeed. For

prospective Associates, you need to be more certain about your career path and

show some commitment – indicate you’ve done your homework, spoken with many

people and really want to make a career out of it.

**2. You’ve had quite diverse experience prior to business school. After you**

**complete your degree, where do you think you’ll be going in the long-term?**

Since this question is given to an MBA candidate, you’ll want to be more certain and

show more direction in terms of your plans. State that you do want to pursue

investment banking as a career, after having done extensive research on your own

(and hopefully, having had a previous internship or other experience in the field that

you can point to).

**3. What is your career goal?**

This might be my least favorite question of all time, but some lazy interviewers will

ask you anyway. Again, at the undergraduate level you can afford to be more vague

and just indicate you want to do something in business/finance and advance to a

high level; MBA candidates should indicate that they’re in banking for the long-term.

**4. Looking into the future 10 years, do you think you’ll still be an investment**

**banker?**

Analysts can, and arguably should, be more uncertain, while business school

graduates need to be confident about their career choice.

**8.Strengths / Weaknesses Questions & Suggested Answers**

You’re not likely to get the standard “Tell me your strengths and weaknesses”

question in investment banking interviews – the more plausible variant is “Tell me the

feedback you received in your most recent internship / job.”

The most common mistake? Not actually giving strengths and weaknesses.

This might sound crazy, but I’ve conducted many interviews and have seen this one

countless times.

You need to focus on the qualities bankers look for when listing your strengths, and

give a brief example to back up what you say if you mention something like “attention

to detail” or “hard-working.”

When giving weaknesses, make sure you list a real – but not critical – weakness.

Don’t say your weakness is that you “work too hard” but also don’t say that your

weakness is your “inability to get work done on time.” Something like “being too

critical of others” or “getting lost in the details” works better.

You also need to include something about how you have improved upon your

weaknesses and/or overcome failures in the past.

**1. In your internship this past summer, what feedback did you receive?**

This is a variant of the “strengths and weaknesses” question. The most common

mistake is being vague and just saying you performed well and they liked you, and

then failing to give weaknesses / areas for improvement.

The right way to answer this question is to state specific qualities about you that they

liked – such as ambition, drive, attention to detail, or willingness to go the extra mile

for the team – and then give some specific examples of times when you

demonstrated those qualities. Your all-nighters, the times you stayed the weekend

working on a presentation, or the time you caught mistakes someone else above you

missed are all good to mention.

The other critical part is mentioning weaknesses / areas for improvement as well –

talk about real weaknesses and how you’ve worked to improve them (see more on

this in #2 below).

**2. What were a few areas that your team said you should try to improve upon?**

The 2 most important points to remember with the “weaknesses” / “failure” question:

1. Give a real weakness rather than saying you “work too hard.”

2. Show how you improved on it, using specific examples.

What are “real” weaknesses you could give? Maybe you weren’t as communicative

with the team as you should have been at the start; maybe you got lost in the details

sometimes and failed to see the big picture; maybe you were too impatient with

others or did not delegate tasks appropriately.

The point is to say something that is a real weakness but which is also not a “dealbreaker”

– like saying you don’t like to work hard or can’t stand working in teams.

After that, state how you’re working to improve your weakness. Perhaps you gave

more regular updates to your superiors; or maybe you started leveraging other

peoples’ knowledge or the administrative staff at your work more often.

**3. Did you get an offer to return to where you worked last summer?**

If you did get an offer, this is an easy question: “yes.” If you did not receive an offer,

I would strongly recommend against lying about it – state that you did not receive an

offer, and it was due to the economy, because your group was not hiring or due to

other forces beyond your control.

The danger with lying is that finance is a very small world and it’s quite easy to ask a

friend or a friend of a friend what really happened.

**4. After going through the accounting program at PricewaterhouseCoopers for**

**the past year, what sort of end-of-year review did you get?**

This is a disguised “tell me your strengths and weaknesses” question, so you should

follow the advice given above. Since it’s in relation to a full-time position you’ve held,

you should be a bit more thoughtful about what you say; generic answers won’t work

as well if they ask about your performance in a specific job.

**5. Let’s imagine that your best friend is describing you in 3 words – which**

**words would he/she use and why?**

This is just, “Tell me your strengths” in disguise, but you need to narrow it down to 3

words. Since it’s your friend describing you, you don’t want to say, “Driven, attentive

to detail and a team player!”

You do want to convey the same ideas – that you can work hard, play well in teams,

and get things done no matter what obstacles you face – but you should pick your

own language to get this across.

For each word you list you should also give 1-2 sentences to back up what you say,

using a specific example for each one.

**6. Imagine that I’m speaking to someone with whom you have not gotten along**

**in the past – what would he/she say about you?**

This is just a disguised “weaknesses” question. However, since it involves someone

else this time, it’s better to give a weakness such as being stubborn and holding too

rigidly to your own views rather than some of the other faults you could state.

Weaknesses related to team/group settings are better here.

And once again, you need to emphasize how you’ve worked to improve whatever it

is that you did not do well at the time.

Don’t say something like, “I get along with everyone!” as that sounds unrealistic.

**7. Why would we decide not to give you an offer today?**

This one is a bit tricky because it’s so direct. You could attempt to make a joke out of this one and say something like, “If you decided you weren’t hiring at all!” but that may not go well if your interviewer doesn’t appreciate humor.

Otherwise, the best response may be to turn this around and say, “I see no reason why you wouldn’t – I’m your best choice because….” and then give your strengths instead.

If they really press you on this, you can admit a weakness and then say how you’ve

been working to improve it.

**8. Tell me why we should hire you in 3 sentences.**

This is yet another variation of the “strengths” question. But rather than giving

generic strengths, you should highlight any unique experiences you’ve had. So

maybe you haven’t had banking internships before – but you have had unique

experience abroad, in an unusual setting, or doing something not many others have done, or you’ve overcome unusual hardship – and those make you particularly wellqualified.

Try to make your answer some variant of “I’m smart because of [School /

Academics], I can do the work because of [Internships / Previous Jobs], and I’m an interesting person and fun to be around because of [Unique Experience].”

**9. What was your greatest failure?**

As with any “weaknesses” question, you need to use a specific story – such as an

exam where you did not do well, a project that did not go as planned, or a work

situation that did not turn out well – and show what you learned from it and how

you’ve improved since then. Don’t say something fake like, “My greatest failure was

getting into Yale and Princeton but not Harvard” – that makes you look silly. It’s

better to give something real and then show how you’ve used the failure to develop.

**9.Team / Leadership Questions & Suggested Answers**

Teamwork and Leadership Questions are not as common as you might expect in

banking interviews – many of these will come through when you discuss your work

Experience.

However, you could still get these questions – especially if you haven’t had much

team/group experience.

You have to include anecdotes in your answers because almost every question will

ask for a specific event, project or experience.

Before going into interviews, you should review everything you’ve done in school and

at work and pick some team projects that would be good to discuss.

**1. Can you talk about a team project or some kind of group activity you’ve**

**worked on before?**

Ideally, you will talk about something that was a success rather than a failure. You

should use the following 3-point structure for these questions:

1.State upfront what the problem was – Maximizing returns? Attracting more

donors for your nonprofit? Winning more customers?

2.Talk about the team you worked in, who did what, and what your role was. Did

you manage people or delegate tasks? Those are best, but if you were a “foot

soldier” that can also work as long as you worked long hours, were attentive to

detail and/or came through in the end to save the team in some way.

3.State the results – Did your brand awareness go up? Did you get more

funding? More members for your organization?

This is one of the fundamental questions that you need to be prepared for,

because it will almost always come up in some form in interviews.

**2. Can you describe a situation where a team did not work as intended?**

**Whose fault was it?**

This is another variant of the “failure” question.

I would recommend starting with a situation where your team did work as intended

and talk about how it wasn’t working at first and what you did to fix it.

Never blame someone specific – instead, say that there were “personality conflicts”

and that you worked to resolve them.

To make things even easier, you could re-use the story you told in question #1 but

instead position it as a failed team situation that turned into a successful one.

**3. Can you discuss an ethical challenge you were confronted with and how**

**you responded?**

If you’ve already worked full-time, any ethical challenges you faced at work or any

whistle-blowing you’ve done are best to discuss; otherwise, you could talk about how

you stopped funds in a student group from being used illegally or how you caught

someone cheating.

Just make sure you don’t over-dramatize it – your life is not a soap opera and you

shouldn’t go on for 10 minutes about your internal conflict deciding whether to turn

someone in for their wrongdoing.

**4. What was the most difficult situation you faced as a leader and how did you**

**respond?**

Point out how you stayed calm and collected in the face of a challenging situation,

and how your cool decision-making process led to a positive outcome.

Maybe 2 of your subordinates couldn’t get along and you had to arbitrate; maybe you

were 3 months behind on a project and had to get a team together to finish it in 2

weeks; maybe you were an RA in a dorm and you had to prevent 2 residents from

harassing each other.

Just make sure that it’s a real problem, as opposed to only getting an A- when you

should have gotten an A.

**5. Can you discuss a time where you had to sacrifice your time for the sake of**

**a team project?**

This is the classic “burn the midnight oil” question, and you should definitely have

something prepared for this one. There are 2 key points:

1. Whatever you did had to involve long hours – 60-70 hours per week or more

2. It had to have been over an extended time period – so Final Exam week at

school would be a poor example. Aim for something that took place over weeks

or months instead.

Maybe you were working full-time and also leading your volunteer group to build

shelters; maybe you were taking 6 classes, running a fraternity, and then got called

upon to direct that huge Cinco de Mayo festival.

It doesn’t matter too much what it was as long as your story is detailed and

convincing.

**6. Do you work better as a leader or a follower?**

Resist the urge to say “leader” and instead talk about how you can function as both a

leader and another member of the team, depending on what the situation calls for.

You don’t want to hog the spotlight or do everything, but if leadership is required, you

can step up and handle it.

Specific examples to back up the above points are also required.

**7. What is your leadership style?**

A “moderate” answer works best here. You’re responsible and can make sure things

get done, but at the same time you don’t annoy your teammates by micro-managing.

If you’re interviewing for an Analyst or Associate position, you do want to be a bit

more “hands-on” and point out that you often go in and correct mistakes to make

sure everything’s perfect – since you’ll be spending around 50% of your time doing

this.

Again, a specific example is needed once you’ve stated in general terms what your

style is.

**8. Does the leader make the team?**

No, the team makes the team. The leader can provide direction and unify everyone,

but 1 person alone is not a “team.” A leader can make things better and turn around

a dysfunctional team, but it’s equally important for everyone to pull their own weight.

You can often re-use some of your other “leadership” or “team” stories you’ve used

and spin them differently.

**10.Understanding Banking & Suggested Answers**

Are you sure you understand investment banking? Are you really sure? Most

people going through the interview process – whether students, professionals, or

MBAs – have no idea what they’re getting into.

The “Understanding Banking” questions are designed to separate the wheat from the

chaff – to verify that you have done your homework and are prepared to accept 80-

100 hours per week.

You’re more likely to get these questions if you’re a Career Changer or you’ve never

had a banking internship before.

Fortunately, they are relatively easy to answer as long as you’ve done some

research and know the basics.

**1. You’ve never worked in finance before. How much do you know about what**

**bankers actually do?**

You should acknowledge that although you haven’t worked in the field before, you’ve

done a lot of research on your own and have spoken with many friends in the

industry.

Based on that, you know that bankers advise companies on transactions – buying

and selling other companies, and raising capital. They are “agents” that connect a

company with the appropriate buyer, seller, or investor.

The day-to-day work involves creating presentations, financial analysis and

marketing materials such as Executive Summaries.

**2. Let’s say I’m working on an IPO for a client. Can you describe briefly what I**

**would do?**

First, you meet with the client and gather basic information – such as their financial

details, an industry overview, and who their customers are.

Next, you meet with other bankers and the lawyers to draft the S-1 registration

statement – which describes the company’s business and markets it to investors.

You receive some comments from the SEC and keep revising the document until it’s

Acceptable.

Then, you spend a few weeks going on a “road show” where you present the

company to institutional investors and convince them to invest. Afterwards, the

company begins trading on an exchange once you’ve raised the capital from

investors.

**3. How much do you know about the lifestyle in this industry? Do you know**

**how many hours you’re going to work each week?**

Say that you’ve done your homework and you understand it’s going to be an 80-100

hour per week job. It helps if you can reference specific times when you worked that

much and how you dealt with it, whether it was in a summer internship or a previous

job you’ve held.

**4. I see you were an English major in college, and had time to participate in a**

**lot of different activities. Can you talk about a time when you had to work long**

**hours and make sacrifices?**

This is similar to many of the other questions we’ve been over – once again,

emphasize that you not only worked long hours, but also did it over several weeks or

several months.

One point that makes this question different: because of the way it was framed, you

probably want to discuss something outside extracurricular activities.

**5. Can you tell me about the different product and industry groups at our**

**bank?**

This one is bank-dependent and will differ for boutiques, middle-market firms and

bulge brackets – so you need to research it before your interview. Common product

groups include Mergers & Acquisitions (M&A), Leveraged Finance (LevFin) and

Restructuring; you could also consider Equity Capital Markets and Debt Capital

Markets “product groups” but that one is debatable.

Common industry groups include Healthcare, Retail, Industrials, Energy, Natural

Resources, Financial Institutions, Gaming, Real Estate and Technology, Media &

Telecom (TMT).

Not all banks are structured this way – Goldman Sachs, for example, does not have

product groups and instead handles all types of deals in its industry groups.

Meanwhile, most bulge bracket banks do not have Restructuring groups at all – that

is something that only middle-market and boutique firms do.

Finally, a lot of boutiques focus only on M&A and/or Restructuring and ones that are

small enough are not even split into industry groups.

**6. What’s in a pitch book?**

It depends on the type of deal the bank is pitching for, but the most common

structure is:

1. Bank “credentials” (similar deals they’ve done to “prove” their expertise).

2. Summary of a company’s options (“strategic alternatives” in banker-speak).

3. Valuation and appropriate financial models (for example, if you’re pitching for

an IPO you might show where the IPO proceeds would go).

4. Potential acquisition targets (buy-side M&A deal) or potential buyers (sell-side

M&A deal). This is not applicable for equity/debt deals.

5. Summary and key recommendations.

**7. How do companies select the bankers they work with?**

This is usually based on relationships – banks develop relationships with companies

over the years before they need anything, and then when it comes time to do a deal,

the company calls different banks it has spoken with and asks them to “pitch” for the

business. This is called a “bake-off” and the company selects the “winner” afterward.

**8. Walk me through the process of a typical sell-side M&A deal.**

A typical sell-side M&A deal with many potential buyers would look like this:

1.Meet with company, create initial marketing materials like the Executive

Summary and Offering Memorandum (OM), and decide on potential buyers.

2.Send out Executive Summary to potential buyers to gauge interest.

3.Send NDAs (Non-Disclosure Agreements) to interested buyers along with

more detailed information like the Offering Memorandum, and respond to any

follow- up due diligence requests from the buyers.

4.Set a “bid deadline” and solicit written Indications of Interest (IOIs) from

Buyers.

5.Select which buyers advance to the next round.

6.Continue responding to information requests and setting up due diligence

meetings between the company and potential buyers.

7.Set another bid deadline and pick the “winner.”

8.Negotiate terms of the Purchase Agreement with the winner and announce

the deal.

**9. Walk me through the process of a typical buy-side M&A deal.**

1.Spend a lot of time upfront doing research on dozens or hundreds of potential

acquisition targets, and go through multiple cycles of selection and filtering with

the company you’re representing.

2.Narrow down the list based on their feedback and decide which ones to

Approach.

3.Conduct meetings and gauge the receptivity of each potential seller.

4.As discussions with the most likely seller become more serious, conduct more

in- depth due diligence and figure out your offer price.

5.Negotiate the price and key terms of the Purchase Agreement and then

announce the transaction.

**10. Walk me through a debt issuance deal.**

It’s similar to the IPO process:

1.Meet with the client and gather basic financial, industry, and customer

Information.

2.Work closely with DCM / Leveraged Finance to develop a debt financing or

LBOmodel for the company and figure out what kind of leverage, coverage

ratios, and covenants might be appropriate.

3.Create an investor memorandum describing all of this.

4.Go out to potential debt investors and win commitments from them to finance

the deal.

The main differences vs. an IPO: there are fewer banks involved, and you don’t need

SEC approval to do any of this because debt is not sold to the “general public” but

rather to sophisticated institutional investors and funds.

**11. How are Equity Capital Markets (ECM) and Debt Capital Markets (DCM)**

**different from M&A or industry groups?**

ECM and DCM are both more “markets-based” than M&A. In M&A your job is to

execute sell-side and buy-side transactions, whereas in ECM/DCM most of your

tasks are related to staying on top of the market, following current trends, and

making recommendations to industry and product groups for clients and pitch books.

In ECM/DCM you go more in-depth on certain parts of the deal process, but you

don’t get as broad a view as you might in other groups.

**12. What’s the difference between DCM and Leveraged Finance?**

They’re similar but Leveraged Finance is more “modeling-intensive” and does more

of the deal execution with industry and M&A groups on LBOs and high-yield debt

financings. DCM, by contrast, is more closely tied to the markets and also focuses

more on investment-grade debt.

But there’s always overlap and some banks have just 1 of these groups, some have

both, and some divide it differently altogether.

**13. Explain what a divestiture is.**

It’s when a company (public or private) decides to sell off a specific division rather

than sell the entire company. The process is very similar to the sell-side M&A

process above, but it tends to be “messier” because you’re dealing with a part of one

company rather than the whole thing.

Creating a “standalone operating model” for the particular division they’re selling is

extremely important, and the transaction structure and valuation are more complex

than they would be for a “plain-vanilla” M&A deal.

**14. Imagine you want to draft a 1-slide company profile for an investor. What**

**would you put there?**

“Put the name of the company in the header, then divide the slide into 4 equal parts.

The top-left is for the business description, headquarters, and key executives. Put a

stock chart and the key historical and projected financial metrics and multiples on the

top right. The bottom left can have descriptions of products and services, and the

bottom right should have key geographies with a color-coded map to make it look

pretty.”

**15. Let’s say you’re hired as the financial advisor for a company. What value**

**could you add for them if they ask you about their suggested growth / M&A**

**strategy?**

At a high-level, first you’d want to see what their expansion goals are and how they

can best achieve them – whether it’s by partnering with another company, expanding

with a merger or acquisition, or expanding organically with new products.

As the investment banker, you could provide value by making introductions to

potential M&A targets and partners, and then advising on the best negotiation

strategy, what companies would be most receptive, what type of price to expect, and

how to manage the entire process.

**11.“Warren Buffett” Questions & Suggested Answers**

“Warren Buffett” questions are designed to test your sense of business, economics

and investing. Even though you won’t be investing as an investment banker, you still

must look at a business and tell what’s appealing about it and what might be cause

for concern.

Common questions include how you would invest a large sum of money, how you

would think about investing in companies, and how you would decide whether or not

to start a business of your own.

You could also get more general questions about recent industry trends, companies

you follow that are particularly interesting, and anything you’ve personally invested

in.

To answer these questions successfully, you need to ask the right questions before

giving an answer. Which questions, specifically?

1.Always ask what the investor or business goals are.

2.Always ask if there are any constraints, limitations, time horizons, or any other

limiting factors.

You should also be citing specific numbers and figures where applicable.

These types of questions often turn into extended dialogues where you try to

convince the interviewer of the merits of a particular company or investment.

**1. Let’s say you had $10 million to invest in anything. What would you do with**

**it?**

Always ask for the investor’s goals first. Are they looking to have big capital gains

over 30-40 years? Are they looking for tax-free retirement income? What types of

assets interest them?

Based on the response, you can give an appropriate answer. So if they’re investing

over 30-40 years and going for high capital gains, a well-diversified portfolio is

probably best; if they are more concerned with tax-free income, maybe you should

tell them about municipal bonds.

**2. If you owned a small business and were approached by a larger company**

**about an acquisition, how would you think about the offer, and how would you**

**make a decision on what to do?**

The key terms to consider would be:

1.Price.

2.Form of payment – cash, stock, or debt.

3.Future plans for the company vis-à-vis your own plans.

Of course, there is much more to an M&A deal than this – you could list literally

hundreds of different terms.

But those are the key points. To make a decision you’d have to weigh each one –

there’s no “magical” way to decide. You might also point out that if something is

particularly important to you – such as retaining a role in the company – then a

difference of intentions there could be a “deal-breaker.”

**3. We do most of our work with technology companies. Can you talk about a**

**trend or company in the industry that has piqued your interest lately?**

This is very common if you’re interviewing for any industry group – do some research

beforehand on trends and recent M&A deals in the market. It’s easy to find this

information for Technology and anything that sells to consumers, but it’s a bit harder

for something like Chemicals.

Most interviewees make 3 mistakes with this question:

1.They describe something that is not recent or relevant. Don’t talk about the

emergence of the Internet – talk about how companies are shifting their software

to the Internet.

2.They don’t explain the “why” – they’re shifting to the web because it’s cheaper

and lower maintenance for them.

3.They don’t explain the impact on the market as a whole – such companies are

growing very quickly while more traditional companies are either struggling or

shifting to that model.

**4. Let’s say you could start any type of business you wanted, and you had $1**

**million in initial funds. What would you do?**

You’ll want to ask follow-up questions to see if the interviewer is looking for

something more specific, because this one is wide open.

If no further direction is provided, you probably want to say that you’d think about

some type of niche business with high margins that requires little startup capital ($1

million is not enough to build 10 factories) and ongoing maintenance – those make it

harder to turn a profit and sell the business one day.

(This is one reason why some private equity investors focus on software

companies).

It’s better to focus on a niche market because most broad, horizontal markets are

already dominated by major companies (Microsoft, Goldman Sachs, Exxon Mobil,

etc.).

You should also explain your reasoning on why this type of business would be

attractive and how it could grow with minimal future investment.

**5. Can you talk about a company you admire and what makes them attractive**

**to you?**

Do not use a brand-name or “hot” company. Saying Google, Apple, or Facebook, for

example, would be bad.

Instead, go more obscure and pick a company no one knows so that they can tell

you’ve done your research and so that they’re less likely to ask probing questions.

You don’t necessarily need to give financial details, but if the company is public and

you can easily find the information, it definitely helps.

When you talk about what makes the firm attractive, emphasize qualities that

investors would find appealing, such as a great and well-diversified customer base, a

unique competitive advantage in the market or a high-margin business model. Don’t

say that you like them because your new iPhone is awesome.

**6. Let’s assume you are going to start a laundry machine business. How**

**would you analyze whether it’s viable?**

To assess whether it’s “viable,” you have to determine whether you can make a profit

with the business. For a laundry machine operation, you’d start by looking at the

location (the most important part of any retail business), estimate how many

customers you could get, how frequently they do laundry and how much they pay

each time to do their laundry. Those variables give you an idea of monthly / annual

revenue.

On the expense side, the biggest cost would be the upfront construction and/or

purchase of the building and the machines. You would probably need a loan for this

unless you had a spare $500K in your bank account.

You would also have to take into account the cost of maintaining and servicing the

machines, building maintenance, and hiring someone to collect cash, clean, and

open/close the building each day.

Overall, location plays the biggest role in the success of this type of business – if you

put your new company next to an apartment complex where everyone has laundry

machines, you’re doomed from the beginning.

Incidentally, laundry machines happen to be very profitable businesses if run

correctly – mostly because they are not labor intensive and do not require huge

investments after you’ve gotten started. So you could even use this as an example

for the “What kind of business would you start with $1 million?” question.

**7. Tell me about an M&A deal that interested you recently.**

You want to say who the buyer and seller were – and include background

information if they are not household names – as well as the price and the multiples

(Purchase Price / Revenue, Purchase Price / EBITDA) if they are readily available.

Read the relevant Wall Street Journal article on it, and discuss the dynamics of the

deal – how it developed, if anyone else was interested, and what implications it has

for the industry.

You don’t need to be an expert, but you do need to sound intelligent and know the

basics. If they start asking for information you don’t know, just admit upfront that you

don’t know whatever they’ve asked for.

**8. Pitch me a stock.**

You can refer to #5 in this section – the company you admire – because both these

questions are quite similar. One difference is that if the question is “pitch me a

stock,” you need to mention specific financial figures. Since the company is public, it

shouldn’t be too hard to find those.

Even if you can’t get Revenue or EBITDA multiples, looking up its P/E multiple and

saying whether it’s higher or lower than competitors is a step in the right direction.

The 2 most common mistakes:

1.Failing to list specific financial figures.

2.Saying how the company stacks up relative to its competition, and why its

prospects are more favorable.

Structure your answer with the following 5 points in mind:

1.Give the name and summarize what the company does.

2.Give a brief overview of its financials to indicate its size and how profitable it is.

3.State how it’s undervalued or more attractive than its rivals, due to any

competitive advantages it has.

4.Say how there is a long-term trend in its favor – it’s not just looking good in the

past month.

5.Talk about how the next 5-10 years will be really good for the company.

**9. Can you explain the European debt crisis of 2010-2011?**

In a nutshell: European countries had lent so much money to other European

countries such as Greece, Spain, Portugal, Italy, and Ireland (the “PIIGS”) that the

default risk for those countries rose to dangerously high levels.

In the case of Greece, the EU actually stepped in to bail out the country in exchange

for budget cuts, higher taxes, and other measures aimed at restoring fiscal sanity in

the country; a similar bailout then happened for Ireland and one is being negotiated

for Portugal as I write this.

There was a lot of controversy over this because countries with stronger economies

–such as Germany – were reluctant to step in and sacrifice themselves to help

countries with mismanaged economies.

This crisis was really just an extension of the subprime crisis from 2007 and the

lending bubble that had existed before that – broke countries lending too much

money to other broke countries, which in turn had lent too much money to other

broke countries.

Some pointed to the social welfare programs and European countries living beyond

their means as the root cause; others pointed out that with a single central bank in

Europe, individual countries could not use monetary policy (lower interest rates) to

counter a downturn.

**10. What do you think about the banking reform legislation passed in the US**

**and Europe in 2010?**

First, note the main effects of this reform: in the US, prop trading, derivatives, and

internal PE/HFs at banks were greatly limited and many banks have to divest

divisions; new risk management and consumer protection provisions were also

introduced.

In Europe there were a number of limitations on bonuses, the percent cash that

bonuses can be paid in, and so on.

The best answer here is to say something like, “The reforms were well-intentioned

but don’t really address the full causes of the financial crisis – for example, in the US

nothing related to Fannie Mae or Freddie Mac was passed, so effectively legislators

have completely ignored residential mortgages. Investment bankers’ bonuses had

little to do with the crisis, so the reform seems even less effective in Europe – plus

it’s vague and the implementation will be much different than what you see in

writing.”

**12.“Why Banking?” Questions & Suggested Answers**

After the “Walk me through your resume” question at the beginning of almost every

interview, the “Why investment banking?” is the next most important question you’ll

Get.

It is particularly important for the Career Changer, whether you’re a working

professional looking to get in, an MBA student who has worked in a different industry

prior to business school, or a college student who hasn’t had finance or business

Experience.

The 2 most important points to keep in mind:

1.You’ve done your homework and researched this thoroughly before jumping in.

Cite specific people you’ve spoken with.

2.You have a long-term view of your career and are fine making a sacrifice in the

short-term.

**1. I see you have no relevant finance experience – why should we hire you**

**over someone who’s had a previous banking internship?**

Talk about how banking is about what skills you bring to the table and what kind of

person you are rather than how many internships you’ve had. Discuss how you’ve

worked long hours / in teams / paid attention to details before and succeeded at

whatever you’ve done.

If you’re feeling bold, you can also point out that although someone might have had

a banking internship, that doesn’t mean he/she did well in it – and that you may be

better equipped based on your own experience.

**2. I see you’ve worked mostly in wealth management before – why are you**

**looking to switch into banking now?**

You want to understand the bigger picture and how and why large companies make

decisions rather than just working with individual investors. Working on transactions

and making an impact is more interesting to you than giving individual advice to high

net worth individuals (or institutions).

**3. You’re a smart guy/girl with a lot of options, and right now the economy is**

**not doing well and lots of banks have failed. Why are you still interested in**

**banking when you could do anything else?**

Talk about your long-term view and how a downturn could be an even better time to

enter the industry because you’ll know how to work when times are both good and

bad.

In addition, you’ve been interested in finance for a long time and are not going to let

short-term difficulties deter you from entering the field – you’ve explored other

options and concluded that this is the best one for you.

**4. The economy has been improving lately, and more people are “getting**

**interested” in finance. How do I know you’re serious and not just following**

**everyone else?**

The reverse of question #3, you can apply a similar strategy here but instead of

discussing how it’s an equally good time to start out in banking, just say that you hold

a long-term view and haven’t just become interested overnight. Being able to point

to specific evidence of your interest – your own portfolio, the finance/business club

you’re in, or even day trading – also helps.

**5. Where did your interest in finance begin?**

Almost anything could work for this one – just make sure it’s not too recent.

Otherwise it looks like you became interested on a whim.

Also be sure to explain how your initial interest led you into the internships, activities

or jobs you pursued and how those have led you to where you are today.

**6. If you enjoyed your last internship and got an offer to come back, why are**

**you trying to switch into investment banking now?**

You’re looking for something faster-paced where there’s a better learning opportunity

and more of a chance to make an impact. You’ve also been interested all along and

realize you really do want to do it now, after having explored other alternatives and

not liked them.

If this is a small company to big company move (or vice versa) you can also say

something about that, using the standard reasons we went through before – small

means more responsibility and client interaction, and big means working on more

major deals and learning more technical skills.

**7. You’ve advanced into a high-paying position at your current company – why**

**would you want to move here, take a pay cut, and work twice the hours?**

This is the key question asked of many career changers and anyone else at the VPlevel(

or above) at a company who is looking to switch into banking as an Associate.

Here are the major points to emphasize:

1.You’ve done your homework and spoken with a lot of people about this move –

and you like the finance work you’ve done before.

2.Banking is faster-paced and appeals to you more because you make more of

an Impact.

3.You’re fine with the pay cut and additional hours because of the improved

opportunities to make an impact and advance.

**13.“Failure” Questions & Suggested Answers**

When the economy is bad and when banks aren’t giving out many offers, “failure” is

common. Maybe it’s your greatest fear about banking, or your Plan B if things don’t

work out.

Or maybe it’s just answering those awkward questions about why you didn’t get an

offer last year, or what you did over the past 6 months besides partying in Thailand.

**1. What’s your greatest fear about investment banking?**

Do not give an actual, legitimate fear (losing your friends/significant other, gaining

weight, working too much, hating your life, getting laid off, etc.).

Instead, it’s best to go with something more innocuous like, “Doing a lot of work on

deals and not always getting to see them through to the conclusion because

anything could cause a large transaction to collapse” or having concerns about the

deal flow if the market is poor.

**2. What’s your “Plan B” if you can’t get into investment banking this year?**

You’ll do something finance-related, in a field like corporate finance / strategy or

maybe something else at a bank / financial firm. **You also want to point any offers**

**you have, especially if they’re in finance or consulting.**

“If I have absolutely no way to get into banking at your firm this year, then I’d go work

in the Valuations group at one of the Big 4 firms where I already have an offer – or to

the 2 boutiques that keep inviting me in for interviews.”

**3. That guy over there is from Wharton/Harvard/LSE and has perfect grades –**

**why should I hire you over him, given that you’re much less impressive?**

Bankers hire people who 1) Are smart 2) Can do the work and 3) Are likeable. In

addition to meeting all of those criteria, you’ve also done well in the real-world and

have stellar recommendations to back you up – plus, since you don’t come from a

“blue-chip” background you’re more motivated to succeed than the Harvard guy.

“He does have impressive credentials. But at a bank, you want someone who’s

smart, can do the work, and is easy to get along with. I’ve done well in school and

am working on an Honors Thesis right now, and I have great recommendations from

my 2 previous bosses in my Sales & Trading internships. And I spend most of my

free time sky diving and going on adventures in different countries.

So while he may be qualified on paper, in banking it all comes down to real-world

experience and what kind of camaraderie you have with everyone. I’m confident that

I excel in both of those areas – and since I’m not from a privileged background, I’m

even more motivated to succeed than someone who is.”

**4. Let’s say your MD is meeting with a client and you have been invited. As**

**he’s presenting, you notice a mistake in the materials – do you point it out?**

No – unless it happens to come up in the meeting, in which case you speak only if

the MD asks you about it. In that case you should just briefly acknowledge it and

then move to a different topic.

It’s bad if you make a mistake like that, but it’s even worse if you embarrass your MD

by pointing it out in broad daylight – chances are that no one will notice anyway

since they barely read pitch books in meetings.

**5. I see you have a big gap in your work experience over the past few months /**

**few years / I see you have a gap of 2-3 years a few years ago – what happened**

**there?**

The key here is to spin whatever you’ve done in a positive light. So don’t just say you

were out of work / laid off / looking for work at the time – just mention that briefly and

then say that you were also doing something else constructive with your time, such

as education, travel, volunteering, or a respectable hobby.

If you’ve had some other type of gap because of school, economic hardship, or

something similar, you need to find the strength in whatever weakness you had –

this is really just a disguised “weakness” question.

So if you had to wait tables for 1-2 years to pay for family expenses or support

yourself / pay for tuition, talk about what that taught you in terms of work ethic and

what you learned about yourself in the process.

As with any other “Why don’t you have a blue-chip background?” question, you have

to tie everything back to the “banker-like” qualities.

“The truth is, my family went through some financial hardships back then and I was

forced to take a leave of absence from school for awhile, and spend most of my time

working to help them pay the bills. Initially I was pretty upset, but I learned a lot about

time management, work ethic, and how to juggle 5 different major responsibilities at

once. I lost some time on my peers, but I came out more motivated than before,

helped my family get back on their feet, and got started with independent study to

help myself catch up.”

**6. Why did you get a C in accounting? (Or other bad grade in highly relevant**

**class)**

Don’t even try to make up an excuse unless it’s a REALLY good one (e.g. your

parents both passed away that semester) – just admit it and then point out what

you’ve learned and how you’ve improved since then.

Maybe you took it upon yourself to do additional self-study – or you changed your

approach to studying and did much better in subsequent Accounting classes.

**7. Why did you NOT receive a return offer from your internship?**

For this one it sounds like you’re making an excuse if you say something like, “The

market was bad” or “They didn’t give out any offers” – even if both of those are true.

It’s a better bet to say something like, “I did well in my internship and got positive reviews, but I didn’t fit in with the group’s culture. From those I’ve spoken with so far

at your firm, I think this is a much better fit for me.”

It’s hard to argue with doing the work well but just not fitting in with the group.

**8. You graduated last year and don’t have anything listed on your resume**

**since then –what have you been doing, and did you participate in recruiting**

**last year?**

For this one, if it’s a bank you have NOT interviewed with before it’s best to say you

haven’t participated in recruiting so they don’t see you as “damaged goods.” But if

you’re on the record as having interviewed there before, you need to admit the truth.

You probably want to say something like, “I did some interviewing last year, but I was

not focused 100% due to a family situation. I had to spend a few months after

graduation attending to that, so I missed out on recruiting, but I did some

independent study / additional research / [something else that sounds productive]

and am now more focused than ever on banking.”

Remember, almost anything could be a “family situation” and no one will call you on

it if you say something like this. You also want to convey that your time since

graduating has not been unproductive and that you’re now better-prepared / more

focused.

**9. Why are we your first choice? Wouldn’t you like London or New York more?**

Even if you really do prefer New York or London, you can’t say this in an interview

with a regional office because your #1 goal has to be getting AN offer – not getting

the perfect offer in the perfect location.

It’s best to say something like, “I realize it is unusual and that are other places are

sometimes more popular, but I’m most interested in [Location] because it’s the best

place for [Industry You Like], I have a lot of friends and family here, and on top of all

that the cost of living also beats New York.”

This way you **acknowledge** their “objection” upfront but also point out solid reasons

for picking this location.

**10. Why are you so old? (Stated more tactfully)**

“I realize I don’t fit the typical profile of someone applying to banking – but that also comes with some advantages. I’ve been around longer and explored different

industries, so I have a better of what I want, and I’m going to be more committed

than someone just out of school. I’ve also had a lot more leadership experience and understand how to get things done in a large company – and I’ve climbed up steep

learning curves plenty of times over the years.”

One of the interviewer’s key concerns for older candidates is how well you can learn new things and work long hours – so you should have specific examples on-hand to address both of these “objections.”

**14.“Outside the Box” Questions & Suggested Answers**

You’re likely to receive a number of “outside the box” questions in interviews,

especially if your interviewer is the creative type or if you’ve given “boring” answers in your interview so far.

The main mistake you can make here is **taking yourself too seriously**. With these questions, the interviewer is trying to get at what makes you “cool” and sets you

apart from other people.

So try to have some fun with these.

**1. What type of animal / vegetable would you be?**

Some interviewees take this as a cue to tie your choice back to being a team player, hard worker, or such but that’s not the best approach.

For “creativity”-type questions, interviewers want you to be… creative. So think about your real personality and say something that matches that.

Example: Maybe you’d be a “hedgehog” because it looks like you have “spikes” on

the outside to an observer, but you’re actually warm and fuzzy on the inside.

**2. Let’s say that in the future your name turns up as the front page headline of a newspaper one day – what would the story be about?**

With this type of question you can show more “banker-like” traits such as ambition and hard work – but you shouldn’t take it too seriously.

So maybe the headline states that you climbed Mt. Everest, sold your company in an IPO, or became a best-selling author – you want “ambition + creativity / coolness” for this type of question.

Hopefully the headline wasn’t about your indictment for insider trading.

**3. Tell me a joke.**

“Q: What was the best part of Playboy’s IPO?

A: The pitch book.”

If you have a female interviewer or someone else who might get offended, then try the following corny but impossible to offend joke instead:

“A dog goes into an investment banking job interview, and the banker says to him,‘You've got the job, but only if you can do three things. First, you have to be able

complete an LBO model in 30 minutes.’ So the dog runs to a computer and

astoundingly creates a full model in 30 minutes.

That's very nice! Next, you must be able to spread 10 comps manually in under an

hour. Immediately, the dog sits down at the computer and completes everything in

only 30 minutes.

‘That's perfect! Lastly, you must be bilingual.’ So then the dog says, ‘Meow!’ ”

**4. What’s your personal Beta?**

“Beta” in the Capital Asset Pricing Model (CAPM) measures expected return and

expected risk. Higher Beta means a higher potential return, but also more risk.

You probably want to say above 1.0, but not too much above it – you’re much more

ambitious than the average person, which causes you to try lots of new things and achieve quite a bit, so that inevitably carries some risk.

But you’re not so reckless that you take careless risks – it’s all about moderation.

Don’t go over 2.0.

Bankers like to think of themselves as “entrepreneurial” even though banking is

extremely different from entrepreneurship, so you should take advantage of this line

of thinking and indulge them.

**5. What’s the riskiest thing you’ve ever done?**

Don’t say “cocaine” or any other drug / porn-like / illegal activity (this should be

common sense but you wouldn’t believe the emails I get).

But you also can’t say, “I sat next to the unpopular kid one day…” because that’s not risky at all.

Try to discuss an internship or job experience you had that you never expected to get, or some type of extracurricular/leadership experience that was somewhat

random and turned out to be great – and talk about how it was a calculated risk and that you got a lot out of the decision you made.

If you can point to something you had to be proactive to get, this is a good time to

bring it up.

**6. Let’s say that you have $1 million, but you are NOT allowed to invest it or**

**otherwise use it to create more money. What would you spend the capital onin stead?**

Don’t say, “I would start my own business…” or “I would invest it in…” – many people completely ignore the actual question here.

It’s best to tie this back to whatever your interests and passions are – so you might use the money to support volunteer work you’ve done, extended travel that you’ve always wanted to take, or maybe even to buy that race car you’ve always wanted.

Just make sure your answer is believable – if you have never worked at a non-profit

or in a volunteer group in your life, don’t suddenly try to be a saint. If you love cars,

say you would think about buying a car you’ve always wanted… among other things.