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“Fit” / Qualitative Question Overview

Most candidates underestimate “fit” questions because they assume that technical questions = difficult, and anything non-technical = easy. In a sense, that’s true: it does require more time and effort to **learn the material itself** for the technical questions.

But that doesn’t make “fit” questions ‘easy’ or ‘easier’ – instead, it just means that you have to spend more time **preparing** and **structuring** your answers, and that you don’t have to spend as much time learning the material in the first place (since everything will come directly from your past work experience).

The 15 categories of questions here cover everything imaginable, from walking through your resume to answering questions about your educational background, where else you’re interviewing, how well you work in a team, why you want to do investment banking, and more.

There is a massive amount of content here (over 66,000 written words), so you need to *focus* on the questions that are the most important, given your specific background.

For more on that, be sure to read the “Before the Interview” section below carefully, because we provide specific suggestions for what to focus on depending on how much time you have left before your interviews begin.



Before the Interview: How to Prepare

If you want to experience serious success in finance interviews, you need to start preparing **well in advance** of your interviews.

Even if you only have a matter of hours or a day before your interview, you can still do preparation that will make a huge difference. And if you have more time than that, you'll be able to *truly* stand out above everyone else.



We've divided this section into several categories, some of which are more important or less important depending on your background, the level of roles that you're interviewing for, and other factors.

You should **always** take the time to think through your resume / CV and prepare to discuss the items on there – even if you only have 15 minutes to think about it – but the rest of this list is optional and depends on how much time you have available.

How to Prepare to Discuss Your Resume / CV

With limited time, this is by far the most important task. Take a look at each work / leadership experience on your resume / CV and come up with the following points:

- **Summary of What You Did** (ex: "I assisted financial advisors with analyzing client portfolios, making recommendations on asset allocation, and helping clients to earn higher returns.")
- **Top 3 Results / Projects / Clients** (ex: You saved them 10 hours per week of time with a new process you invented, you helped one client earn a 15% return rather than a 10% return with your new strategy, and you improved client retention by 10% via an email marketing campaign you set up.)
- **What You Learned and How It Relates to Banking** (ex: You learned how to analyze numbers more effectively, make recommendations to clients, and work in a team of 5 to achieve results on tight deadlines.)



You should also know your rationale for attending each educational institution on your resume / CV, what you achieved there, and how it prepared you for banking, using the same points above.

Once you have all these, you need to **outline your “story”** – your answer to the “Walk me through your resume” or “Tell me about yourself” question – and make sure that’s solid.

Please see the dedicated section of this guide for more details on telling your story and review the dozens of templates and tutorials we have on this topic.

Even if you only have **30 minutes** to prepare for the interview, you need to do everything above or you’ll have no chance of winning an offer.

Answering the “Fit” Questions



There are dozens, if not hundreds, of possible “fit” questions, and countless more variations that interviewers could come up with.

We cover the most common and most important ones extensively in this guide, and provide example “good” answers for all of them – and show you how to prepare for each question category and structure your answers.

With limited time, though, you need to **focus** on specific categories:

- **Resume, Team / Leadership, and Strengths / Weaknesses** questions will **always** come up regardless of your background, so take the time to review these and prepare solid answers.
- **“Warren Buffett”** questions are also very likely regardless of your background, so *do* spend time on those and come up with a few examples of interesting companies, deals, trends, and stock pitches.
- Questions about **Your Future** and **Why Banking** are also very common, but they are not difficult to answer as long as you have already developed a solid “story” using our templates.



- **Analytical, Career Changer, and Understanding Banking** questions are much more likely if you're moving in from a different industry. So if you've already had a lot of finance experience, do not go crazy with reviewing these.
- **Culture, International, and "Failure"** questions are case-by-case; these are more important if you have something specific that you know they'll ask about, such as a gap on your resume, why you didn't receive a return offer from your internship, or why you moved from China to the UK when you were 15.
- **Outside the Box and Recruiting Process** questions are much more common if you're an undergrad or recent graduate. Neither should require a whole lot of preparation.

The bottom-line: **with limited time, focus on preparing examples for Resume, Team / Leadership, and Strength / Weakness questions.**

On your resume, you should select **3-4 different experiences** you can use and re-use to answer all of these questions and more. These stories can come from both work experience and student groups / organizations, but if you've already worked full-time they should come from your work experience primarily.

We provide detailed, step-by-step guidance on how to prepare and what to say for each question category in the guide – but here are the 4 most important points with **all** "Fit" questions:

1. **Structure** – Good structure can turn a weak or decent answer into a great answer. If you answer questions in a **structured** way, it implies that you have good communication skills and can explain concepts clearly.
2. **Story** – An answer with a **supporting story** or anecdote, even something very brief, is far better than an answer without a supporting story. You don't need to come up with a riveting, page-turning novel here – just something that's not generic.
3. **Synthesis** – After you give your answer and support it with a story (or other specific example), explain **how it relates to banking and gives you the skills required to succeed.**





4. **“Short”** – Finally, resist the temptation to ramble on and on for “fit” responses. If you can keep it under 30 seconds, great. 60 seconds is pushing it, but may work if it’s something more complex. Anything beyond that means that you’re rambling.

Yes, we do provide sample answers here that would go beyond 30-60 seconds if you recite them – but we’re doing that so that you can get **ideas** for how to structure your own answers and explain in more detail what a “good answer” means.

In real life, you should shorten your responses and be as concise as possible.

Learning the Technical Side

With limited time, you don’t have weeks to spend learning every technical detail in-depth.

And that’s why we provide **Key Rules of Thumb** and quick overview tutorials in this edition of the guide for all the technical topics you could be asked about in interviews.

The 6 core topics are Accounting, Equity Value & Enterprise Value, Valuation, Discounted Cash Flow (DCF), Merger Model, and the LBO Model.

With extreme time limitations, do not look at the actual questions and answers in these sections – just review the tutorials in the beginning instead.

If you have more time than that (at least a few days) and you really need to brush up on the technical side, then you should practice with the **interactive quizzes** we provide; if you have even more time than that, you can look at the **Q&As in the guide itself** as well as the sample **Excel models and video tutorials**.

Do not ignore qualitative questions and focus exclusively on technical questions.

Yes, technical questions are harder to prepare for, and yes, they have become more important in recent years... but most of your success in interviews will be determined by your “story” and by what you say in the first few minutes.



Rehearse, But Not Too Much



One of the most common interview tips given in other guides and is: “Practice! Always rehearse what you’re going to say and plan it out!”

I don’t disagree with that, but you need to be careful with **how much** you rehearse.

If you memorize answers word-for-word and try to script out everything, you’ll sound artificial and unconvincing in actual interviews – and if you get a question on something that you *haven’t* scripted out, you’ll get flustered and confused.

You should definitely outline your “story” and answers to the most important Team / Leadership and Strength / Weakness questions, as well as anything else specific to your background, but beyond that you should **not** memorize answers word-for-word.

Once you’ve outlined these answers, practice in front of a mirror or with a friend, but don’t get too carried away with these rehearsals.

This entire guide (the questions and answers, technical tutorials, Excel files, videos, interactive quizzes, and story templates) will be far more helpful for you because you can only cover so much ground in a 30-minute practice interview.

Always Scan the News in the Morning

You don’t need to know as much about the markets as traders do, but you still need to be aware of recent, major news:

- Financial scandals?
- Banks or other companies failing and being bailed out?
- A recent election?
- Important legal rulings?
- Massive M&A deals or IPOs?



- General economic news, such as the unemployment rate, GDP growth, and so on.

You should already be reading *The Wall Street Journal* and/or *Financial Times*, so on the day of the interview you just need to scan them quickly and make sure that you have a handle on all major news.

I've seen cases where someone goes in for an interview and he/she gets rejected or receives a poor response because he/she seems out of touch and does not know about recent news.

Researching Stocks and Companies



This is extremely important for equity research and hedge fund interviews, but you also need to know about stocks, deals, and interesting companies and trends for IB and PE interviews.

You don't need to go crazy with this and spend days researching them, but it's worthwhile to take a few hours out of your day and come up with 2-3 interesting companies, 1-2 recent deals, and 1-2 industry trends to talk about.

[Click here to get a complete guide and video tutorial on how to do all that and more.](#)

Again, these are much more important on the equity research, asset management, and hedge fund side, but it's worthwhile to spend some time on it even for investment banking and private equity interviews.

How to Research the Bank and Your Interviewers

Spend time on this **only** if you have the extra time to spend.

If this is a last-minute interview and you only have a few hours, skip this and do the bare minimum necessary – i.e. go to the bank's website and make sure you understand what they do and a few deals they've advised on recently.



If you have more time available, look up the firm on LinkedIn and see who works there, what types of backgrounds they came from, and where they went to school.

If you're lucky enough to get a list of interviewers in advance, do all the usual LinkedIn and Google research on all of them and learn as much as you possibly can.

You might be able to figure out in advance, for example, that one interviewer is from a liberal arts background, just like you – so maybe you can point that out in the interview and “bond” over that shared experience.

And if one of the interviewers comes from a very technical background (e.g. he worked in FIG, distressed debt investing, and Special Situations), then you know in advance that he may ask you more detailed technical questions.

The bottom-line: If you have time on your hands, find out as much as possible in advance. If you do **not** have time, do the bare minimum research and make sure you understand what the firm does and a few recent deals / investments they have worked on.

What to Wear on Interview Day

Business formal. If you're male, this means a suit and tie – and not something that looks like a hand-me-down from your older brother.

You don't need to spend a fortune on a suit, but it's worth getting at least a moderately priced one that fits you well and that implies that you're taking the interview seriously.



If you're female, “business formal” also means “wear a suit” – do not wear a dress or go in looking like you're auditioning to be a pole dancer.

Yes, if you're attractive you may be able to “convince” some male bankers that you're an exceptional candidate, but this is generally a horrible idea that will almost always backfire.



If you're male and you don't know how to tie a tie, look it up on YouTube or get a friend to help you – if you walk in without a properly tied tie, interviewers might rightly think, “OK, this kid either has no friends and therefore no social skills, or he cannot use a search engine... and clearly he cannot work in investment banking if either of those is true.”

Similarly, make sure your shirt is wrinkle-free and either iron it yourself or pay for dry cleaning.

What to Bring With You Physically

Just bring a nice-looking folder with hard copies of your resume / CV, a few extra sheets of paper, and a pen or pencil (in case you get questions where you need to write something down).

There's no point in bringing a calculator because they won't let you use it for math tests or case studies anyway, and because it's not even necessary for the questions you'll receive.

Mindset and What to Expect Walking Into the Interview



Always maintain **low expectations** in interviews. If you walk in expecting **nothing**, you'll never be disappointed.

When you walk in, all you should think is: “I view this as an opportunity to improve my performance for the next interview.”

Some people suggest that you should **expect** to be grilled or receive insanely hard questions in order to prepare yourself properly. I think that's going overboard and isn't really necessary.

But on the flip-side, you definitely do **not** want to walk in and expect that you'll win an offer immediately, especially if it's your first interview or it's relatively early in the process and you haven't spoken to many different firms yet.



How the Process Works

This one depends on the region you're in: North America is different from Europe, which in turn may be slightly different from Asia, Australia, and so on.

Here's how it works in **North America**:

1. Submit your resume online and/or win an **interview** via networking;
2. Go through a **first round interview**, which may be on the phone or may be done on campus if you're at a school where banks typically recruit;
3. Move to the next round – the **Superday** – at the bank's offices, and meet with between 5 and 10 bankers at all levels;
4. If they like you, you receive an **offer**, or you may come back in for even more interviews over an extended period.

If you have more work experience, if you're interviewing for lateral positions, or if you're interviewing for buy-side roles, this process will drag on for longer and there may not be an official "ending" even after many rounds of interviews.

But that's the general progression: resume submission, quick phone interview, and then multiple interviews across all different levels, in-person, at the bank.

In many cases, you'll get more technical questions in the earlier interview rounds, but as you progress toward the end the questions will become more qualitative because they care more about "fit" at that stage.

Outside of North America (Europe, the Middle East, and sometimes other regions such as Australia and Asia) the process differs in several ways:

1. In addition to submitting your CV and cover letter online, you also have to submit **competency questions** – basically written versions of answers to “fit” questions. You can apply all the strategies for “fit” questions in this guide to these questions.
2. Rather than Superday interviews, banks use **assessment centers** where you have to participate in group exercises, case studies, interviews, presentations, and more.
3. There may also be **aptitude tests** in this process that test your numerical, verbal, and reasoning abilities.



Answering competency questions is not much different from answering normal “fit” questions, so you can use all of the strategies outlined in this guide for those. Just make sure you keep your responses **concise** and within the word count they give you.

We don’t cover aptitude tests here, but there are plenty of sources for that online – [one good site is Assessment Day, where you can sign up for dozens of real practice tests.](#)

For more tips on interviews and recruiting outside of North America, please see these articles on M&I:

- [IB Assessment Centers and Competency Questions: Overview](#)
- [EMEA Recruitment, Part 1 – Overview, Competency Questions, and Aptitude Tests](#)
- [EMEA Recruitment, Part 2 – Assessment Centers](#)
- [Investment Banking Case Studies – Bonus Section of the Interview Guide](#)

I’ve gone back and forth on whether to include more material on assessment centers, competency questions, and aptitude tests in this guide, and I may do that in the future.



However, there is **a lot** of overlap with everything else covered here – from the “fit” questions to the technical topics.

So it would be quite repetitive to include even more coverage and make 80% of it very similar to what’s already here.

The bottom-line on recruiting in Europe and other regions: Yes, you need to do well on these aptitude tests and perform well at assessment centers, but you can already do that by following this guide and the case study coverage here, and by signing up for a few practice tests online.

And we’ll add more formal coverage of **case studies** to this guide in the near future.

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Analytical / Attention to Detail Questions & Example Answers



Analytical, quantitative, and attention-to-detail questions are common if you're a liberal arts major or you haven't had engineering, math, or science-related classes.

But even if you've had finance or analytical experience before, you'll still receive these types of questions.

On the surface, the point of these questions is to assess whether or not you can do the math and handle the quantitative side of the business...

...But as with all interview questions, they're also designed to test your **communication skills**.

The keys to answering these questions are **preparing your examples in advance** and **structuring your responses** correctly. If you do those, you'll be well-ahead of other interviewees.

Preparing Examples in Advance

Take a look through your resume / CV, and pinpoint 2-3 examples of the following types of experiences:

- Analysis, whether qualitative or quantitative that you did during an **internship** or **full-time job**.
- **Math or quantitative classes** – at any level.
- **Research projects** that involved a math / analytical component.
- **Self-study** (e.g. the CFA) or classes taken outside of school.



Let's say you're an English major and you have nothing that jumps out as being "analytical" or "quantitative." Here are 3 examples you might be able to use:



- A **research project** you worked on where you analyzed literature... but you had to be **precise** about picking the right sources, deciding how to allocate your time, and figuring out the most efficient way to complete the project with limited resources.
- In a **student group** you were in, you had to work within a specific budget to plan a major event – that required quantitative ability because you had to figure out how to get the most bang for your buck.
- A **math elective class** you took – no explanation needed.

Structuring Your Response

You should use the following **structure** for your responses:

1. **Summary Statement / Acknowledgement**
2. **Supporting Point 1**
3. **Supporting Point 2**
4. **Supporting Point 3**
5. **Conclusion / Summarize Your Impact and How It Applies to the Job**

You don't necessarily need 3 supporting points as long as you have 1-2 good ones. You'll see how to apply that structure with each sample question below:

Discussing Analytical and Quantitative Experience

1. I see you've done a lot of journalism and policy-related internships – can you discuss your quantitative skills?

State upfront that while your work experience *has* been more qualitative on paper, you've actually done a lot of analytical work in the course of those internships / jobs.

Furthermore, you've also done a lot on your own outside of work to gain quantitative skills and to prepare for finance. Give at least 1-2 specific examples, and close by stating how that experience is relevant to finance.



Sample “Good” Answer: “Sure. On paper, a lot of my experience has been more qualitative, but I’ve done quite a lot of analytical work in my public policy internships, and I’ve also improved my skills outside of the internships.

Three examples I can give: First, during my most recent internship I had to analyze lots of data on government healthcare spending in Excel. Second, I built a budget for our debate team and made sure that our income matched our expenses. Third, I’ve also done some investing via my own personal portfolio and have analyzed metrics like P/E for different companies to figure out what stocks might be undervalued.

I’ve gained quantitative skills from each of those that are directly relevant to banking, since you use Excel, work with budgets, and look at valuation multiples all the time there.”

Why It’s a Good Answer: The interviewee states upfront how he gained quantitative skills, then gives 3 specific examples, and then closes by pointing out how the skills are relevant to the analytical rigor required in finance.

2. Your background has been in law / liberal arts / marketing / something else that’s less quantitative. What initiative have you taken on your own to gain quantitative skills and learn more about finance?

Acknowledge upfront that you have had more qualitative experience, but point out that you’ve also gained valuable communication skills in the process, which you still use all the time in banking.

Then, give at least 1-2 examples to show how you’ve improved your quantitative skills on your own, and then state how your background makes you an ideal fit.

Sample “Good” Answer: “Sure. My background has been more qualitative, but at the same time I’ve also gained solid communication and presentation skills from that. And outside of work / school, I’ve also taken the time to improve my quantitative skills.

Two recent examples: First, I’ve been studying for the CFA and am planning to take Level 1 of the exam this December, and that has required intense studying and practice



with finance and math. Second, I've also completed a few elective classes on accounting and finance, and I've learned about financial statement analysis from that.

I'm not an expert on those topics yet, but I've been taking the time to learn about finance, improve my quantitative skills, and combine them with my communication skills, which are all relevant to what you do in banking."

Why It's a Good Answer: The interviewee acknowledges the interviewer's concern upfront, but then states that he has taken the initiative and gives 2 specific examples. Then at the end, he "hedges" himself by saying that he's not an expert, but that he is learning and gaining skills that are highly relevant.

3. Can you walk me through your thought process when you completed a quantitative task in your most recent internship or full-time job?

State upfront what you were doing and what the purpose was of the task was, then break it into 2-3 discrete steps, and then state the impact of this task at the end.

Sample "Good" Answer: "Sure. In my private wealth management internship, I had to calculate compounded annual returns data for our top clients and then make investment recommendations based on that.

Step 1 of the process was getting a list of each client's investments, the date they made them, and the amount invested. In Step 2, I collected data on when they sold investments and the selling price of each one, or the current value of investments if they had not sold them. Finally, in Step 3 I calculated the return for each investment in Excel, and then did a weighted average over the years for each client to calculate the compound return.

This process was essential because the financial advisors later used the data to make suggestions on which clients should consider new investment strategies – my work saved the advisors hours of time, and resulted in 2 clients earning higher returns in the next month."



Why It's a Good Answer: The interviewee states upfront the work experience, what the purpose of his task was, and then breaks it into a specific 3-step process. Then at the end he explains its importance and how the clients and advisors were impacted.

Note that he did *not* go into a ton of detail here, and that's fine – it is always better to keep your responses on the short side (30 – 60 seconds maximum) and then leave it to the interviewer to ask for more detail if he/she wants it.

Attention-to-Detail / Multi-Tasking Questions

These questions are similar to the ones above, but you don't need to focus on the quantitative side as much. They're designed to test whether you can handle other key tasks that bankers deal with all day: **fixing small errors in documents** and responding to multiple “urgent” emails and phone calls all at once (don't you wish you had gone into medicine instead right about now?).

4. Can you tell me about a time when you submitted a report or project with misspellings, grammatical mistakes, or other errors?

This is a variant on the typical “Failure” or “Greatest Weakness” question. The twist this time is that your failure must be related to a **specific type of mistake you made**.

Do **not** claim that you've never made a mistake like this because it's completely unrealistic.

You can use the structure above once again, but this time you should use the following points:

1. Explain the **situation** upfront and state what your task was.
2. Then, explain what **mistake** you made...
3. And then explain what you **learned** and how you improved upon it.
4. Cite another **example** showing your improvement.
5. State how you've **improved** your attention-to-detail over time.



Sample “Good” Answer: “In my previous full-time job as a client account manager at Digital ABX, we had to submit budget estimates for the next fiscal year, and my team was tasked with reviewing spending this past year.

During the review and editing process, I accidentally swapped two categories and so our budget recommendations were reversed in the report.

It didn’t have an enormous impact since management discovered it quickly, but from that point onward I always tried to review my work, get another pair of eyes on it, and then ‘let it sit’ for a day and double-check it again.

After that, during the budget review process each year our team was consistently ranked #1 at the company and there were no mistakes like that again. I’ve improved my attention-to-detail over time with this type of continual practice.”

Why It’s a Good Answer: The interviewee states upfront the **situation** – budget estimates – and then gives the specific mistake she made. Then, she spends most of her time emphasizing that it *wasn’t* a catastrophic mistake, and that she learned and improved over time, to the point where her team was ranked #1 for the rest of her time at the company.

5. Have you ever worked on a project or report that was shown to a large number of people?

This is a variant on the “attention-to-detail” question above, but puts a positive spin on it rather than a failure / weakness spin.

You may have a hard time coming up with an example depending on your background / work experience, so here are a few that you could use:

- A journal or student publication
- A client deliverable
- Lab or medical work
- A website
- An internal company report



Almost **anything** works as long as it demonstrates your attention-to-detail – “a large number of people” is subjective and you don’t need to have had an audience of 2 million people or anything.

Sample “Good” Answer: “A few years ago I worked on editing an issue of the alumni newsletter that was dedicated to updating 10,000 alumni on our fundraising efforts. My role was to collect submissions from our writers, arrange them, and make final edits.

It took 2-3 weeks to complete, and we went through several revisions of the issue, and had to re-shuffle the order and change topics around a few times.

But it turned out really well – not only were there no errors, but it actually resulted in a 10% increase in alumni donations the following year.”

Why It’s a Good Answer: Once again, the interviewee states the situation and his task upfront, then gives a few supporting details, and then gives the result at the end. Also here, he goes beyond just the “no errors” part and points out how his work led to a broader positive result as well.

6. How well can you multi-task?

With this one, you need to say that you’re good at multi-tasking and point to a specific example of when you had to do it over a *prolonged* period – because that is what you do in banking.

For the supporting reasons, you should explain how you pulled off the project in question despite the considerable demands and time pressure confronting you.

Sample “Good” Answer: “Overall, I can multi-task pretty well and I’ve done it for extended periods in the past. As one example, during my 2nd year in school I had to take 5 classes at once, work part-time 20 hours per week, and also put on events for my business fraternity.

To do all that, I was shifting my focus every 20-30 minutes during the day outside of class, and made it through around 10 weeks by working when I had to, figuring out events in my spare time, and studying and completing homework around those.



I still earned A's in each class at the end of the semester and our organization put on 3 successful events that also attracted more recruits. Overall, I learned a lot about multi-tasking and juggling different projects, which are both important in finance."

Why It's a Good Answer: The interviewee states that he's good at multi-tasking upfront, and then gives the example he's going to explain. He supports it by explaining how he dealt with the time constraints, and then at the end he gives the result and states how it's also relevant to finance.

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“Career Changer” Questions & Example Answers

“Career Changer” questions are very important if... you’re changing careers or if your major was unrelated to finance. If you’ve already worked in finance, this section is much less important.

It’s much easier to explain why you’re moving from investment banking to private equity than it is to explain why you’re moving from marketing to investment banking.



There is a **lot** of overlap with our Resume Walkthrough Templates in this section, so you should also refer to those, find the one that matches your background most closely, and fill in the blanks with your own experience and motivation.

The formula here is: Skills Gained in Previous Career + Finance = Long-Term Success.

You always want to:

1. Stay **positive** about your previous and/or current experience and highlight **transferable skills**.
2. But then indicate how your previous / current job wasn't *everything* you were looking for, and how the job you’re interviewing **closes that gap**.

The two major question categories here are **general** questions about transferring in, and then questions about **specific** career changes – going into finance from marketing, wealth management, consulting, law, trading, and so on.

You do not need to review all of those questions and answers on specific career changes – only the ones that are relevant to you.

Preparing Examples in Advance

You need to come up with your basic rationale for switching in, based on the formula above:



1. What you **liked** about your previous career (e.g. Working with clients and making an impact on their businesses via the marketing advice you provided).
2. But what was also **missing** (e.g. You also wanted to work on strategic and financing activities).
3. And how you'll get that in **banking** (e.g. You also get to work with clients, but now you get to advise on all matters and do more analytical work, while also gaining a high-level overview of businesses).

We can't tell you exactly what to say for each of these points, because it really depends on your background. But there are many examples and sample responses below, so those should give you more than enough to frame your responses.

Also think about the following points, especially if you've been working full-time for several years:

1. What **transferable skills** have you gained from your previous or current experience? What about what you've learned outside that work experience, such as from self-study programs or classes? Think about points like client relationship skills, project management, teamwork/leadership, attention to detail, analytical / quantitative skills, and then more specific skills such as valuation, financial modeling, and due diligence.
2. Why are you making this change **now**? This is easy to answer if you're about to graduate from university or from an MBA program, but much harder if you've worked at a law firm for 3 years. You need a **specific story** to explain your motivation if you're in the latter category.

Structuring Your Response

You can use a similar structure to answer these questions, because they are all quite similar:

1. **Acknowledge** their objection upfront (e.g. "I agree that you don't see many people like me, moving in after 3 years of work in corporate law").
2. But then **state your reasons** (1-2 reasons are fine) for making the switch and why it makes sense anyway (e.g. "But I've been interested in deals and in finance all



along, and got even more interested due to a few clients over the years in my current role – and long-term, I want to advise companies on more than just legal issues”).

3. Then, **explain** each of your reasons in more detail – using the example above, you might talk about your interest in finance starting in university from competitions or an investing club you were in, and then how you worked on the legal side of a few M&A deals in your corporate law job and helped draft the purchase agreements.
4. **Conclude** by summarizing your transferable skills and long-term goals.

You’ll see examples of how to apply this structure with the sample answers below.

General Career Changer Questions

1. Why are you changing careers, and why are you doing it now? It’s unusual to move into investment banking at this late stage.



It’s the same rationale discussed above: talk about how you liked some aspects of your current career, but wanted more, and how banking / finance provides what you’re looking for.

The “Why Now?” part is straightforward if you’re graduating from a university or MBA program, but if you’ve already been working full-time then you’ll have to have a work situation / client / project in mind to explain the timing, and ideally another factor as well, such as you feeling that you’ve achieved all you could in your current role.

Sample “Good” Answer: “Sure. You definitely don’t see many VPs of Finance at Fortune 500 technology companies moving into investment banking, but my case is more unusual since I’ve had a long-term interest in the field, and have gotten more interested over the years as I’ve worked on projects here – and long-term, I want to be an advisor to technology companies.



During my MBA program, I was involved in the student investment and finance clubs, and prior to that I worked in corporate development at Google – so I’ve always been interested in deals and advisory work.

Originally when I accepted this role, I thought there would be more exposure to business development and M&A activities at my firm, but it turned out to be more closely linked to internal budgeting and forecasting – I enjoy the analytical side, but I also like working with other companies and clients and analyzing potential acquisitions.

I’m making this move now because I feel I’ve achieved all I can in my current role, and the company does not make it easy to transfer internally – and a few recent deals such as our \$500 million acquisition of Solarix Systems have definitely shifted my interest and focus to transactions.

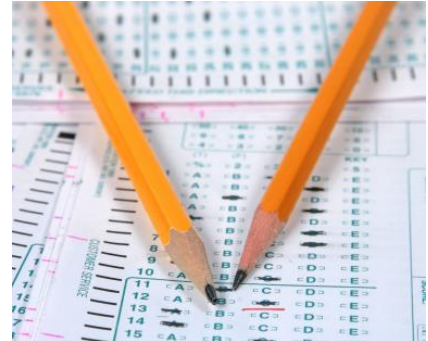
My long-term ambition is to become an advisor to technology companies and combine my skill set, experience, and knowledge of finance with what you do in investment banking, and your firm is the best way for me to get there.”

Why It’s a Good Answer: She points out her long-term interest in the field, giving a few examples from past experience, and also justifies why she accepted the role in the first place – she thought it was going to be significantly different. When it turned out *not* to be what she was looking for, she decided to make the move.

She explains the “Why now?” part by stating that internal transfers are difficult and hinting that she’s hit “the ceiling,” also pointing to a recent deal the company did that made her even more interested in working on deals full-time. Finally, at the end she summarizes her long-term goal and explains why banking is the best way to get there.

2. What transferable skills have you gained in your previous jobs that would apply here?

You need to go through your resume / CV and what you've done in your current role to come up with good skills to speak to for this one. Some ideas to get you started thinking about this:



- Analytical / quantitative abilities
- Financial statement analysis
- Valuation
- Due diligence
- Teamwork / leadership
- Attention to detail
- Client relationship management
- Project management
- Outside certifications, training programs, and self-study courses

Sample “Good” Answer: “On paper, someone from my background – product management at Salesforce.com – has a different skill set from what you use in finance. But I’ve actually gained a lot of transferable skills, both on the job itself, and outside of work via my own studies.

First off, on the job itself, I’ve led teams of 10-20 engineers and designers and resolved conflicts before they ever derailed projects. And I’ve worked with many of our top clients over the years, learning how to give them what they want and make everyone happy in the process. I’ve also had to be very attentive to detail when assessing products, new features, and making sure that everything works for all clients regardless of their setups and use cases.

Next, outside the job, I’ve taken the initiative to learn financial statement analysis, valuation, and modeling via several classes I’ve enrolled in. It’s not the same as working in banking, of course, but I am familiar with the work you do and am confident that I can start contributing right away.

That’s why I would be so excited to get the opportunity to join your firm – I can immediately leverage the leadership and client relationship skills I’ve gained from work



and my outside study of the technical skills, both of which are important in investment banking.”

Why It’s a Good Answer: She acknowledges the typical objection upfront (“Product management is too different!”) but then explains that she has gained leadership and client relationship skills from her job, and has learned the technical side on her own outside work.

At the end, she not only restates these two points but also says once again how excited she would be to have the chance to join the firm – an important point, since interviewers often judge you based on your **enthusiasm level**.

3. 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?

For this type of question, you need to emphasize that you’ve done your homework and you know what you’re getting into – but you’re thinking **long-term** rather than short-term, and the sacrifice is worth it if you get to do work that’s more in-line with your personality and goals.

While we usually recommend **against** citing points like the “faster pace of work,” it may be more acceptable to do that here to further justify your motivation for making the move.

Sample “Good” Answer: “Sure – I agree with you that it’s unusual to see people at the VP level at companies who decide to move into investment banking and take on a more junior role, but ultimately it’s a better fit for me, and I think long-term rather than short-term with my career.

Banking is a better fit for me because I get to do the work that I really enjoy – working with and advising clients, and covering both the quantitative and qualitative aspects – as opposed to just working on internal projects. Everything from the quicker pace of work to the challenges that come up fit in better with my personality. And my long-term goal is to be an advisor to management teams, so this move makes a lot of sense.



The second point is that I think long-term with my career choices – sure, I sacrifice pay and work longer hours, but ultimately I would rather do that if it leads me to the place I want to be in the long-term, as opposed to sitting in an ‘easier’ role that doesn’t challenge me as much.

So that’s why I’m so committed to making this move – it is much more in-line with the work I want to do, and in the long-term it’s exactly where I want to be heading.”

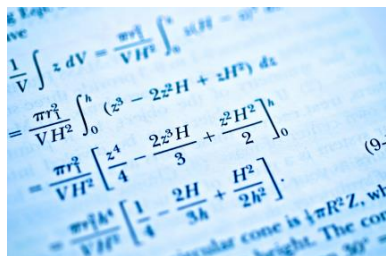
Why It’s a Good Answer: He acknowledges the objection upfront, gives his 2 key reasons for making the move, and then explains and supports both of those reasons. It would be better here if he could point to a specific *industry* that he wants to be an advisor in, but it’s not necessary.

At the end, he uses the word “commitment” because that’s also one of the **key objections** that bankers will have – they don’t like to see people hopping around randomly, even though it happens all the time.

Questions About Specific Career Changes

For these questions, please review our Resume Walkthrough templates and video tutorials for explaining career changes coming from different backgrounds. We’re only providing very brief summaries here, but there’s more in-depth treatment elsewhere in the guide.

4. You’ve had lots of engineering experience and you’ve worked at many tech companies. Why do you want to be an investment banker now?



This is a shortened version of your “story” – so you don’t need to go into tremendous detail here, but you can bring up some of the same points you used there.

Most likely, they’re asking this because they want more detail on your motivation or because they weren’t convinced the first time around.

Good reasons to highlight here:



- You're passionate about **finance** and **transactions**.
- You want to make a **broadier impact** and do work beyond just your own company.
- You want to become an **advisor** to companies in your industry.

Sample "Good" Answer: "Sure. I have worked at tech companies before, but I'm making a career change into investment banking because I'm most passionate about finance and transactional work, I want to make a broader impact, and in the long-term I want to become an advisor to technology companies.

I actually took a number of financial engineering classes in university, so I've always had an interest in the field – and while I've enjoyed the analytical side to engineering, I also want to make a broader impact with my work, which is easier to do in finance. I've also been through several courses on accounting and finance, and have even started learning more about financial modeling on my own via online courses.

Also, while I've enjoyed my time at my current company, in the long-term I want to understand what the entire industry is doing and help to advise many companies on the key financial and strategic issues facing them. So I would be very excited if given the opportunity to join your firm, because it's exactly the type of work I want to be doing, and the fact that your bank focuses on technology M&A perfectly positions me for my future goals."

Why It's a Good Answer: He uses the exact reasons we give above, summarizing them upfront and then restating his enthusiasm and interest at the end.

He also makes a few other points worth noting here – for example, he's **taken the initiative** to learn accounting and finance on his own, further proving his commitment, and he establishes that he's always had *some* level of interest even from early on. Tying in the firm's focus or the group's focus to his career goals and background is also a great move.

5. You've done Big 4 accounting for the past year – why would you want a job that's a lot more stressful and requires twice the hours?



work, etc.) he instead talks about learning the deal process in-depth, and how it would contribute to his future goals.

Notice also how at the beginning of the response, he **flips around the interviewer's own words** and positions IB as "faster-paced and more of a commitment" rather than "more stressful with twice the hours." Nice. Very nice.

6. Why are you looking to move from wealth management into banking?



Good reasons to point to here:

- You've enjoyed the analytical / finance work and following the markets, but you want to work with **companies** rather than individuals.
- You're more passionate about **deals** rather than following individual companies and asset classes.
- In the future you see yourself as more of an Investor or Advisor to Companies as opposed to working with high

net worth individuals.

Sample "Good" Answer: "Sure – I've definitely enjoyed my time in wealth management at Smith Barney and have gotten a lot out of it, but in the future I want to work on transactions and learn that process in-depth rather than advising high net worth individuals.

What I like about wealth management is how there is some analytical work and how you have to understand the markets to properly advise clients – but I'm looking to do that on a much bigger scale, and I'm more interested in how transactions such as M&A deals and debt and equity financings work. I've followed a few recent deals such as ABQ Corporation's \$5 billion acquisition of DCZ Corp's mining interests in Canada with great interest, and I'm eager to work on deals like that.

Also, while I've enjoyed advising individuals and contributing to the work that financial advisors at my firm do, in the long-term I want to develop relationships with management teams at companies instead – and investment banking is the perfect way to get there and eventually take on that trusted advisor role. So that's why I'm so



excited about making the switch and having the opportunity to join your firm: the work itself, my own personal interests, and how it lines up with my future goals.”

Why It’s a Good Answer: He goes through a few of the good reasons above that explain the motivation to move from wealth management to investment banking, and then talks about a **specific deal** he followed – this shows that he’s “the real deal” and can point to examples that back his interest rather than just speaking in generalities.

Then, he concludes by going into his long-term goals and restating how the firm and group line up with his own work goals, personal interests, and long-term career goals.

7. 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 the 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?

Here’s your set of good reasons to cite:

- You want to be involved with the **entire deal process**, from beginning to end.
- You want to become a **trusted advisor** to management teams, not only on legal issues, but also on strategy, financing, and M&A.
- You want to combine your **legal background** with your finance skills and advise companies in a group such as Restructuring where there’s significant legal overlap.



With this type of move, it is **very** tempting to go negative and say thing like, “As a lawyer, you just do paperwork and check the facts – you don’t drive deals or influence business!”

You need to **stay away from that type of reasoning** because it won’t help you. The formula is the same as always: you like *some* of what you do, but you’re missing something, and banking is the way to get there.



Sample “Good” Answer: “Right – it’s certainly not a transition that you see often, but it makes a lot of sense given my background and interests. I’ve enjoyed my time at Wilson Sonsini, but over time I’ve become more and more interested in the finance and business side of deals, and I’m interested in leveraging my background to eventually advise companies on more than just the legal parts of deals.

I had always had an interest in finance and took several classes in university, but went the law route because at first I was really interested in public prosecution – but then after several internships, I was drawn increasingly to the corporate side, and ended up practicing corporate law at my firm.

I’ve enjoyed the deals that I’ve worked on so far, but I’ve also realized that I want to work on the financial side of deals as well – going back to my original interest – and after seeing firsthand the analysis that took place with clients such as Exxon Mobil and their \$1 billion acquisition of WTG Energy. I’ve been studying the technical side on my own, and look forward to doing more of that work and learning the entire deal process in the future.

In the long-term, I want to leverage my legal background and the finance skills I’ll gain in investment banking to become a trusted advisor to companies – and your firm is the perfect place for me to gain those skills and work toward that eventual goal.”

Why It’s a Good Answer: Not only does he explain the points above well, but he also points out how he **was interested in finance from early on**, and also that recently he’s been **learning more on his own** – which sets him apart, since most lawyers cannot claim either of those.

He is also smart to name drop a recent acquisition and relevant client here – this example is fictional, but you should definitely do this whenever possible and point to the specifics to prove your interest.

8. You worked at McKinsey last summer. Why are you trying to get into investment banking now, when you could easily go back to any management consulting firm?

Here are good reasons to cite:

- You like **advising** companies, but want to do more quantitative and financial work as opposed to the mostly qualitative work in consulting.
- You want to make more of an **impact** with deals where something concrete happens, as opposed to making recommendations that may or may not be implemented (be careful with this one because deals often fall apart).
- In addition to advising companies on strategic issues, you want to work on **financing** and **acquisition**-related issues.



It's not a great idea to point out how you don't like the constant travel in consulting, because it's more of a "lifestyle" point and less of a "the work itself" point.

Sample "Good" Answer: "Sure, that's true and I do agree with you – I *could* go back to consulting quite easily, but I'm not doing that, which shows how committed I am to making this change. I'm very interested in going into investment banking instead because I want to do more quantitative work, and make more of a concrete impact by working on deals.

While I definitely learned a lot working with consumer / retail and Internet companies, I got more and more interested in quantitative work and financial analysis along the way – with one client, we handled much of the customer due diligence for a pending M&A deal, which made me more interested in the whole process. In university I had participated in a number of case competitions sponsored by large banks and really enjoyed it, and that type of work – where you combine the finance with the bigger picture – is what I want to do.

The other big reason I'm interested in banking is that your work makes more of a concrete impact, since companies get sold, go public, or raise debt or equity. In consulting, by contrast, in the majority of cases you never get to see your recommendations implemented. I know that many deals do fall apart, but the 'finished results rate' is still higher in banking.



So that's why I'm so excited about the opportunity to join your firm – the financial advisory work is exactly what I'm looking for, the concrete results are there, and in the long-term I want to become an advisor to companies in a consumer-facing industry like retail or Internet."

Why It's a Good Answer: He mentions all the points we suggest above, but more than that, the interviewee also does a few other things very well here:

- He shows that he has been **interested in finance** for quite some time, referencing the case competitions from university.
- He also talks about getting *more* interested as a result of his work on the due diligence in an M&A deal in consulting (yes, consulting firms are sometimes hired for that).
- Finally, he acknowledges the subtle point that **deals do fall apart** – so he doesn't have unrealistic expectations – but points out that the "success rate" is still higher in banking.

9. 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?



Good reasons to use in this case:

- You want to **contribute to transactions** and work on **high-impact deals** rather than just handling day-to-day trading and client orders.
- You want to work on **extended projects** rather than short-term investment ideas and client requests.
- In the long-term, you want to develop **relationships** with companies rather than generating trade ideas.

Stay away from negative points such as having to stare at 8-10+ monitors all day, the repetitive nature of the work (if you worked in agency trading), and so on.

Sample "Good" Answer: "Well, I do agree with you that the hours in sales & trading or prop trading can be more regular and the compensation is also attractive, but ultimately



I think you have to look at the work itself and your future goals when deciding on careers. While I enjoyed my time in trading, I want to work on deals rather than following public companies and develop relationships with companies rather than generating trade ideas.

I had always been interested in deals, back from when I worked at a local M&A boutique in my 2nd year of university – but afterward, I thought I was more passionate about the public markets so I went into trading. But I found myself spending most of my time following deals and looking for arbitrage opportunities to trade, and realized over time that I should be working on transactions instead.

And while trading is great in some ways, it is not the best field for developing relationships with companies over the long-term – and that’s what draws me to banking. Having seen other friends and family members go into the field and become trusted advisors to companies, it’s something that really appeals to me and is my long-term goal – and that’s why I’m so excited about the opportunity to join your firm.”

Why It’s a Good Answer: He acknowledges and **reframes** the objection in the beginning, saying that the hours are more “regular” but not necessarily shorter (which is true in many cases). Then he cites the main two reasons that he wants to switch: getting to work on deals and developing long-term relationships with companies and management teams.

He also drops in a good bit about finding merger arbitrage opportunities and mentions how that developed his interest in M&A further, and concludes by saying that he knows the benefits of banking firsthand because of friends and family members – which proves he has more direct knowledge than someone who has only read about the industry.

10. You’ve worked in marketing before, which is arguably more “fun” and creative and which also has better hours. Why do you want to move into investment banking?



You know the drill – here's your set of good reasons coming from this background:

- You enjoy getting to **influence** companies' business decisions, but you want to work on *more* than just the marketing side and also contribute to financings and acquisitions.
- You want to do something more **quantitative** / **analytical** in nature.
- You want to do something where you can see **specific results**, which are often hard to assess when you contribute to companies' marketing efforts.

And no, you can't talk about the money or advancement opportunities, even though both of those are significantly better in banking. Sorry!

Sample "Good" Answer: "I'm happy to explain. I've definitely enjoyed my time in marketing, but I see myself as more of a quantitative person, and I'm interested in getting to work on larger-scale decisions at companies and to also do work where I can see the results.

While marketing has been interesting because of the insight you gain into companies' businesses, I want to do something more numbers-oriented because of my past coursework in math and finance. And while it's great to offer input into marketing decisions, I want to do more than that – on one client engagement, for example, they were in the middle of a major expansion and were considering debt vs. equity financing, and that piqued my interest and led to me doing my own research and learning more about the field.

What appeals to me about banking is how your work has a direct and concrete result: a company getting sold, raising additional funding, and so on. Deals do fall apart, but overall it's easier to measure your impact there compared to what you do in marketing. And in the long-term, I want to become an advisor to management teams and work on acquisitions and financings – so your firm is the perfect for me."

Why It's a Good Answer: Once again, she cites some of the "good reasons" suggested above for wanting to move into the field. The key part here is how she also mentions



one client engagement she was on where the **company was in the middle of a deal**, which sparked her interest – and is a story that few other people will have. And then she concludes by stating how her long-term advisory goals make the bank a perfect match for her.

11. 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?



This is one of the trickiest questions to answer and one of the more difficult backgrounds to justify – because if you've made millions of dollars independently, you're **unlikely to want to work for other people** again.

Bankers will assume that you've been a **failure** if this is your background – so you need to **re-frame** the discussion and talk about how you had a lot of success and *could* go back if you want... but you also see the benefits in joining a more structured learning environment.

Good points to highlight:

- It's all about the **best learning opportunity** for you, and you view investment banking as the ideal fit at this stage since you want to learn more about larger-scale businesses, deals, and financial analysis.
- While you were successful on your own, ultimately you are more passionate about **advising companies** rather than starting companies – and banking is a great path to becoming that “trusted advisor” in the future.

Sample “Good” Answer: “Sure. As you mentioned, I could have gone even further with my business since it was successful and very profitable – but I wanted to go with something that was a better learning opportunity and which also fits in with my long-term goals. So I don't think of it as ‘working for other people,’ but rather doing something more in-line with what I enjoy.



Although you learn a lot from starting a business, there's also a lot to learn from going into banking and working on much larger deals, seeing how huge businesses work, and understanding the financial analysis that goes into that – and that's why I'm so interested in banking. I've already done some work on my own there and have taken a few online courses that focus on case studies of real M&A deals.

The second reason I'm doing this is that I discovered that I'm more passionate about advising companies and executives rather than starting businesses on my own – in the long-term I want to be a trusted advisor, and I can leverage my operational background plus my financial skill set to advise companies on both operational and financial issues.

So that's why I'm here today, and why I'm so excited at the chance to join your firm – the work and learning opportunity is what I want, and it's a perfect match for my long-term goals.”

Why It's a Good Answer: He directly addresses the key objections upfront by reframing the argument and making it not about “working for other people,” but rather doing work that he enjoys more personally. He's also wise to mention that he's **already** done a lot of work and has taken classes to learn more about M&A deals and financial analysis.

The bit about operational experience at the end is also good, because that will set him apart against other candidates who lack such impressive experience.

In all likelihood they will continue to object, and you'll have to say something like, “Yes, I made some money doing this, but I think you need to focus on skills rather than money early on in your career. I made a conscious choice to sell the business – sure, there was more room to grow, but ultimately I wanted to take what I had done and leverage it for other opportunities.”

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Culture / “Why Us?” Questions & Example Answers



Culture or “Why Us?” questions tend to focus on **why you’re interested in this specific bank** or **why you’re interested in this specific group** (e.g. why you are moving from a boutique to a bulge bracket bank, or why you’re interested in M&A rather than Consumer / Retail).

The challenge is that most banks have **extremely** similar cultures (“Work hard, play hard!”), and so giving generic reasons to answer the questions does

not work so well.

Especially when you’re asked to compare two banks at the same “level” (e.g. two bulge bracket banks), pointing to differences in responsibilities, work/life balance, and so on, does not make much sense.

As a result, in a lot of cases you’ll have to go back to **the people** you’ve met during the recruiting process and how well you’ve gotten along with them.

Preparing Examples in Advance

This is difficult to generalize because it depends on your previous experience and the firm you’re interviewing with. But here are the two main points you should think about and plan out in advance:

1. Why do you want to work **at this bank** vs. smaller and larger banks, and vs. other, similar banks?
2. Why do you want to work **in this group** rather than other groups at the same firm?

For the first question, the basic strategy is:



- **Smaller to Larger Firm:** You got good experience at the smaller firm, but want to get a more structured learning environment, work on more impactful deals, and see greater variety in the type of work you do.
- **Larger to Smaller Firm:** You learned a lot at the large firm, but want to get more hands-on experience working directly with clients, gain more responsibility, and be involved with all steps in the deal process from beginning to end. You can also mention any industry focus if the smaller firm specializes in something.
- **Moving to Similarly Sized Firm:** Tie it back to the people you met and say you fit in better with the culture at this new place you're interviewing at. You can also link it to anything in the news about the firm, or anything that they're known for, such as strength in a particular region or on a particular deal type.

For the second question, it's highly dependent on the group you're interviewing for, but here are some general guidelines:

- **Why the [Industry Name] Group?** Talk about your personal interest in specific companies in that industry, recent trends, and how you want exposure to a wide variety of different deal types.
- **Why the M&A Group?** Talk about specific M&A deals you found interesting, how you want to gain in-depth technical skills, and how you want to specialize by learning the in's and out's of how all M&A processes work across different industries.
- **Why the ECM / DCM Group?** Say that you like following the markets, but not enough to be a trader; a recent IPO or debt issuance also interested you, and you want to learn how financings work in-depth.
- **Why Leveraged Finance?** You're also interested in the financing aspect here, but at the same time you want to see how financings work in a **deal** context and how companies make major acquisitions, leveraged buyouts, and debt re-financings happen. And you want to gain top-notch technical skills.
- **Why the Restructuring Group?** You're interested in specific bankruptcies or distressed M&A deals, and you find it fascinating because of the technical challenge of coming up with different capital structures and comparing them to what the company currently has. And you want the variety of work and the technical skills you gain in this group.



All the questions below are extensions and variations of these categories above. These “Culture” questions are not designed to trip you up or to make you fail your interviews – interviewers just want to see if you have reasonably well-thought-out reasons for interviewing with a specific firm and group.

Structuring Your Response

These questions lend themselves perfectly to the 2-3 point structure we’ve recommended before:

1. State the **main reason(s)** upfront (“I’m interested in your firm because of the industry focus and the fact that I’d get more responsibility and would be able to work directly with clients”).
2. Give **supporting point 1** (“I’ve always been interested in healthcare and actually grew up in a family of doctors, taking a few university classes as a result – and I’m really interested in learning the business of the industry”).
3. Give **supporting point 2** (“Plus, while I learned a lot at Citi, ultimately I’d rather gain more responsibility and work more closely with clients at your firm – which is something that you have an excellent reputation for”).
4. Conclude and **re-state** how enthusiastic you would be to join their firm (“So I’m really excited to join your firm due to the industry focus and the added responsibility and client work”).

You’ll see examples of how we apply this structure in all the questions below.

Why Our Bank?

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 like us?



You're most likely to get this one if you didn't get a return offer from an internship – 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.

Tie it back to the rationale that we laid out at the top – you learned a lot at the large firm, but want the more hands-on experience and responsibility, and you want to be involved with the entire deal process. Bonus points if you can mention the firm's industry focus and use that as part of your rationale.

Sample "Good" Answer: "That's a great question, and I agree that most people in my shoes would not make this move. I definitely learned a lot at Morgan Stanley and highly value my experience there – but at the same time, I'm very interested in moving to your firm because of the more hands-on experience, the added responsibility I'd get, and your focus on healthcare."

While I learned a lot about the technical side at Morgan Stanley, I never worked directly with clients and you don't get as much exposure as a junior banker – at your firm, by contrast, I would be much closer to clients and I really value that opportunity. Plus, I would be responsible for more steps in the deal process and would better learn how to coordinate the entire process, which are very important skills to master as you advance within the industry.

Finally, I've always been interested in healthcare, since I was a Biology major and thought about going the pre-med route once, and I see healthcare as one of the most important sectors for deal activity due to the size and importance of the industry. So that's why I'm making this move – the experience I would get here, the added responsibility, and your focus on healthcare."

Why It's a Good Answer: She acknowledges the objection upfront and admits that it is an unusual move. But then she explains why it actually makes sense, given what she's looking for – more client interaction and knowledge of the entire deal process from



beginning to end. Plus, the industry focus makes it more appealing for her since she was presumably **not** in the healthcare group at MS.

Note that in real life, you won't necessarily get "more responsibility" or "hands-on client work" at a boutique bank... but bankers at boutiques like to *think* you will. And in interviews, **perception trumps reality**.

2. When you were working at that boutique bank 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?

Once again, you should be **positive** about your experience at the boutique but also point out the benefits of working at a larger firm – a more structured environment for learning, getting to work on larger deals and learn the technical side in more depth, and better variety to the work you do.



These points are not necessarily true because the **main** difference is that the work you do at a boutique bank tends to be much more "random" – but again, interviews are all about perception and story-telling as opposed to reality.

If anyone you've met, either at the boutique or elsewhere when networking, has suggested that you start at a larger firm, then you should also mention that.

Sample "Good" Answer: "Well, as I said, I definitely enjoyed my time at the boutique and learned a lot there. But I'm very interested in moving to JP Morgan because of the opportunity to learn in a more structured way, the chance to work on more impactful deals, and also the exposure to more varied deal types."

While you can definitely learn a lot at a boutique, overall JP Morgan offers more comprehensive training, plus lots of resources that and mentors that you can learn from. And I've spoken to a number of other bankers who made similar moves, and they commented that this was one of the key benefits they gained.



Also, since JP Morgan focuses on advising on larger and more significant deals, I would learn more about the technical side in-depth and go into analysis that is sometimes skipped over on smaller deals – if it's a \$50 million acquisition of a small business, there's just not as much analysis that you can actually do.

Finally, since JP Morgan has groups across all industries and products, I'd get exposed to a much wider variety of deal types – which is something I definitely want as I start out in the industry. So that's why I'm so excited about this move: the learning opportunities, the more advanced technical analysis, and the greater variety of deals that you work on."

Why It's a Good Answer: He acknowledges the objection upfront but never goes "negative," and then he states the 3 main reasons for his move and elaborates on each one. It would have been slightly better to mention a specific mentor who recommended starting out at a larger firm, but it's not critical.

The more important part is how he gives **concrete** examples of *how* the work itself is different, and the reference to \$50 million deals being less analytically-intensive is true.

3. 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?



This is the tough one. Really, most large banks (and even most small banks) have **very** similar (and cliché) cultures: "Work hard, play hard!"

You'll sound stupid or uninformed if you say something like, "Well, the people here are much smarter and more accomplished" or "The deal experience will be much better" so you should instead do one or more of the following:

- Talk about **specific people** you have met at the firm. "Specific" = **give their names and positions** and talk about when and how you met them.



- Talk about **something in the news** or a deal type, industry, or region that the firm is strong in. This is tricky because these strengths and weaknesses change all the time, so you **need to be 100% certain** before you use this tactic.

Sample “Good” Answer: “That’s a great question – most banks’ business models and cultures are similar, so for me it all comes down to the **people** and also your **strength in the Middle East**.

Specifically, I’ve met a lot of bankers from your firm that I’ve gotten along with really well – including Associates and VPs such as Mary James, Brad White, and Kate Allcroft, at the information sessions you held at LSE a few months ago. And I stayed in touch with them and got to meet even more Analysts, Associates, and VPs after those information sessions. I found that I just ‘clicked’ with everyone I’ve met so far.

Second, I know your firm has advised on lots of privatizations in the Middle East in countries such as Saudi Arabia recently. Many other large banks were slow to expand there and win clients, but you moved more quickly and now have a dominant market position – and since I have some family from the region and lived there when I was younger, I’m very interested in getting to work on deals from there, which are sometimes handled from your London office from what I understand.

So that’s what it comes down to for me: all the bankers I’ve met and your strength in the region that I’m most interested in.”

Why It’s a Good Answer: She acknowledges the objection and even states upfront that there aren’t huge cultural difference at most large banks, which many other interviewees would fail to do. Then, she states the two main reasons – people and regional strength – and name drops the bankers she’s met with and cites the recent strength the bank has had in the Middle East.

It would be better to name **specific recent deals** that the bank has advised on, but that isn’t essential and this is already a good answer is. Just be prepared to name those deals if they follow-up and ask you more about it!

Why This Specific Group?



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.

This goes back to the points about different groups we highlighted at the beginning: you need to do one or more of the following:

- Talk about **specific M&A deals** that you followed and which piqued your interest in the industry.
- Say that you want to gain **in-depth technical skills** by specializing in a group that is more technically complex.
- Say that you want to learn **how M&A processes** work across all different industries.

While you may want to go into M&A to get that ever-elusive private equity exit, you should **not** mention that or use it in your answer here because you want to seem committed to banking for the near-term.

Sample “Good” Answer: “Well, first off, I would actually be happy with and open to any group at your firm because, as you said, many teams have performed well and won great deals over the past year. But if I had to pick, I would choose M&A – because of my interest in M&A deals over the years and the more advanced technical work.

I first got interested in M&A deals after a case study competition in university a few years ago, and I’ve been following news pretty closely on the WSJ Deal Blog since then – one recent deal that interested me was Solar Holdings’ \$6 billion acquisition of Wind Aero, which was unique because of all the cross-border regulatory issues that came up since it was between a Chinese and Australian company.

Also, I enjoy the technical side of deals and the analysis you do, and I want to get exposed to everything that’s required for the analysis of M&A deals – from a good understanding of the broad topics to the less common situations like divestitures, spin-offs, joint ventures, and minority acquisitions.

So that’s why I’m so interested in the M&A group – my personal interest in deals as well as the technical skills you gain. Again, I would be open to anything but M&A is definitely my first choice.”



Why It's a Good Answer: The interviewee wisely states that he's open to anything at the beginning and end – you never want to seem like you're 100% set on one group and won't accept anything else.

But then he states that *if* he had a choice, M&A would be his first choice for two very specific reasons. Name dropping the specific deal(s) he has followed here is important, because it sounds much more realistic to cite real deals rather than saying, "I'm interested in M&A!"

5. Why do you want to work in Equity Capital Markets? There's hardly any market activity these days.

The rationale here is that you like both deal work *and* following the markets, but you don't like the markets enough to be a salesperson or a trader.

You should also cite a recent IPO or equity issuance that has fascinated you – ideally one that not everyone has already heard about.

For the part about "Why are you still interested if there's little market activity?" point out that you're taking a long-term view of the industry and that you're aware that financing activity fluctuates over time, but that companies **always** need to issue debt and equity over the long-term.



Sample "Good" Answer: "Sure. Well, first off, I should note that I'm actually open to all groups, though ECM is definitely my first choice. I prefer it because I'm personally interested in IPOs and the IPO process, and because I enjoy following the markets in addition to deal work.

I've been following IPOs for a long time, and I'm very interested in learning the process more in-depth and in actually getting to contribute to them. One recent issuance I found interesting was the \$200 million IPO of Aero Dynamix, because it was the first one in over 5 years in the aerospace and defense industry – and investors reacted quite well,



with the stock price “popping” 20% in the first day. I want to understand the process and rationale for deals like that in more detail.

Also, I enjoy following the markets and doing some investing myself – but I’m still more of a banker than a trader since I like deal work as well. So that’s why ECM is my first choice – my own personal interest in the IPO process and recent IPOs, as well as the fact that I want to follow the public markets *and* work on deals.”

Why It’s a Good Answer: Once again, he states that he’s open to anything upfront, but then states that ECM is his top choice for 2 concrete reasons. He lists a bit of detail, though not an overwhelming amount, on a specific IPO here as well – this is good because it proves that he *does*, in fact, follow IPOs and can speak to their performance. You should give enough detail to prove that your interest is real, but not so much that you go on for 1-2 minutes about a single deal.

6. Why are you interested in joining our Energy team?

The answers for this one tend to be more varied, because you can cite a number of different factors to prove your interest in the field:

- A **family background** in the industry (e.g. your uncle owns an oil & gas company).
- **Recent trends** that you’ve found interesting (e.g. the search for unconventional oil and gas reserves).
- **Specific companies** or situations that you have followed (e.g. if Exxon-Mobil gets into some type of scandal, makes a big acquisition, and so on).



You can also talk about more general points, like wanting exposure to a variety of different deal types but all within the same industry, or eventually wanting to become an advisor to companies in this industry.

Sample “Good” Answer: “Sure. Well, of course, I would love the opportunity to join any group at your firm, but Energy is definitely my top choice because of my own background and interest in energy M&A deals and my future goal of working to advise companies in the industry.



My family has always been involved in the oil & gas business and my uncle used to own a few oil wells, so I was exposed from an early age – and since then, I’ve been following the big trends in the industry like the search for unconventional reserves and the debate over whether or not we’ve hit ‘peak oil.’ I’ve also followed recent deals like Chesapeake Energy’s divestiture of 3 natural gas fields in Wyoming, and energy-related deals interest me because they tend to be much different from deal activity elsewhere – more financing is necessary, and divestitures, spin-offs, and JVs are much more common.

Finally, in the long-term I’m very interested in becoming an advisor to oil & gas companies and energy investment banking is one of the best ways to get there – so your energy group is my top choice because of my background and interest in the field, and my long-term goals.”

Why It’s a Good Answer: You know the drill: acknowledge that anything is good, give a few concrete reasons why you’re interested in this specific group, and then give **specific** details around industry trends, your background, and any deals you’ve followed.

Your long-term goal tends to be more important if you’re at the MBA level or beyond – don’t emphasize that part as much if you’re an undergrad or recent graduate.

7. Why are you interested in working in the Leveraged Finance group?



Leveraged Finance sits in between M&A and DCM because you work on debt financings, but do so mostly for M&A deals and leveraged buyouts, as opposed to funds for “everyday use.”

So your answer should also be **in between** what you would say for either of those groups:

- You like following the **markets** and understanding how debt financing works...
- But you also enjoy working on and following **deals**, including mergers, acquisitions, and leveraged buyouts, and want that aspect as well.



- And, you want to gain the in-depth **technical skills** that you'll get in a Leveraged Finance group.

Here, you can cite a recent leveraged buyout to prove your interest in the field and show that you understand what the LevFin group does.

Although exits to private equity and mezzanine are common from Leveraged Finance, you shouldn't mention those in your answer because you want to seem relatively committed.

If they press you on your future plans, you can say that you're open to a number of things and that whatever you do, you want to be close to deal financings.

Sample "Good" Answer: "Sure – I'd definitely be interested in any group that has an opening, but Leveraged Finance is my top choice because I like following the markets and understanding how financings work, but I also enjoy deal work and I want to gain the advanced technical skills that you pick up in LevFin."

The first part is what makes Leveraged Finance most interesting to me: the fact that it's sort of a combination between the DCM and M&A groups, since you work with debt but you analyze it in the context of M&A and LBO deals. And I've always been interested in leveraged buyouts and have followed news on them over the years, including recent deals like Blackstone's \$4 billion LBO of Starpeak Holdings.

I also want to gain the in-depth technical skills you get in Leveraged Finance – modeling debt and deals with many tranches of debt gets tricky, and there's nowhere better to learn those advanced skills. Again, I'm definitely open to other possibilities but Leveraged Finance is my top choice because of my own personal interest in LBOs and deal financings, and the technical skills you learn."

Why It's a Good Answer: The same format as everything else here – I'm sure you see the pattern by now. The only difference to note is that leveraged buyouts (LBOs) are better to cite in your reasoning for why you want to work in Leveraged Finance, whereas normal M&A deals can be better for industry groups and M&A groups.

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Educational Background Questions & Example Answers



Questions about your educational background are **most** relevant for undergraduates, MBA students, and recent graduates. If you are beyond those levels and have worked full-time for at least a few years, then don't spend time reviewing this section in detail.

These questions test whether you think about things **rationally** and follow through on your decisions, or if you move around haphazardly instead.

If you started out in undergrad majoring in Chemistry, then transferred to Architecture, and eventually graduated with a degree in Political Science, leave all that out.

No one needs to know the extra filler in your educational background, and your diverse educational interests certainly won't make you seem more committed. You do **not** want banks to think that you'll join and then quit within 2 months.

These questions also test your **communication skills** – if you can't explain clearly why you majored in something, you're going to fail miserably when explaining the details of a financial model.

Do not **over-analyze** these questions and spending hours coming up with your rationale – no one is going to decide on your offer status based on what your favorite class was.



I've seen some guides that suggest a deeper meaning to these questions, but in my experience that is completely false – most of your interview success comes from what you say in the first few minutes when you walk through your resume / CV.

Preparing Examples in Advance

Preparing examples for educational background questions should *not* be that difficult and should not require much extra work. All you need to do is look at your resume and come up with rationale for the following points:

- **Why** you went to each institution (undergrad, Master's, MBA, etc.) and why you majored in a specific subject;
- **Why** you studied abroad or did any other programs outside of the institution(s);
- A **favorite** class and **least favorite** class;
- One **concept** from class that you can explain well and that can be related to business in some way.

We do not recommend going beyond this because these questions are less important than nailing your resume walkthrough, answering team/leadership and strength/weakness questions, and mastering the technical questions.

We'll see some specific examples of what you might say for each point above in the next section.

Structuring Your Response

There is not much to say about the structure because it's straightforward and matches the structure we've suggested in other sections of the guide:

1. State the answer or **main reason** why you did something.
2. Give 1-2 **supporting reasons**.
3. Summarize and explain how your decision or experience is **relevant for finance**.

Explaining Why and Where You Went to School



1. Why did you attend [University Name] / [Business School Name]? What was your decision-making process?



When an interviewer asks you this question, do not simply state a couple positives of your school and leave it at that. Even if the interviewer does not directly ask for your decision-making process, you should explain **why** you went to your school as opposed the various other schools you were accepted at.

Ideally, you should explain how you applied to a number of top schools (or schools in a similar “quality range”) 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.

Ideally, this reasoning will be related to business or finance in some way – for example, maybe you chose your school because it had a combined international relations / finance degree program, which really appealed to you because of your experience growing up overseas.

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.

Show that you’re “in-demand” and you always become more attractive – whether it’s with other firms you’ve received offers from, or other schools that have accepted you.

Sample “Good” Answer: “I attended Cornell University not only because of its strong academic reputation, but also because of its School of Industrial and Labor Relations, which is the only graduate school of its kind in the U.S. The Industrial and Labor Relations School, known as ILR, attracted me because of the huge depth of its curriculum.

In my four years there, I studied management, business law, statistics, public policy, labor issues, and many other related fields, and fully prepared myself for a position in finance. Not only has my education at ILR given me a diverse background in business



and labor management, but I also learned a lot about accounting and finance via elective classes.

I had applied to and received acceptances at several good business schools such as the ones at UC Berkley, NYU, and UCLA. However, I chose to attend Cornell's ILR School specifically because of the diversity of its program. I wanted to broaden my horizons in college by entering a program that was not only relevant to my future career in finance, but could also provide me experience and training in other disciplines that may prove useful to my future career."

Why It's a Good Answer: The interviewee responds by stating the **main reason** for why he went to the university he did – in this case, because of a specific department inside Cornell University.

He then provides several supporting reasons to explain why he attended the specific department at Cornell University and ties the reasoning to a career in finance. The interviewee briefly lists some of his other options and explains why he chose Cornell over those others. Finally, note how the interviewee points out that he learned the **technical skills** via the accounting / finance elective classes he took while at Cornell.

2. Why did you major in [Major Name]?

If your major was related to business or 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 business and finance on your own.

The sample answer in question #1 above is for a major somewhat related to business; see the response below for a sample "good" answer if you have an unrelated major:

Sample "Good" Answer: "I majored in psychology because it's a field I have always been interested in. I find the human mind to be fascinatingly complex, and I enjoyed my studies – especially since I focused on the psychology of persuasion, which is important in sales and business.



Although I majored in psychology, I did not intend to pursue a career in the field since it was more of a personal interest that I enjoyed developing during college.

I also took a number of economics, finance, and accounting courses as electives in my sophomore and junior years, and I found that I have a natural skill for analyzing numbers and graphs and drawing conclusions from data.

Since then, I've decided to pursue a career in finance, and in addition to learning everything I can about the investment banking business, I've taken online courses to learn the fundamentals of financial modeling and accounting."

Why It's a Good Answer: Although the interviewee's major is unrelated to business/finance, his reasoning for majoring in that field is understandable and acceptable to interviewers who would prefer not to hire fickle analysts/associates who go into one field, get disillusioned, and then jump into another. He also points out that he studied the psychology of **persuasion**, which is quite relevant for business.

He also explicitly states that he never intended to pursue a career in psychology, which is much better than saying that you changed your mind multiple times (**if something does not benefit you, do not mention it in an interview**). The fact that he took relevant elective classes **early on** indicates that he was planning ahead, which is what banks want to see.

3. Why did you decide to go to business school at this stage of your career?

Your response depends on your background – if you're from a **non-finance background**, you could say that you wanted to make a career change and that you felt that business school could give you a unique insight into industries and career tracks and allow you to combine your industry experience with business and finance knowledge.



If your career was already in finance but you went to get your MBA, you could say you wanted to broaden your perspective, meet other smart people, develop your network, and improve your skills.



Avoid stating that you wanted to “take a break” from working or that you went to business school to advance to a higher position, or that you went because your firm required you to do it – those are all poor reasons.

Sample “Good” Answer: “I decided to go to business school to make a career change and get into the finance industry. Although I developed strong analytical and quantitative skills through my Chemistry major and my job at a pharmaceutical company for the past 3 years, I felt that I needed to attend business school to gain the skills that I would need to work on the financial side of the industry.

I knew that if I went into business school, I would not only be able to learn from my experienced peers and develop a strong network, but I would also learn the ins and outs of various industries and spend thousands of hours doing practical projects similar to what I would be doing in the finance industry. Coming out of business school, I feel even more confident about my career choice and I feel much more prepared for a career in finance.”

Why It’s a Good Answer: The interviewee here comes from a non-finance background, but describes how going to business school was a perfect stepping stone for his career into finance.

Also, the interviewee provides several reasons that explain why going to business school was necessary for his career change and not just a place for him to “explore his interests.”

Whether you’re from a finance or non-finance background, you need to explain how the degree contributes to your intended career in the position that you are applying for.

Explaining Classes, Concepts, and Studying Abroad

4. What was your favorite class during university / business school?

Your answer could be business-related, but it doesn’t have to be as long as you can draw a connection somehow. Being **genuine** in your response can go a long way in your interview, especially when describing a favorite class.



Your interests can range from history to astronomy, so the sky is the limit here – but at the same time, use *a bit* of judgment. A jazz dance elective was probably really fun, but it's not as good to mention in an interview at a bank since it involved physical activity rather than mental activity (or at least, *more* physical activity than mental activity).

Whatever you choose, make sure you tie it back to the interview and business / finance.

Sample “Good” Answer: “My favorite class in university was an English course that focused on Shakespeare’s comedies. We studied a number of his comedy plays, including the famous ones such as *A Midsummer Night’s Dream* and *The Merchant of Venice*, as well as his lesser-known ones such as *The Tempest* and *The Two Gentlemen of Verona*.

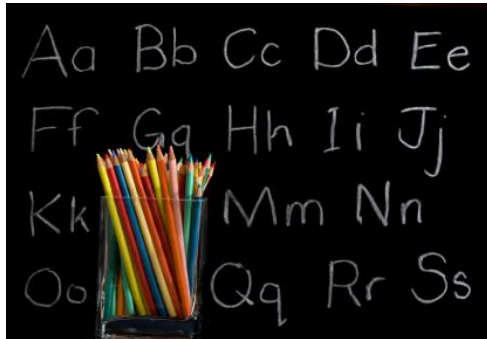
Being a big fan of his tragedies such as *Macbeth* and *Hamlet*, I really enjoyed the opportunity to study his comedies at university. Also, what made that class particularly enjoyable was the detail and level of analysis we used to study his comedies.

Our professor often would spend an entire class studying a single scene of a comedy, and by the end of the class, we would still not cover everything he had planned to discuss. The attention-to-detail and in-depth analysis used in that class was profound, and it’s a skill that I’ve taken away from that class which I’m certain could prove useful in my career.”

Why It’s a Good Answer: The interviewee describes his favorite class in a manner and level of detail which portrays his enthusiasm, and of course, the favorite class reflects on the interviewee very well (i.e. it’s something that shows he’s smart, hard-working, and can focus for long periods of time).

After stating and describing his favorite class, the interviewee ties it back to the interview by talking about the useful skills he took away from that class which would carry over to a finance position.

5. What was your least favorite class and why didn’t you like it?



Professors can often be the reason for why classes are terrible, but whatever you do, **don't blame the professor**. Nor should you say that the class was ridiculously hard, unfairly graded, or that it was "boring" (many of the tasks you do in finance, or in any job, will be "boring").

Talk about some other aspect: perhaps the class format wasn't to your liking, or you didn't get to work on as many team projects as you'd have liked, or perhaps you thought that the material was too theoretical.

Whatever your reason, try to end it on a positive note by talking about some aspect of the class that you did enjoy even though it was your least favorite – or maybe you got a good grade in the class anyway and talk about how although sometimes you may not enjoy an assignment, you'll still do your best and get good results.

Sample "Good" Answer: "My least favorite class was a behavioral psychology course that I took as an elective. I did not like the class because I found that the concepts were far too theoretical and convoluted for my taste.

For example, they would micro-analyze the simplest of human behaviors, such as eating, and put forth dozens of different theories as to why some people prefer salty foods, why some people prefer spicier foods, and so forth.

Of course, I understand that establishing a foundation from simple theories is necessary to create more elaborate and interesting theories, but nevertheless, I did not enjoy the class.

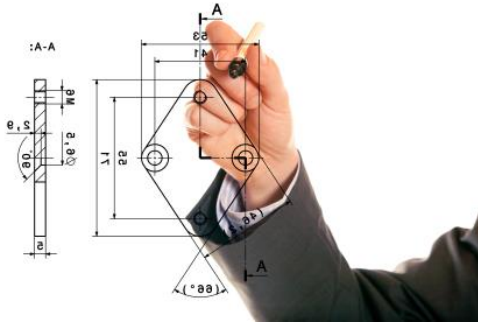
Still, I did very well in the class and earned one of the top grades – I may not always find the work interesting, but I always dedicate myself to completing it as best I can."

Why It's a Good Answer: The interviewee provides a "softer" reason for why he did not like the course rather than criticizing the professor or saying that it was "boring."

Even though the interviewee inevitably had to describe some negatives of the class, he ends on a **positive note** by acknowledging that his dislike for the class is a personal

opinion and that he still excelled at something he did not like – an important skill in finance.

6. Can you explain a concept that you learned in class in 1 minute or less?



This question can throw you off since it's far from conventional – but with the right preparation, you can give a smart and snappy response.

Ideally, your answer should be somewhat technical – e.g. a concept in math/science/finance/engineering rather than explaining how a child's personality develops based on your family studies class – but

it's not a requirement.

While the concept you describe does not have to be business-related, you should be able to link it to finance in some way at the end.

Keep in mind, however, that your explanation must be in **layman's terms**. You will not know whether your interviewer majored in molecular chemistry or philosophy, so explain the concept to him as you would to a random Joe off the street, albeit an intelligent random Joe.

Sample "Good" Answer: "Sure. One interesting concept I learned from my advanced physics class is the Light Amplification by the Stimulated Emission of Radiation, also known by its acronym as LASER.

We all know that a laser is basically a beam of light, but the interesting concept is that it has been more or less proven that anything will 'lase' if enough energy is pumped into it at the right frequency.

At its core, a laser is really just an electron that's been pushed into releasing a little energy, in the form of a particle of light—a photon – and the atom that the electron comes from can be anything.



Scientists did an interesting experiment where they made a laser out of gin and tonic. Since a gin and tonic is, like everything else, made of atoms, by focusing enough energy into a tube filled with gin and tonic, the scientists were able to cause the drink to fall into the correct wavelength through which it emitted a laser.

The amount of time it took for the scientists to lase the gin and tonic required painstaking and meticulous work to achieve a small result. But sometimes you do need to put in a lot of meticulous effort to achieve results, which is something you see in finance as well.”

Why It’s a Good Answer: The interviewee’s answer is interesting to the average person, but at the same time, it’s not TOO technical. Everyone finds lasers to be interesting, and since the interviewee broke it down and explained the concept of lasers, the interviewer will appreciate the answer and be more engaged in the interview.

At the end, the interviewee segues back into the interview by showing the interviewer he understands the realities of work in finance and how his explanation is related, even though it’s from a totally different field of study.

7. Why did you study abroad in [Location Name]? What did you do there?

The formula for this question is simple: “Work hard, play hard.” Talk about some of the fun things you did as well as the academic side – you don’t want it to sound like you stayed in your room studying 24/7, nor do you want it to sound like you partied 24/7.



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

You can 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.



Sample “Good” Answer: “I studied in Beijing for a semester for the life experience, to study Mandarin, and to attend the Chinese Business Studies program at Beijing University.

The program was fantastic as we were given the opportunity to meet with various leaders of industry in Beijing, tour the Fortune 500 companies located in Beijing, and study the unprecedented economic growth in China from lectures by various speakers.

I also had the chance to tour the Great Wall, the Yangtze River, a water village, and many other interesting locations. It was a very eye-opening experience, and I learned a lot both from my classes and from the sights I saw.”

Why It’s a Good Answer: The interviewee focuses his response on **what he learned**. The key is that you “studied” abroad, not partied abroad.

Even if you spent most of your time sight-seeing, it’s better to focus on what you learned and/or accomplished. Nevertheless, the interviewee does not neglect to talk about the touristy things he did as well.

Talking about homestays can also be a good tactic because interviewers will always be curious about what it was like living with another family.

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“Failure” Questions & Example Answers



These questions are important if you have specific, notable problems such as a **low GPA**, having **too much** or **too little** experience, **gaps** on your resume, and so on.

They are tricky to answer because you need to sound realistic, but also acknowledge the problem and explain how you’ve grown or fixed it. Your responses have to be well-prepared since the **specific words you use** make a big difference in the quality of your answers.

Your grades in the first two years of university could have *actually* suffered because you spent too much time playing in a garage band that played some gigs.

In an interview, though, your grades in the first two years of college do not reflect your true academic ability because you were pursuing your musical passion by composing pieces and practicing for concerts, and you struggled to balance work, school, and music at first, but then developed superior time management skills that allowed you to do that.

“Hypothetical failure” questions are also common – what happens if you don’t get the job? Or what if you make a big mistake on the job?



These questions are important regardless of whether you have GPA or resume problems as they test your judgment and give the interviewer a better idea of what kind of person you are.

So even if you don't have any glaring problems or visible "failures," you still need to plan out your responses to these questions – the last thing you want is to accidentally state that you're planning to move to Asia and teach English if you don't get a job during this recruiting cycle.

Preparing Examples in Advance

The first step is taking an **honest look** at your resume / CV and background and assessing what they might ask you about. Here are a few common problems that are immediately obvious from your resume:

- Low GPA (Under 3.5 in the US or 2:1 in the UK, or equivalent elsewhere)
- Lesser-known school (i.e. any school that banks do not recruit at)
- Not enough work experience (irrelevant or nonexistent internships, or less than 3-5 years of work experience if you're going for Associate roles)
- *Too much* work experience (late 20's and beyond for Analyst roles or late 30's and beyond for Associates)
- Gaps on your resume of more than 2-3 months
- Not receiving a return offer or promotion
- Why you're applying to a new location when all your experience has been in a different region

Regardless of why these "problems" exist, you must spin them in a positive way:

- What else did you do in the first few years of college? Can you point to something else **impressive** you did that might counter-act your low GPA?
- Is there something **notable** about the university you went to, even if it was relatively unknown?





- Maybe you didn't receive a **return offer** not because the boss didn't like you, but because it wasn't a good "cultural fit."

If you really have nothing – e.g. you spent a year in your Mom's basement playing video games before college and did absolutely nothing else – then you have a problem. But you can often find ways to spin even unproductive periods into sounding "decent" by magnifying smaller experiences and making them sound more significant.

- [How to Spin and BS Your Way to Success in Investment Banking](#)

Structuring Your Response

This varies from question to question, but here's the general format you should follow:

1. **Acknowledge** the failure/problem upfront;
2. State how you've **learned / improved**;
3. Provide a few **supporting reasons**; and
4. **Summarize** everything at the end.

This structure doesn't always apply 100% because you can't necessarily explain how you've "learned / improved" from a 6-month gap on your resume...

But you **can** still explain what you did during that time, provide examples of the volunteer work or skills you learned, and then discuss how the experience / skills you acquired translate to the world of finance.

The structure differs for the "Hypothetical" questions because you're not talking about an experience specific to you there.

For the hypotheticals, the general format is as follows:

1. State upfront how you *would* approach the failure / mistake.
2. Discuss why your approach is the correct way by providing supporting reasons.
3. Discuss your supporting reasons in-depth.

Personal Failure Stories



1. That guy over there is from Wharton / Harvard / LSE / Oxbridge and has perfect grades – why should I hire you over him, given that you’re much less impressive?



This is a hard-hitting question but if you’re prepared for it, you could still answer in an impressive way. State that you’ve achieved great *results* in past work experience, that you’ve learned all the skills required of the job on your own, and that if you’re here interviewing with the same company as the guy with the great credentials, you must have put in even **more** effort to get here.

You’re conveying that while you’re not as good *on paper*, you might still be better **for this specific job** than the guy with shining pedigrees on his resume / CV.

Also, you’re signaling that you’re even **more committed** than people who had easy access to on-campus recruiting or who can easily win interviews through their credentials alone.

At the same time, you have to be careful here not to come across as defensive or to “insult” the other person too much. So it is a balancing act.

Sample “Good” Answer: “You should hire me over that guy because I have achieved great results in my previous work experience, I’ve learned many the skills required for this job on my own, and I’m exceptionally motivated to do the job.

When I worked at Acme Tech Company, I personally created a computer program that greatly increased the efficiency of the company’s accounting department. This new program saved the company over \$5,000 and 10 hours of work per week – and I could deliver the same results for your firm and improve processes here as well.

Also, I’ve learned many of the skills required for the job on my own. With the computer program I just mentioned, I was able to create it only because I learned accounting fundamentals and how the company system worked on my own. I knew the company’s accounting and finances very well, and after that experience I learned even more on my own by enrolling in several financial modeling classes based on real-life case studies.



Finally, if I'm interviewing at the same bank as someone with superior grades and a better-known school, it means that I've put in even **more** effort to get here – and that I'm more committed and determined to work here.

So that's why you should hire me – my credentials may not be as good, but I've achieved great results in my past work experience, I've gone above and beyond to learn all of the required job skills, and I'm the most committed person to working at your firm."

Why It's a Good Answer: The interviewee does not shy away from the question or just state his "strengths." Instead, he directly confronts the crux of the question by pointing out that while his academic credentials are inferior, his **work performance** and ability to **learn on the job** may be superior, or at least very impressive.

He stays away from being defensive or saying that the other guy isn't so great, and instead mostly focuses on discussing himself and how he's gone above and beyond to be here – which is exactly what you should do in this case.

2. Why is your GPA so low?

A "low GPA" generally means below 3.5 / 4.0 in the US or less than 2:1 in the UK (or the equivalent in other countries). But you could also get this question if your GPA is simply *lower* than other candidates' – everyone else might have a 3.9, and you might "only" have a 3.7.

Most of the time, your response here should be that you had trouble in the earlier years of college and that you were not as focused as you could have been. Then, you greatly improved your performance and grades later on in your academic career.



Do **not** blame external circumstances like sickness, family trouble, and so on.



Even if your parents got divorced or your grandmother / uncle / third-aunt-twice - removed passed away, there is no way to verify it in an interview, and so interviewers will be extremely skeptical of these claims.

And even **IF** the claim is true, it's still a poor reason. The interviewer might have gone through something similar or had friends who did, and you might stir up bad memories for him/her.

Your reason needs to be something **of your own volition**: you chose to focus on something else or you were unsure of your future career, so you tried out many different academic disciplines but couldn't find your niche.

Regardless of your reasoning, focus your response on your **greatly improved performance** after you decided to focus on your schoolwork. Point out that you're committed to your current career path and that the sub-par academic performance was a one-time thing in your life.

If your grades got **worse** as college progressed, then your answer should be similar to the previous one explaining how you achieved great results in your work experience(s) and how you learn better on the job than in the classroom – and if the interviewer doesn't have your transcript in front of him, you might still be able to play the “My grades improved over time” card.

Sample “Good” Answer: “Sure – I agree that my GPA is on the low side, but I went into college without a sense of direction as I did not know at that time what I wanted to do for my career. I switched majors several times and tried out various classes during the first year and half of university to find what I really wanted to do, but I was unsuccessful until I took an economics class in my second year.

After taking that class I knew what I wanted to do for my career, and I was able to focus much more on my studies. After that, I worked very hard to achieve my goal of working in finance.

My grades improved substantially, and my GPA for my junior and senior years was almost a 4.0. However, because of my lack of focus in my first year and half, my cumulative GPA was ultimately a 3.4. So it's partly the result of a time when I was



trying to find a sense of direction, and it was a one-time thing in my life. At this point I know exactly what I want to do and I would be fully committed to your firm.”

Why It’s a Good Answer: The interviewee’s answer does not shy away from answering this tough question, and the reason he gives is an understandable one as most people understand that students often go into university without having a clear plan.

By emphasizing that the lack of focus was a one-time thing in his life, the interviewee convincingly explains that this is something that would not happen if he worked at the interviewer’s company.

3. Why did you get a C in accounting? (Or other bad grade in highly relevant class)



Use the same approach: say that you weren’t as focused at the time you took the class, but made it up by improving over time and by making the extra effort to brush up on your accounting skills after the class.

It’s similar to previous question, but you focus more on how you **improved** your skills specific to this class.

If you received that C in your senior year when all your other grades were great, then skip the reasoning and just state that you were not focused on that class but that you subsequently improved your accounting skills, read up on the material, spoke with the professor about your grade, and did everything possible to master the concepts.

Focus on what you did to **improve** and do not to give a weak excuse such as saying that your other classes were too difficult and that your grade for this class suffered as a result.

Sample “Good” Answer: “I received the C during my first 2 years of college when I did not have a clear sense of direction as I did not know what I wanted to do for my career. Because of this lack of focus, I did not do well in some of my classes, including this accounting class.



However, after I discovered my interest in economics and finance, I focused on my schoolwork and I worked hard to make up for my past marks. Because this class was fundamental for other finance-related classes, I took it upon myself to complete additional self-study of the accounting class materials.

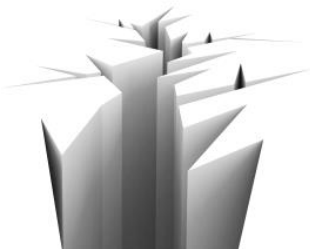
I reviewed all of my mistakes and the concepts which I did not master, and I went over most of the textbook a second time. I even visited the professor I originally took the class with just to go over the concepts and to make sure that I understood everything perfectly.

As a result, I did much better in the advanced Accounting classes I took afterward. Even though I originally got a C in this class, I mastered the material so well afterward that I was able to use the core concepts from this Accounting course to get A's in classes such as Securities and Financial Risk Management."

Why It's a Good Answer: The bulk of the interviewee's answer is about what he did to **improve**. Unless you have a compelling excuse, it's better just to mention briefly the actual reason why you did poorly. The focus should be on what you did to improve and how you learned the skills that you missed the first time around, which is what the interviewee does here.

4. Why did you NOT receive a return offer from your internship?

Please refer to a very similar question in the section of the guide dedicated to Resume / CV questions and answers. We're listing this one here because it definitely belongs in the "Failure" section, but it's already addressed elsewhere in the guide.



5. I see you have a gap in your work experience over the past few months / few years / I see you have a gap of 1-2 years a few years ago – what happened there?

Admit the problem or trouble upfront, but then spin it in a positive light by pointing out that you did something **constructive** in that time.



So don't just say you were out of work, laid off, or looking for work at the time – mention the problem briefly and then say that you did something else constructive with your time, such as education, travel, volunteering, or a respectable hobby.

If you've had a 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 your family's medical expenses or to support yourself or pay for tuition, talk about what that taught you in terms of work ethic and what you learned about yourself in the process.

At the end, be sure to point out how what you learned applies to the job at hand, and how it might even make you better or different from other candidates.

Sample “Good” Answer: “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 a while, and spend most of my time working several part-time jobs 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 – which is very relevant for working in finance, where multi-tasking is crucial.

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.”

Why It's a Good Answer: The interviewee focuses more on the **positives** of the 1-2 year break in his career rather than lamenting the bad situation.

The reason itself is acceptable, but he's clearly not asking for sympathy points here. The interviewee's gap in his resume is understandable when explained this way and gives the interviewer the impression that he improved himself personally through the tough experience – and gained skills that are relevant to finance.

6. Why do you want to work here rather than New York or London? Are you just using us as your “Plan B” option?



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.

Convince the interviewer that you are interested in working in this location by discussing your interest in a certain industry that the region is known for, such as technology in San Francisco or energy in Houston. Follow up by talking about the research you've done into this location, as well as any other "soft" factors such as any friends and/or family that you may have in this location.

Sample "Good" Answer: "Although it's more popular to work in New York or London when starting out as an investment banker, I would much rather work here for several reasons.

First off, I'm very interested in working in the technology industry, which is centered in the San Francisco area. I did a minor in computer science, so I would be particularly useful to your technology industry group. Although I could work on tech deals in New York or London, I understand that your office's technology group is particularly busy due to strong deal flow, and I would not get as much exposure if I were to live and work in New York.

Also, I like the San Francisco area personally because I like less congested cities. Having lived in New York for several years, I've come to prefer metropolitan areas which are have a lot to do, but at the same time, don't have endless traffic jams and overly-crowded streets. The Bay area is beautiful and clean, but still has the excitement of a major city, and I could easily see myself working here for a very long time."

Why It's a Good Answer: The interviewer starts off by acknowledging the interviewer's "objection" to working as an investment banker in a "second-tier city," but then he gives a substantial answer by using a work-related reason for why he is more interested in working in San Francisco. His response is rounded out by "soft" factors – in this case, the interviewee's preference for a less crowded and cleaner city.

7. Why are you so old? (Stated more tactfully)



Most bankers start out in their early-to-mid 20's, so if you're in your mid 30's or beyond, you should anticipate this question.

Turn it to your advantage by explaining that you can be an **asset** because you have more work experience, know how to get things done effectively in different environments, and can work with diverse groups of people.



Follow up by stating that you're still perfectly capable of working long hours and have done so recently. One of interviewers' key concerns about older candidates is how well they can learn new things and work long hours – so you should have specific examples on-hand to address both of these “objections.”

And if you need more inspiration, [just check out this YouTube clip](#).

Sample “Good” Answer: “I realize that I do have more work and life experience than the average person applying to investment banking roles – but that also comes with certain advantages.

I've been around longer and explored have different industries, so I have a better sense of what I want, and I'm going to be more committed than someone just out of school. I've also worked across companies large and small in industries from journalism to technology to finance, so I have a good sense of what it takes to work with people from different backgrounds, get things done, and also interface with diverse clients.

Finally, I'm also used to the hours and the commitment required by the job – in fact, in my previous role as a product manager at Zentech just prior to business school I often worked 70-80 hours per week for 1-2 months at a time, especially when we got busy just before new product releases. And I had to pick up new things all the time since we worked with clients across different industries, so I'm confident that I can continue to do that in investment banking.

So while I may not fit the typical profile, I have more experience working in teams and in different industries, and I'm used to the hours and picking things up quickly so I'm confident I could start contributing to your firm immediately."

Why It's a Good Answer: The interviewee turns his "problem" into an advantage, first by reframing the typical objection into "having more work and life experience" rather than stating it in a negative way.

By pointing out his wealth of experience and the characteristics it has bestowed on him, the interviewee's age sounds like less of an oddity and more like a major asset for him.

Hypothetical Failure Stories



8. What's your greatest fear about investment banking?

You can't give a "real" answer here, because your greatest fear will probably be something like working too much, losing your friends, becoming overweight, losing sight of life, getting laid off before your bonus hits, and so on.

Point out something more innocuous like not being able to see enough clients / deals through to conclusion, or the randomness of the experience you get, or concerns about the market in the near-term.

Sample "Good" Answer: "My greatest fear about investment banking is the volatility of the markets and how you can put a lot of work into deals and client advisory work, only to see negotiations collapse at the last-minute. One of the things that appeals to me about finance, coming from a consulting background, is that you get to see more concrete results – but I know that many times deals do fall apart.

Although that is a concern of mine, I'm prepared for it because I know that even if deals and client engagements fall through, you can still get a great experience from working on them and learning what you can – and I know that sometimes deals are 'off-and-on' and may 'return to life' a later date."

Why It's a Good Answer: This is a legitimate fear, but not one that would raise red flags in the interviewer's eyes in the same way that saying, "I'm afraid that I'll lose all my friends" would. He also explains *why* it's more of a concern from him – since he came from the consulting background – and then at the end acknowledges that it can and will happen, but that it won't be the end of the world for him since he can still get a lot out of the experience anyway, even if deals collapse.



9. What's your "Plan B" if you can't get into investment banking this year?

Ideally, your answer should be that you have offers elsewhere at other finance or consulting firms, or that you'll go to something else related to banking in some way, such as corporate finance, strategy, or even the Valuation group at a Big 4 firm.

The key here is to keep your answer centered on finance-related work. Don't say that you're considering consulting, starting your own company, or becoming an actor.

You also want to state upfront that although you may not end up with offers, you believe you're well-positioned to get into the industry to show some optimism in the face of the interviewer's "objection."

Sample "Good" Answer: "Sure. Well, first off, I think I'm well-positioned to win offers in banking this year because of my past work experience and skills, but if I don't end up with an offer at your firm, then I'd go to the Valuations group at one of the two Big 4 firms where I already have an offer – or to the 2 boutique banks that have invited me in for final round interviews.

My ultimate career goal is still to work as an investment banker at your firm, so if I can't get in this year, I will build up my experience at other firms and re-apply next year."

Why It's a Good Answer: Notice how the interviewee cleverly reframes the question into "not receiving an offer *at your firm*" rather than not receiving an offer in investment banking at all.



This is a good move, but there is a chance that the interviewer will pick up on this and ask you to answer the original question, in which case you proceed with the rest of the answer and mention related areas where you have offers or are currently interviewing.

The interviewee gives the impression that the interviewer's firm is his #1 choice, which is another good move because sometimes a question like this is designed to test how **badly** you want an offer there.

10. Let's say we hire you, but in under a year you are no longer working here. Why would that be the case?

Say upfront that you don't think that would happen because you're the best candidate for the job, but if it *did* happen, it might be because of a weakness in your background – not as much experience as others or your ability to delegate work, for example – but one that you've already been correcting, so it should not be much of an issue at all.

This is another "weakness" question, and so you handle it in the same way as all the normal weakness questions (see the Strengths and Weaknesses section of the guide).

Sample "Good" Answer: "I don't think that would happen because I'm the best candidate for the job, but in that unlikely situation, it might be because I'm not always the best at delegating work and getting everyone as involved as they could be.

That can be an issue even as a junior banker because you depend so much on the support staff and presentations center, so it's important to leverage everyone's skill set.

However, I have been actively working to improve my skills there and have been working on several class projects lately where I've distributed work to large teams more effectively – so I don't think this will be a problem by the time I start working."

Why It's a Good Answer: The interviewee's directly addresses the interviewer's underlying question: "Why, if ever, would we fire you?" By using a "softer" weakness and by focusing on what he has done to improve on it, the interviewer's answer makes him sound capable.

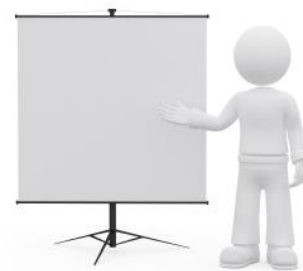


You might be tempted to state something like, “If the economy does poorly and if layoffs are required, I might not be there.” But that is not a good response because you’re blaming an external factor, and the interviewer wants to see if you’re capable of honestly assessing yourself and stating a legitimate-but-not-too-real weakness.

11. Let’s say that your Managing Director 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?

The answer is **No**. It’s a horrible idea to do so as you and the Managing Director will both look worse in front of the client if you bring it up.

Only address it briefly if someone notices and asks about it – otherwise, keep your silence and hope that no one sees it. A mistake is only a mistake when someone realizes it.



You will correct the mistake discreetly later on, but there’s no point in publicly pointing out your error.

Sample “Good” Answer: “I would correct the mistake later on when I can do so discreetly, but I would not point it out in front of the client. Doing so would embarrass both the Managing Director and me, and there’s never any reason to point out a mistake publicly, especially if it’s small – unless the client notices and asks about it, in which case I would quickly address it.

Later on, I would correct the error and make sure it doesn’t happen in the future.”

Why It’s a Good Answer: There isn’t really any other answer for this one. You would not point out the mistake in front of the client, but you would correct the mistake as soon as you could do so discreetly. Just be sure to explain your reasoning for why you would **not** point out the mistake, similar to what the interviewee says here.

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“Future” Questions & Example Answers



You’ll get questions about your future plans and career goals if you’re an entry-level Analyst or Associate, and even when you’re 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 indicate that you want to be a trusted advisor to management teams in the future.

At the Analyst level, you can afford to be less certain and indicate that you want to be in “finance,” and that banking will give you the skill set, experiences, and network you



need. In practice, you'll often end up saying that you're also looking forward to becoming a "trusted advisor," but more uncertainty is acceptable in this case.

Be careful of hinting that you want to start a company or do anything unrelated to finance – those types of answers *can* work but they can also backfire easily if you don't fine-tune your wording.

Preparing Examples in Advance

Really, there is very little to prepare here. You should review the "Why Banking?" section of the guide for more ideas about what to say given your background. The only thing you need to think about in advance:

- What is your **long-term goal** and how is it related to your background plus the experience you'll get in investment banking?

For example, if you majored in biology then you might say that you want to become an advisor to healthcare companies; if your pre-MBA experience was related to journalism, you might talk about advising publishing or media companies.

It is not that difficult and these questions should not require much preparation.

Structuring Your Response

Your responses here can, and should be, **brief**. Do not re-tell your entire "story" when explaining where you see yourself in 10 years.

Normally we recommend using the "State the main reason, give a few supporting reasons, and then summarize and synthesize" structure, but that may be overkill for these questions.

You can still follow that *general* structure, but you don't need to give a speech when answering these questions.

Your Future and Long-Term Goals



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?

You know the drill:

- **Analyst-Level Interview:** You're most interested and excited about banking for right now, but you're not 100% certain of your future, though you know it will be related to finance in some way.
- **Associate-Level (or Higher) Interview:** You want to become a trusted advisor in the future and you're sticking with investment banking for the long-term.



We'll go through an Analyst-level response here and then cover the Associate-level response in the next question.

Sample "Good" Answer: "Sure. I don't know exactly where I'll be long-term, but banking is definitely what I'm most excited about right now because of my personal interest in M&A deals and the industry itself, as well as my goal of eventually becoming an advisor to or investor in aerospace and defense companies.

I definitely plan to stay in banking for the next few years, but I can't say exactly where I'll be in the far future – 10 or 20 years from now – though a finance-related role is most likely."

Why It's a Good Answer: He doesn't claim that he wants to be in banking for life (unrealistic), but instead ties his near-term interest back to his personal interest and even mentions a specific industry he's interested in.

Although he keeps his answer open-ended, he doesn't make it *too* open-ended by saying, for example, that he could become a salesman, a research assistant, start a non-profit, or do something else unrelated to finance.



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?

You need be more certain and show more direction in this case. State that you want to pursue investment banking as a long-term career, after having done extensive research on your own, speaking with many people in the field, and (hopefully) having completed a banking internship or something else highly relevant.

Sample "Good" Answer: "I definitely see myself sticking with investment banking for the long-haul, and becoming a trusted advisor to companies in the media and publishing industries.

Prior to my MBA, I worked as a journalist for *The Financial Times* and I'm very passionate about the publishing and media industries – and now I want to combine that with my finance skill set. I've spoken to dozens of bankers and school alumni, which confirmed my interest, and last year I even completed a pre-MBA banking internship at a local boutique.

I really enjoyed the work and it lines up with my background and my future goals, so I'm committing to investment banking for the long-term."

Why It's a Good Answer: He indicates commitment to the field and expresses more certainty here – which is what you need to do at the MBA-level – and then links it to his pre-MBA experience as a journalist and his post-MBA goal of combining his industry expertise with the finance skill set from banking.

If you don't have "industry expertise" like this, you can be more open-ended with your response and say that you're committed to banking and to becoming an advisor in the future.

3. What is your career goal?

This is a less specific version of the two questions above. The same strategies apply, but the difference here is that timeframes aren't quite as important.



Sample “Good” Answer: “In the long-term, I see myself working as an investor or advisor to companies and helping them with their financing, acquisition, and strategic needs. I haven’t quite decided exactly what role I’ll be in, but I’m most passionate and interested in those areas.

A lot of people say they want to start companies or work with start-ups, or work on massive deals, but I want to do something ‘in between’ and help companies reach the next stage of their growth potential. So that’s my goal, and I’m very excited about banking because it sets you up perfectly to become that sort of trusted advisor.”

Why It’s a Good Answer: Not only does he go back to the standard “trusted advisor” bit, but he also points to a goal that’s *different* from what most others will say: he wants to be an **accelerator** rather than starting something or working with companies that are already massive.

This answer would work well at a boutique or middle-market bank, where companies are smaller, but may not play as well at a bulge bracket bank.

4. Where do you see yourself in 5 years? What about in 10 years?

This is a twist on the traditional “future” question because it’s asking about two different time periods.



For the 5-year period, you can be more specific with your thoughts, but for the 10-year part of the response you can make it more open-ended and talk about broader themes.

Sample “Good” Answer: “Sure. In 5 years I definitely see myself in a finance-related role, such as investment banking or maybe doing something related such as private equity or corporate development. I am very interested in analyzing and working on deals, and I’d get to do that in all of those positions.

10 years out is harder to pinpoint, but I see myself somewhere in the world of business, ideally in an investing or advisory role in an industry I’m interested in, such as Internet or Software. I want to combine my own background with the finance skill set and with the deal experience I’ll get, and that could be a great way to do it.”



Why It's a Good Answer: He gives something more specific for the 5-year part of the answer and names a few possibilities, but then goes broader for the 10-year part and talks about industries and themes like advisory and investing work instead – which is realistic given that no one knows what the world will even look like in 10 years.

If you're at the MBA-level, you should **not** give a response that's this open-ended – for both the 5-year and 10-year portions there, you want to say that you see yourself becoming an advisor and moving up the ranks at the bank you're speaking with.

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International Applicants Questions & Example Answers



You will inevitably get these questions if you're applying to positions from another country (e.g. you're in the US but you're applying to the London office), or if you've moved from one country to another in earlier years (e.g. you moved from China to the UK when you were 15).

Interviewers want to see that you don't just make decisions **on a whim**, but that you think them through carefully and have a solid rationale for everything. Remember the



importance of **commitment**: the last thing they want is for you to join and then quit within 2 months when you decide that you're homesick.

As an applicant from another country, you have to prove to the interviewer that you are **here for a good reason**, and that your desire to move to the country where the job is located is genuine.

Put yourself in the interviewer's shoes: if you were working at a company in Country A, and all your applicants were from within Country A, with a few exceptions, how would you view those exceptions?

They don't fit the profile of the typical applicant and would definitely arouse curiosity – and so it's up to the applicant to satisfy the interviewer's curiosity by convincing the interviewer that **he or she is here for the right reasons**.

Preparing Examples in Advance

When preparing your story, you should have both **short-term** and **long-term reasons** why you want to be in the country and why you moved there / why you're planning to move there.

You also should be able to describe the efforts you've made to **learn about the country** if you do not have any previous connections – maybe you lived there as a child, you studied abroad there, or you've worked with companies in this country in a previous job or internship.

Your short-term reasons depend on the question that's asked, but here are a few ideas:

- You want to gain **experience** in another work culture and learn business in that country.
- You want to learn the **fundamentals** of finance in a major center such as NYC or London.
- You want to get **exposure** to a fast-growing market that interests you in some way personally (e.g. you're going to Brazil and your family has a background in the mining industry, which is huge there).



But your long-term reason should be different – something that shows your commitment to working in that country and that is not dependent on mutable circumstances, such as moving over to be with a significant other.

Also, it's best not to make statements such as, "I love this country! I'm going to live here forever!" if you've only been there briefly a couple times.

Unless you've previously lived there, it's too early to tell if you truly like a place – and an interviewer could easily be **disillusioned** with his city/country and may feel that you don't know what you're getting into and that you'll leave after you get tired of the area.

This happens **all the time** with moves to emerging markets (Brazil, Russia, India, China, Eastern Europe, Africa...), so you need to anticipate that type of response from the interviewer.

If you're from another country and you're applying to one of the major financial centers in the US or UK, stress that you're intent on staying for at least 3-4 years to gain valuable work experience, make connections, and say that this is the ideal place to build your finance career. Admit that you don't know where you'll be 20-30 years in the future, but you're very excited about being here and contributing for the next period of your life.

If you're from a developed country such as the US or UK and you're applying to an emerging market, your reasons should be based either on solid research and understanding of the area, or on previous experience such as an internship or a study abroad experience in that country.

And if you don't have any of those, please stop wasting your time applying and **give up right now** (you signed up for this interview guide because you wanted blunt assessments rather than the sugar-coated truth).

Structuring Your Response

Unless you have previously lived in the country and / or have numerous relatives living there, acknowledge upfront that moving there will be / was a challenge, but you felt it



was worth it due to 1-3 supporting reasons. These will depend on your situation, but you should include the short-term and long-term reasons mentioned above.

The key is to stress your **long-term reasons** as interviewers are keen to see dedication and commitment not only to the firm, but also to the area.

Here's an example of how you might structure your answer for a question about this topic:

1. "I definitely agree that moving here was a challenge, since I didn't know anyone at the time and had to improve my language skills..." **(Acknowledge Objection)**
2. "But I felt it was definitely worth it because of the top-notch education system, the ability to work with companies and people from all over the world, and my long-term interest in Europe." **(State your reasons)**
3. Then, you might give more detail on each of these 3 points and cite previous experiences such as study abroad programs, how you've made friends with and established connections with people from the region, and how much you learned in your university / Master's / MBA program there. **(Elaborate on your reasons)**
4. "And I definitely plan to be here for the long-term and do all I can to contribute and work with clients and on deals for your bank – I can't say where I'll be 30 years from now, of course, but I'm committed to spending the next portion of my life here." **(Admit some uncertainty, but reiterate commitment for at least the next 3-4 years)**

We'll go through more examples of how to apply this structure in the question responses below:

Discussing Your International Status

1. You're originally from [Emerging Market Name] and grew up and got your education there. Why are you applying to the [US / UK / Other Western Country] office instead?



Unless you have a very specific and interesting reason, your response here should focus on the **long-term outlook**: you think it's better to learn the fundamentals in this country to gain a solid background in finance, and while the other country has its promising characteristics, you'd rather work in one of the leading financial centers of the world.

Sample "Good" Answer: "Although you have a branch in my hometown in Beijing, I am applying to your New York office because I believe that it's better to learn the fundamentals of finance in your New York headquarters for numerous reasons, the main one being its long history and its status as one of the leading financial centers of the world.

By starting my career in your New York office, I would gain work experience that would be highly valued in any other place in the world, and I would also gain connections, skills, and knowledge that are not available in mainland China. The deals are bigger, the technical work is more in-depth, and you get a much more structured introduction to the field.

Also, I hope to broaden my perspective and exposure to the world. Although I have done a fair bit of traveling in Asia and in Europe, I am confident that by working and living in New York, I will also gain life experience and education that I couldn't by staying at home.

I may consider going back to Beijing to work sometime in the distant future, but for the foreseeable future, I intend to work and live in New York City to gain a solid background in finance and to broaden my horizons."

Why It's a Good Answer: The interviewee conveys to the interviewer that he's applying to the American offices because he's eager to learn and to experience life outside of the place he grew up in.

Also, the interviewer gets the impression that the interviewee is committed to his choice and has carefully thought out his plan. He also wisely admits at the end that it's *possible* that he may eventually go back to his home country, but not in the "foreseeable future."



2. You're originally from the [US / UK / Other Western Country].

Why did you decide to move to [Emerging Market Name], and what's your long-term plan? What do you have that local candidates here do not?

This question is VERY tough to answer because moving from a country with established financial centers to an emerging market is sometimes seen as a "step down."

Although you may have a compelling personal reason, such as having married someone who lives in that emerging market, the only **acceptable approach** is to point out internships or study abroad experience, or something similar, and to use those to show your long-term commitment to the region.



Interviewers will be skeptical over whether or not you're truly committed to living in a city like Beijing, New Delhi, or Moscow if your only exposure to the country is through friends and/or books and other second-hand sources. And if you say something like, "The beaches in Brazil are awesome! Also, the women are beautiful! I want to move there," you've **failed** the interview.

For the second part of the question, you could answer by pointing out the **benefits of having a diverse background** and being able to understand and interface with clients in other countries more effectively.

You could also point out the internships or work experience you've had in your country of origin and talk about how those experiences gave you skills and perspectives which local candidates could not have gained unless they worked there as well.

Sample "Good" Answer: "Sure. I decided to move to Brazil because I want to spend most of my life here. Having previously studied in São Paulo for a semester and completed a part-time internship, I've seen firsthand how quickly the economy is



growing and how the entire country is being transformed by the growth of the middle class here.

I studied Portuguese intensively, made a lot of friends and business contacts here, and plan to stay here for the foreseeable future. I'm also very interested in the mining industry because my family has owned and operated a few gold mines in Canada, and I want to understand firsthand how metals and mining M&A deals work in this market, where the mining industry is huge.

As for what sets me apart from other candidates, it's true that I'm from Canada originally so I'm not 'local' – but at the same time, I've worked in multiple other countries, including the US and UK, and have experience working across different business cultures – plus, I speak Spanish, Portuguese, English, and French. As Brazil grows and as companies do more deals internationally, those language and interpersonal skills will only become more important.

So that's my plan, and why I'm here – my study abroad experience, personal background and interest, and my ability to work across multiple languages and cultures and add perspective and variety to your team."

Why It's a Good Answer: The interviewee convinces the interviewer of his long-term and genuine interest in the region through his previous experience living and working there. Notice how he focuses on **economic** reasons for why he wants to be there, such as economic growth and mining activity, rather than "the beaches" or something similar. It's OK to mention something more light-hearted like that in passing, but don't make it your focus.

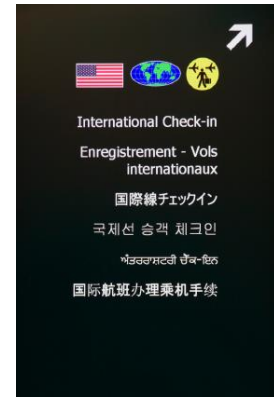
For the second part, the interviewee directly addresses the interviewer's question by pointing out his diverse background and how it could benefit the company. The only real advantages you can offer in this scenario are in-demand language skills and/or experience working with companies across different regions, ideally in a country where cross-border deals are common.

3. The business culture in your own country and what we do here are very different – how have you prepared for that?



Your response here should convey the great amount of preparation and research you've done to learn about the differences between the two business cultures. First, summarize upfront what steps you've taken, and then explain some of the differences and how you can thrive in this new culture. Some common differences to talk about:

- Communication style
- Negotiations
- Hierarchy
- Management style
- Client relationships and how "personal" they are



Sample "Good" Answer: "I have done a lot of research into the differences between the business cultures of China and America. I've talked to Americans who regularly conduct business in China, I've read several books on Chinese business culture, including *Chinese Business Etiquette*, and I've read numerous articles to prepare me for my transition into the finance world in China.

During my internship at Barclays in New York, I met several bankers who often flew to Shanghai for business, and I talked with them extensively about their work. Not only did they tell me about their experiences, but they taught me several key differences between American and Chinese business cultures, such as the way Chinese people negotiate.

One big difference is that Chinese people frequently haggle and believe that every business deal should have room for negotiations, no matter how big or small the deal. Also, the Chinese communication style in business is very different from the American style, as they can be more reserved and quiet in business settings, whereas Americans can be more outspoken. To reach a desired goal they often had to build trust and develop deeper relationships with Chinese businessmen to get them to open up and obtain information from them.

And I've prepared for all that by taking several trips to China myself, living there previously, and putting into practice everything I've learned – so I'm confident that I'll be able to adjust quickly and immediately start contributing."



Why It's a Good Answer: The interviewee shows that he is knowledgeable about the differences in business culture, and that he has done a lot of research by citing the books he's read and efforts he's undertaken.

Also, the answer is very specific because he *doesn't* just say, "They negotiate differently," but instead explains what the differences are. At the end, he reinforces how well he's prepared himself by pointing out the travel he's completed and how he's had the chance to put into practice what he's learned.

4. Why did you originally move to the [US / UK / Other Western Country] rather than staying at home? It seems like your economy is doing much better and growth potential is higher.

If you're coming from an emerging market, you will almost certainly get this question – the perception is that the economies there are doing better and have more growth potential.

Acknowledge the partial truth of that upfront... BUT respond that the US and Europe are still the best training grounds and still have many of the top companies in the world, often setting business trends worldwide. So while there are some advantages to working back home, ultimately you prefer the environment in the West because of the people and opportunities.

Sample "Good" Answer: "The economy in South Korea does seem to be doing better in terms of growth than the US at the moment, but I believe that working in the US, especially here in New York City, is still the best in terms of training and that it's still the best place to build my work experience.

After all, most financial companies and markets have modeled themselves after the Wall Street system, and I prefer to learn in the fast-paced environment here in NYC where there is a constant drive and innovation to succeed. Also, almost all of the top companies in the world are either based here or have office locations here, and while Seoul now has a thriving financial market, it cannot compete with New York City's in terms of diversity and activity.



I also prefer to work here in the States because of the opportunities and doors that will open for me after I work here. The economy may be growing faster in Asia, but bankers who have worked on Wall Street are still highly respected internationally. I may go back to work in Asia one day, but at least for the next several years, I intend to work here in New York City to build up a strong background for my finance career.”

Why It’s a Good Answer: There are many ways to express why you think working in the US / UK / Another Western Country is better than working back home in an emerging market, but your answer should be similar to the one above: acknowledge that the economies are lagging behind and that many macroeconomic problems exist, but point out how you get better exposure, more solid training, and better work diversity. It’s OK to admit that you might go back one day at the end as long as you’re committed to staying in the region for the next few years.

5. What’s your long-term plan? Are you really going to stay in this country given that you have so many family and friends back home?



Acknowledge upfront you don’t know what will happen in 30 years – it would be unrealistic to say otherwise.

But say that your plan is to stay here for the foreseeable future and you wouldn’t have made this move if that were not the case. You could also point out, “Hey, it’s much *easier* for me to go back home – so if I were not committed, why would I be here?”

While you may have friends and family back home, you could point out that it’s always possible to make new friends here, visit family, or have them visit... or that maybe you’ve made friends or have family here now too.

You need to convince the interviewer that you’re serious and that you’ve established some “roots” in this new country, even if that’s not exactly true yet.

Sample “Good” Answer: “I don’t know exactly where I’ll be, say, 30 years from now, but my plan is to be here for the foreseeable future. I’m very excited about the



possibility of working here, and although I have many family and friends back home, I've also made quite a few new friends via activities and internships here. Plus, my family tends to travel a lot so it won't be hard to see them every so often.

I've lived and worked here before, and I look forward to being here on a more permanent basis going forward. It would actually be *easier* for me to go home, so the fact that I'm here should tell you that I'm committed."

Why It's a Good Answer: The interviewee's enthusiasm for working in the new city is apparent from his answer. He admits upfront that he's not sure about the distant future, but for the next few years he'll definitely be here – and then he shows some evidence of "roots" by pointing to the friends and acquaintances he's made, also pointing out that his family travels a lot so that will be less of an issue.

Normally it would be better to give more specific details in an answer like this, but in this case it sounds like the question was a follow-up to something else in the interview. Short answers are OK when you're answering a follow-up question – many of the answers in this guide are on the long side, and you can always cut them down and give less detail depending on the situation.

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"Outside the Box" Questions & Example Answers



These questions always come up because interviewers want to see if you can pass the "airport test" and if you're someone they'd actually want to hang out with... or if you're a robot who can only crunch numbers in Excel.

Do not take yourself too seriously. The point of these questions is to have some fun and show off your personality. If you've been told that you're a bad conversationalist, then you'll have to work on your social skills, or at least appear casual enough when answering these questions.



Many people misunderstand or over-analyze these questions and assume that everything has to be linked back to financial analysis and working 80 hours per week, but that is not the case – they really do want to see what you do for fun and what type of personality you have.

Preparing Examples in Advance

It's almost pointless to "predict" what question you'll get since this category is so random – all you need to do to prepare is understand your hobbies and interests, your favorite books, and so on... and if you don't know these, it's time to think of some.

You still need well-thought out answers for these questions, so you can't be 100% honest as you might say something that hurts you – for example, stating that the "riskiest thing you've ever done" was something that's actually dangerous.

Even saying something as small as citing *The Lion King* for your favorite movie may not be a great idea because it's a little too "ordinary" and well-known, and it is technically a kids' movie. Aim for "Interesting, but not *too* interesting" with your responses.

Structuring Your Response

It's hard to provide a general structure for responses to these questions, as it all depends on your personality and how you like to tell your stories. See the sample responses below for some examples.

One point, however, is that *moderation* is your best friend with these, especially with the risk-related questions.

Talking about borderline illegal activity is stupid, but so is talking about sitting next to the unpopular kid at school and calling that "risky." And although you may have gone through a death-defying experience, interviews are no time to be narrating a 10-minute account of your gripping adventure.

Your Hobbies and Interests

1. What do you do for fun?



As mentioned previously, you don't want to say anything illegal or questionable / controversial, nor do you want to say something generic like "Hanging out with friends."

If you have something 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 playing football (either kind) or other sports, or you have more "normal" hobbies, just talk about those.

Sample "Good" Answer: "I took up rock-climbing several years ago – it's a very fun activity as it's not only challenging and very skill-based, but it's a great workout since you're using almost every muscle in your body."

After a few years of practice, I actually went on a mountain-climbing trip in the Rocky Mountains recently and had the time of my life. There were times when I would be hanging onto a 180 degree cliff and wondering if I'd make it out of there alive, but I finished the climb without incident, and I felt a great sense of accomplishment after descending."

Why It's a Good Answer: Do you really need an explanation for this? Technically rock-climbing is a bit "dangerous," but it's not in the same league as *Fight Club*.

2. Tell me something interesting about you that is 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 would both work well.

Any extracurricular awards/accomplishments, achievements, or overseas travel experiences are worth talking about here, as are any interesting skills you may have omitted on your resume. You could even go with more "academic" interests or talents, such as being able to speed read a page in 10 seconds.



Sample “Good” Answer: “Sure. Back in my high school years, I played the piano quite often, and I even competed in several piano competitions. When I was 14, I placed second in the Arizona State University’s Young Artists Piano Competition.

I received a cash prize, a trophy, and the opportunity to play a concerto with the Arizona Symphony Orchestra. I don’t play the piano as much nowadays, but I still occasionally play a few old Beethoven or Chopin songs just to relax and enjoy the music.”

Why It’s a Good Answer: This is not a particularly “interesting” interest since 80-90% of people applying to finance jobs probably learned piano at some point, but the **accomplishments** she lists are impressive. That is a good tactic if you really don’t have anything unusual to talk about – use your achievements rather than the noteworthiness of your interest itself.

3. What’s your favorite movie / book / TV show?

There are 2 common mistakes:

1. Saying something like *Wall Street*, *American Psycho*, or *Liar’s Poker* that indicates you’re a boring person who only thinks about finance (or serial killers) all day.
2. Saying something like the *Twilight* series or *50 Shades of Grey* that indicates that you’re almost illiterate or have very poor taste...



Pick something in the middle – above trashy romance novels and popcorn movies but not something that has to do with finance specifically.

Sample “Good” Answer: “My favorite book is *For Whom The Bell Tolls*, by Ernest Hemingway. I found the book to be absolutely beautiful and compelling on so many levels. For example, the flashbacks into the characters’ pasts were tragic and horrifying, and also revealed a great deal of background into the story at hand.

The style in which Hemingway narrated the story, through the flow of the protagonist’s thoughts, was unique and fascinating to read. I’m also a big fan of his other books such as *The Old Man and the Sea*, and *A Farewell to Arms*.”

Why It's a Good Answer: This one's a smart choice as you can't really go wrong with Hemingway. Even if the interviewer doesn't like reading Hemingway, he will respect the author and your choice since his books are considered "classics" but are not stuffy, boring work that no one would ever read for fun like many other "classics."

The same cannot be said for the *Twilight* series, or, even worse, *Jersey Shore*. Use your judgment...

4. Let's say that you have \$1 million, but you are NOT allowed to invest it or otherwise use it to make more money. What would you spend the capital on instead?



Don't say, "I would start my own business..." or "I would invest it in..." – many people ignore the actual question.

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, take the extended travel that you've always wanted to explore, or maybe even 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.

And don't say something that would cost far *less* than \$1 million and leave it at that. Yes, travel can be expensive, but you probably won't spend \$1 million traveling unless you take hundreds of first-class flights.

Sample "Good" Answer: "I would save that \$1 million for when I have the chance to travel to South America. I've always wanted to visit many locations in South America such as Machu Picchu, The Amazon, and Venezuela's Angel Falls. I would take an extended vacation and visit all of those locations.

With the remaining money, I might think about starting a non-profit to preserve wildlife in South America – since I've always been interested in that and actually took a



school trip to The Galapagos Islands as part of my biology class in my 3rd year of university.”

Why It’s a Good Answer: It’s an answer that the interviewer will definitely remember. Making payments on your mortgage or saving up for a rainy day might be the smarter choice, but don’t be boring in the interview.

Remember, the interviewer is trying to gauge whether you’re a good guy/girl to hang out with, and you should be putting your best foot forward, even if it’s **not** actually what you would do with \$1 million. She also provides some supporting detail about why this choice makes sense, namely the trip she’s taken and the previous experience she’s had in South America.

Risk and Returns

5. What’s the riskiest thing you’ve ever done?

Don’t say “cocaine” or any other drug / porn / otherwise illegal activity (this **should** be common sense but you wouldn’t believe the emails we’ve received). But you also can’t say, “I sat next to the unpopular kid at lunch 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 but 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 that you had to be *proactive* to get, this is a good time to bring it up.

Sample “Good” Answer: “One of the riskiest things I’ve ever done was to run for President of my school’s Entrepreneur Club. It was risky because getting elected President is unlikely if you aren’t extremely popular and well-connected in the school – and people remember when you lose these types of elections.



However, after talking with numerous friends and looking at the candidates for that year, I decided that it was a risk worth taking since I felt that I could not only do a lot to improve the club, but I could learn a great deal in terms of leadership experience.

I had to put a lot of time and effort into getting my name out and talking with all the club members, and it impacted my social life and time spent on schoolwork and other projects. The election was very close and I won by a thin margin, but the risk turned out to be worth it as I won the election and served as President during my senior year, also making major improvements to the club in the process.”

Why It’s a Good Answer: The answer is more of an **achievement** than a risky “activity” you did. There’s no harm in talking about something fun such as a mountain-climbing or sky-diving experience, but if you can, an experience such as the one the interviewee gives here reflects a tough achievement you accomplished through a lot of time and effort. In some ways it’s related to your job performance ability, which may work better for banking interviews. In trading interviews you might be better off citing a sport or social extracurricular activity instead.

6. 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 always aim for excellence, which 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 radically different from entrepreneurship, so you should take advantage of this line of thinking and indulge their fantasies.



Sample “Good” Answer: “My ‘personal Beta’ would be around 1.5. I do take more risks than the average person, but not so much risk that I’m out there and doing something completely off the beaten path like becoming a sculptor.

I’m ambitious and I work long hours consistently and try new classes and activities all the time, but at the same time I stay pretty focused on achieving my career goals and performing well in classes.”

Why It’s a Good Answer: He does exactly what we recommended. Don’t think too hard about this question.

The Completely Random Ones

7. Tell me a joke.

For obvious (hopefully) reasons, dirty jokes are completely out of the question. As are racist jokes, stereotype jokes, gender jokes, and any other joke that could be deemed inappropriate or offensive.

The one about the monk, the priest and the rabbi walking into the bar may be funny, but if your interviewer is very religious, you may have just offended him and blown your chances.

Try this one if you can’t come up with anything else:

“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!’ ”

8. Let's say that your name turns up in the front page headline of a newspaper in the future – 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, just took your company public, or became a best-selling author – you want “ambition + creativity / coolness” for this type of question.



Hopefully the headline isn't about your indictment for insider trading.

Sample “Good” Answer: “The story would probably be about my generous donation to a worthy cause, such as agricultural development in a third world country, or financial education for impoverished neighborhoods in the US.

I'm not the type of person to hoard my money, and I would most likely donate a large portion of my savings to a worthy cause later on in my career.”

Why It's a Good Answer: It shows a drive and dedication to succeed. You don't *need* an answer which reflects your goodwill – but anything that shows your hard work and drive to succeed is best for this type of question.

9. What type of animal / vegetable would you be?



Some interviewees take this as a cue to talk about being a team player or hard worker, but that's not the best approach.

For "creative" questions, interviewers want you to be... creative. So think about your real personality and say something that matches that. The question itself is whimsical and not meant to be taken too seriously, so just give an interesting answer and avoid giving the impression that you're trying too hard.

Sample "Good" Answer: "I would be a tiger. It's a majestic, yet powerful creature, and it moves with speed and grace but is decisive and strong at the same time."

Why It's a Good Answer: Seriously, don't think too much about this one.

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Recruiting Process Questions & Example Answers



These questions are designed to tell the interviewer how serious you are about getting into finance, how you're doing with recruiting at other firms, and how much "social proof" you have, i.e. whether or not other firms like you and have given you offers.

The key here is to be relatively honest and point out the **good parts**, but **leave out details that will make you look bad**, such as the fact that you advanced to the final round somewhere but didn't get the offer. These questions also let



interviewers know what they're up against, competition-wise, in terms of other firms going after you.

The biggest mistake here is to give answers that are **unrealistic** – for example, saying that you're only applying to their firm, or that you're only applying to large banks, or that you're certain you'll be in banking for the next 30 years if you're currently a 3rd year student in university.

You want to use “realistic, but positively spun” answers. Ground your answers in reality, but make that reality a nice, happy place with rainbows and plenty of furry animals.

Preparing Examples in Advance

Questions about the recruiting process should not require much “preparation” – just make sure you have your story straight. Here's what you need to know:

1. Where else are you **applying**? Other firms? Other groups? Other industries?
2. Where have you **received offers** or advanced to the next round or final round?

If you're at the undergraduate or MBA level, you want to seem **relatively, but not completely focused**: yes, mention that you're applying to other firms, including some that are similarly-sized and some that are larger and smaller, and that you're considering 1 or 2 related industries such as corporate finance.

It's not realistic to say that you're **only** applying to bulge bracket investment banks, because interviewers know that everyone has a backup plan.

On the other hand, you don't want to walk in there and say that you're applying to hi-tech startups, consulting firms, private equity firms, hedge funds, reality TV shows, *and* investment banks. That makes you seem **unfocused** since those are all very different fields – and since starring on a reality TV show would lower your intelligence too much to work in banking.

If you're already working full-time, you need to be **much more focused** and say that you're only interested in investment banks, but maybe admit that you're talking to



several different firms of various sizes. At this level, they expect you to have a better idea of what you want with your career and it wouldn't be to mention so many different options.

Finally, if you have a history of job-hopping you'll need to address that somewhere because it will almost certainly come up. See our suggested strategy and sample answer below for more on how to prepare for that one.

Structuring Your Response

Here's the general outline for most questions about "the recruiting process":

1. Always say that this firm and group are your **#1 choice**, even if that's not quite true.
2. Then, **admit** that you are interviewing elsewhere, as anyone would, but that you're definitely focused on this industry.
3. Then, **reiterate** your first point about this firm / group being your top choice.

You need to be careful with the other firm names that you mention because you want to list places that are roughly in the same "prestige band." So if you're interviewing at JP Morgan, for example, it makes sense to mention other large banks like Goldman Sachs and Morgan Stanley.

But if you mention some tiny boutique with 10 people, the interviewer might have second thoughts about whether you're really "JP Morgan material."

Likewise, if you're interviewing at a tiny boutique with 10 people, mentioning a bulge bracket bank's name might "intimidate them" or make them think that you won't accept an offer from them – so it's better to name boutique or middle-market firms instead.

The Recruiting Process and Your Focus



1. What other firms are you applying to?

This firm is your #1 choice, but you're also applying to a few other similar firms (give names) in finance and related industries such as consulting, if that's true. The goal is to show that you're applying to other firms "at the same level" as this firm.

Sample "Good" Answer: "The investment banking division at JP Morgan is my first choice, and I would love the opportunity to work here if I receive an offer.

However, I am also applying to a few other large banks, including Morgan Stanley, Bank of America, Barclays, and Nomura. And although I am applying to some consulting firms as well, such as BCG and McKinsey, my career goal is to work at a top investment banking firm, and JP Morgan is my first choice."

Why It's a Good Answer: The interviewee starts off by stating that the firm he is interviewing with is his #1 choice, and he re-emphasizes this at the end of his response.

When giving examples of where else he is applying, the interviewee names banks that are in the same "prestige level" as the one he is interviewing with, and he affirms that although he is interviewing with firms in another industry, investment banking is his top choice.

Note that you should **not** list every single firm you're applying to here – pick 3-4 to show that you're talking to other places, but don't give a laundry list of 10+ firms or the interviewer will question your judgment.

2. Where are you in the process at other firms?

Leave out any cases where you did **not** receive an offer or where you were outright rejected. Just tell them that you're in first rounds, that you've advanced, or that you're in final rounds with other firms, if those are true.





Also, avoid giving too many details if they press you – for example, if they ask for detailed accounts of where you’re at every single firm, just say that you’re at different stages and you’d prefer to focus on discussing the bank you’re interviewing at.

You’re at the interview to convince the interviewer that you’d be a great match for their firm, not to talk about your experience interviewing with another firm.

Sample “Good” Answer: “Well, again, the investment banking division at JP Morgan is my first choice, but I am also applying to a few other banks such as Morgan Stanley and Nomura, where I’m in the first rounds of interviews; I’ve also advanced to the final round of interviews at Citi.”

Why It’s a Good Answer: The interviewee plainly states where he is in the hiring process he is, and gives the names of other firms he is applying to. Although he may have already been rejected by Citi, he does not mention that, but states that he’s advanced to the final round, not indicating if the final round has taken place yet or not.

Again, you don’t want to give a full status update on 10-20 firms here – just list a few “comparable” banks and note any cases where you’ve at least lined up first round interviews.

3. Are you only applying to investment banks? Or what other industries are you interested in?

Your response here depends on the stage you’re at – if you’re an undergrad or MBA, you can be a little more open-ended and say that your #1 choice is banking, but you’re also applying to other related fields such as corporate finance and consulting.

If you have several years of work experience and did **not** just come out of an MBA program, you should be more focused since you have a better idea of what you’re doing in life, and your answer should reflect this.

Your response for the other industries that you’re applying to **should never be too open-ended**.



If you majored in biochemistry and you're hoping to get into investment banking, it's better **not** to mention that you applied to research roles at a pharmaceutical company as a backup in case your finance applications don't work out – you want it to seem as if you're fully committed to making a “career change” into business.

Sample “Good” Answer: “My career goal is to work in investment banking, and your firm in particular is my top choice. However, I am also applying to a few related fields, such as corporate financing and consulting. If I do not win an investment banking offer, my plan is to work in corporate financing or consulting for several years to gain work experience and skills, but eventually, I would still come back to investment banking as it is my #1 career choice.”

Why It's a Good Answer: The interviewee stresses in his response that investment banking is his #1 career choice. Also, the other industries that the interviewee is applying to are related to the finance and business – he's not saying that he's applying to non-profits, programming jobs at start-ups, or import/export companies, for example.



4. What groups within banking are you interested in?

This question is fairly straightforward. State that this group (the one you're applying to – e.g. M&A or Capital Markets) is your #1 choice, but that you're open to others, and mention a few that you might be interested.

For example, if you have a tech background, say that you could see yourself working in a tech banking group or anything else that you're personally interested in.

You don't necessarily have to give a concrete reason why this group is your first choice because they're not looking for a long response here, but something brief is good to mention.

Sample “Good” Answer: “I am most interested in working in the Leveraged Finance team at your firm because of the technical skills you gain and the debt deals and LBOs



you work on, but of course I would be open to working in other teams, such as mergers and acquisitions, restructuring, or industry groups.

Also, my major in biochemistry could prove very useful to a healthcare or biotech team, so I'd be more than happy to work in whichever group has the most need for someone with my background and skills."

Why It's a Good Answer: The key point the interviewee makes is that he is flexible, and your response should be similarly flexible. The interviewee starts off by expressing his primary interest in the banking group he is applying to, but says with the rest of his response that even if he cannot work in the group he is most interested in, he would still gladly work anywhere else.

If you lock yourself into one or two groups, there may be an opening in another division that you'll be passed over for since you did not seem receptive to working in groups aside from the ones you stated.

Commitment / Long-Term Plan Questions

5. I see you've switched jobs once every 1-2 years in the past. How do I know that you'll be here for the long-term?

If you are asked this question because of your resume, point out how each time you switched jobs you had very specific rationale, and then explain one or two of the reasons.

Follow up by stating how you've stuck with other things for the **long-term** in order to demonstrate your commitment in the past.

Finally, finish by stating that you are confident you'll be in this role for the long-term because of all the research you've done, the people you've met with, and so on, all of which confirm that this is the best choice for you.

If you have not done anything that could be considered "long-term," then skip that part and follow-up by explaining why this time is different from the past.





And no, you can't say that you didn't like your boss or that you got tired of the city you were in when explaining any of this – even if those are true, you'll have to think of other reasons that sound better, such as saying that you wanted a different type of work or more responsibility.

Sample “Good” Answer: “Sure. So I agree that I’ve changed jobs a few times, but I always had specific reasons for doing so. For example, when I worked at Staples as a sales associate, I left after about a year because I wanted to take on more responsibility and move to a management role, but it was not their corporate policy to promote sales associates.

And I left my accounting position at Ernst & Young because I had always intended on getting my MBA after working for 3-4 years, and it made sense to complete that after finishing the rotational program I was in at E&Y.

Outside of my work experience, I’ve stuck to a number of long-term commitments for many years – for example, I’ve organized a youth retreat and annual conference for my church for the past 5 years and we’ve improved both of them every year.

I’m confident that I would be at your firm for the long-term because investment banking is my career goal – and there’s no better way to achieve my objective of eventually becoming an advisor to management teams. I certainly learned a lot from my previous jobs, but did not view them as my long-term career goals.

I’ve also met with lots of people at your firm, including Seth Davis and Nancy Jones in the New York office, and I’m confident that it’s the best fit for me – and where I see myself working for years to come.”

Why It’s a Good Answer: The interviewee provides several explanations to illustrate how he left his previous jobs for specific reasons, none of which would apply to the job he is interviewing for now.

The reasons the interviewee provides are understandable and do not reflect on his character or ability to commit. And finally, the interviewee finishes his response by explaining why he is confident that he would be at the firm for the long-term.



He also points out a specific example of how he's organized a retreat and annual conference for the past 5 years, which shows that he *has* been committed to long-term projects in the past.

6. Most analysts stay here for 2 years. Would you leave early if you received a better offer elsewhere?

Your response here is simple: "Of course not." You're committed to staying here and at least finishing up your contract. This has been a huge issue for analysts at some banks, large and small, so you need to point out examples in the past of how you've honored commitments and how you'll honor this commitment.

If you cannot think of any examples which reflect long-term commitments, go through your resume in detail and come up with an experience, even an extracurricular one, where you committed to doing something and stuck with it until the end, even when it was difficult to.

Sample "Good" Answer: "Of course not. In fact, it would not even be an issue for me because I would tell other firms upfront that I would not consider moving until the end of my 2 years. It's very important to honor my commitments, and in the past, I've never abandoned anything that I agreed to finish.

For example, during my senior year of college, I volunteered at a local hospital for three days a week while taking on a heavy course load for the first semester. As the term progressed, I got swamped with work from my classes, but I had to work seven days a week and rarely got to relax due to my schedule.

Nevertheless, because I had committed myself to volunteer at the hospital for the entire semester, I stuck with it. I had to sacrifice my social life to get my class work done and volunteer at the same time, but I felt that it was the right thing to do.

Similarly, I would honor a commitment to your firm even if I received an offer elsewhere and the other firm wanted me to leave early."

Why It's a Good Answer: The interviewee firmly states upfront that he would not leave early for a better offer, and that he considers commitments to be very important. And by using a short example, the interviewee conveys to the interviewer that commitment is one of his important character traits. He also wisely points out in the beginning that he would indicate to firms upfront that he would not leave early, so this would not be an issue to begin with.

7. If I gave you an offer right now, would you accept it? / How long would it take you to decide?



YES, you would accept it on the spot without hesitation. Saying anything else will result in you **NOT** receiving the offer. There is no other acceptable answer here.

If you think this is “dishonest,” consider the downside case: if you say, “I’m not sure” or “I’d have to think about it” in order to be “honest,” you may not actually receive offers anywhere else... in which case you have nothing. But if you say you’re very excited and would instantly accept this offer, **at least you have an offer** even if it’s not the one you really wanted.

Sample “Good” Answer: “I would accept it right now. Your firm is my top choice, and I’d gladly take the offer.”

Why It's a Good Answer: See above. No explanation needed.

8. If we gave you an offer when this internship ends, would you come back here?

This one is similar to the response above – say “yes,” but here you can hedge your response a bit more and say that it depends on how the internship goes, but you’re very optimistic and have really liked everyone you’ve met so far.

In fact, a measured response here may be slightly better here because it shows that although you’re very enthusiastic, you aren’t jumping too far ahead by committing to an offer that you haven’t actually received yet.



A lot can during an internship, whether you don't get along with your co-workers or the office culture is simply not right for you. By giving a measured, but optimistic, response, you show the interviewer that you've given this some thought and tend to think a few steps ahead.

Sample "Good" Answer: "Yes, I would be very excited to come back to your firm full-time if given the offer, though this would, of course, depend on my experience here and how the internship goes. But from what I've seen and heard about your firm so far, I am almost certain that I'd be coming back if given the offer."

Why It's a Good Answer: The interviewee shows that he is considering a long-term career at the firm and that it's not just a place for him to gain experience. At the same time, the interviewee's answer is a bit more substantive and thoughtful than an enthusiastic "Yes, yes I would!"

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Resume / CV Questions & Example Answers



Questions about your resume are among the **most important ones** because you'll get them regardless of your work experience or education level.

The single most important question in any interview is "Walk me through your resume" (otherwise known as "Tell me about yourself," among other names) and it's also the **single most problematic one** – so make sure you review the dedicated section of the guide and all our templates and tutorials for that one.

You need to know EVERYTHING on your resume very well. Anything you write about is fair game – so if you don't know much about it or cannot explain it well, take it off. I've seen people get grilled on small details and lose out on offers when they don't remember the experience that well.

This can become a real problem if you have 5-10+ years of work experience but can't remember the details for everything. For each work experience entry, you need to give not only a good summary of the experience, but also more detailed accounts such as particularly noteworthy assignments you worked on.

To prepare, go through all work/leadership experience entries and create a **summary statement** for each one along with a **3-point outline** of the most important projects / clients / deals for each entry.

Finally, if you have deal or investment experience, please see the section of the guide on how to discuss your transactions for more detail on that.

Preparing Examples in Advance

First, use our Resume Walkthrough templates and video tutorials (in the dedicated section of the guide) to prepare your response to the resume walkthrough / tell me about yourself question.



Then, look at each work/leadership experience entry on your resume and create an outline for it with the following points:

- **A Summary** of what you did overall (e.g. “In this wealth management internship, I supported the financial advisors by analyzing client portfolios, researching new markets, and improving internal processes”).
- **The 3 most impressive results** from the experience (e.g. “I provided data and analysis that led to 2 clients improving their returns by over 5%, found 2 new promising real estate assets to invest in, and made our recommendation process 10% more efficient, saving 5 hours per week”).
- **Synthesis** – how the skills / experience you gained apply to finance (e.g. “I learned how to work in a team as both a leader and team member, gained analytical skills, learned about the markets in-depth, and learned how to work with clients”).

If you can't do all of this for minor entries, just worry about creating a summary statement for each one. **Anything on your resume is fair game** – it's better to delete something entirely rather than leaving it in and explaining it poorly or not at all.

Structuring Your Response

The 3-point structure works well for most of these questions – you just apply it differently depending on whether they're asking about a single entry on your resume or multiple entries:

1. **Summary** (for a single entry) or **brief description** (if asked about multiple entries).
2. **3 most impressive results** (for a single entry) or **more detail on the entries** (if asked about multiple entries).
3. **Synthesis** – how the skills you gained in that entry, or in multiple entries, have prepared you for finance.

This structure doesn't necessarily apply to *all* these questions because a few of them are asking for very specific things – so keep it in mind, but don't try to apply it if it makes no sense.



Other questions here may include queries about why you did or didn't receive offers from previous internships, and why you quit previous jobs.

The structure above doesn't necessarily make sense for those questions, but you can still apply the basics – summary, supporting details, and why the firm you're interviewing at is a much better fit for you than previous companies.

Discussing Your Resume

1. Walk me through your resume. / Tell me about yourself.

Yes, these are both the same question. And this is the single most important question in any interview – if you screw this up, interviewers will stop paying attention within the first 2 minutes of the interview.

The single biggest mistakes here are 1) To literally walk the interviewer through your resume; and/or 2) To tell him/her about yourself as if you were meeting a new friend.

Instead, you need to **tell a story** about how all your experience up to this point has led you here, where you're going in the future, and how this job or internship will get you there.

You should go through the relevant lessons, templates, and video tutorials on telling your "story" right here first:

- [How to Tell Your Story](#)

The 5 key components to your story:

- **The "Beginning"** – Where you grew up or where you went to university / business school.
- **The "Spark"** – How you initially became interested in business / finance; the more specific the anecdote, the better.





- **Your Growing Interest** – How did this interest change and develop via internships and jobs over the years? You should name something you liked and something you did not like about each one, and show you how've progressively moved closer to finance each time.
- **Why You're Here Today** – You need to state explicitly why you are interviewing for this role (e.g. You want to combine your accounting and analytical skills with the ability to advise companies on major transactions). There is no such thing as over-emphasizing this point.
- **Your Future** – Where are you going in the future, and how does this role fit in? For example, maybe you want to become a "trusted advisor" to companies and work with management teams over the long-term, or become an investor in a certain industry, and this is the best path to getting there.

Shorter is better when it comes to this question – 2-3 minutes can work, but 60 seconds is better if you can cut it down to that length. People in finance have ADD and often get bored if you talk for too long, even if you have an amazing story.

Never look at your resume when going through your "story."

What are other common mistakes with the "Walk me through your resume" question?

1. Going out of order chronologically. Sorry, this is not a Quentin Tarantino film.
2. Too much exposition – don't start off by saying, "I've had a lot of great experiences."
3. Being too short (30 seconds) or too long (over 5 minutes).
4. Not sounding certain that you want to do banking/finance.
5. Listing your experiences rather than giving a logical transition between each one.

Again, you really should go through the dozens of video tutorials and templates that address this very question – because your "story" is the most important part of any interview and will literally make or break your chances:

- [How to Tell Your Story](#)

We have everything there, from what you should say as an undergrad finance major or non-finance major to the MBA level to beyond that – including specific scenarios such



as transitioning from Big 4 Accounting to banking and moving from investment banking to private equity.

2. What are the 3 most important things I should know from your resume?

This is a twist on the traditional “Walk me through your resume” question, and you should **not** actually go through an extended story for this one.

Instead, pick the 3 entries with the most impressive **RESULTS** that you have – it can be mix of activities and work experience, but it should be **all** work experience if you’ve been out of school for at least 2-3 years.



The three **best** types of results to point out:

1. How you **increased revenue** / sold more / earned high returns.
2. How you **saved money** by reducing expenses.
3. How you **saved time** by improving processes.

If you don’t have those, run with what you have and link your experience back to other “soft” skills they’ll look for – such as teamwork, leadership, communication skills, and more.

First, summarize the three experiences, and then elaborate on each one by pointing out the **RESULT** you accomplished in that experience/activity.

Finally, tie your answer to finance in some way at the end. You may have increased membership in your school club by 150%, but unless you can point out how that’s relevant for the job, your response is unhelpful to the interviewer.

Sample “Good” Answer: “The three most important things you should know from my resume are that I served as the Vice President of my school’s Investing Club, I worked at the New York Comptroller’s Office, and I worked at Acme Tech Company.



My position as Vice President of my school's Investing Club is significant because I increased club membership by 150% via new promotional and outreach efforts – and I improved our operations by resolving interpersonal conflicts. It's important to resolve those conflicts when working in a team in the finance industry, and to recruit good people to the firm.

My experience at the New York Comptroller's Office is important because I worked extensively on a case which led to massive overhaul of several divisions of New York State's Department of Labor. The case required many late-nights and weekends spent at the office to analyze all of the financial report of the New York Department of Labor, but the end result was worth it since my work led to significantly reduced spending. I could bring this same dedication and ability to cut costs and improve processes to your firm.

Finally, my work at Acme Tech Company is important because I personally created a computer program which greatly increased the efficiency of the company's accounting department. I created the program when I noticed that the previous program we used for entering data was outdated and cumbersome. This new program saved the company over \$5,000 – and I could bring the same skills to your firm and improve processes there as well."

Why It's a Good Answer: The interviewee starts off by stating the three important things that the interviewer should know from his resume, and then goes on to briefly describe his significant accomplishment in each of the experiences/activities. Notice how:

- 1) The interviewer always ties back his results to **finance** and how he could deliver a similar result for the bank/firm/company he is interviewing at.
- 2) He can't point to increased revenue or sales, but he can point out how he **improved processes** and **reduced expenses**, and how he worked long hours and resolved conflicts.
- 3) He doesn't follow our recommended **structure** exactly, and that's OK. As long as each experience is linked back to finance, he doesn't need an explicit summary at the end.



It would be *slightly* better here if the interviewee had more business-related experience to speak to, but he gets away without it since the skills he gained are highly relevant anyway.

3. What's the single most impressive experience on your resume?

This question is similar to the previous one, but now you have to state the **single** best / most relevant entry, give 3 supporting reasons why it was so impressive, and then summarize it and show how skills apply to finance at the end.

It's unlikely that you'll get this question in addition to the previous one, but if that happens, elaborate on one of the previous entries you had described.

Sample "Good" Answer: "The single most impressive experience on my resume is my experience at the New York Comptroller's Office, since I multi-tasked successfully, had to approach work with great attention to detail, and achieved real results by helping to reduce spending.

During my time there, I worked on numerous different government investigations so I had to multi-task very well – I even created a system for scheduling and prioritizing my assignments.

Also, because I approached my work with great attention-to-detail, I was given a great amount of responsibility for a data analyst. A big part of my job was going through financial reports and spreadsheets taken from various branches of the New York government, and I had to analyze these reports with a critical eye. The smallest error could make a huge difference in the accuracy and validity of a financial report, and since I did that well, I received work that usually was reserved for senior analysts and investigators.

Finally, this experience is the single most impressive one I've had because my division conducted some of its investigations into government waste and funds misappropriation at the time, and I put in long hours going through all the paperwork. Many of the cases required us to analyze hundreds of different financial reports and spreadsheets, and only by working late nights and weekends at the office were we able to finish all the analysis on time.



Not only did I gain highly relevant skills at the Comptroller's office – multi-tasking ability, analytical skills, attention-to-detail, and the ability to work long hours, but I also helped the team achieve real results and significantly reduced misappropriations and excess spending.”

Why It's a Good Answer: The interviewee provides three solid, supporting reasons for why his experience at the Comptroller's Office was the most impressive one on his resume. Also, by making each of his reasons highly relevant to working in finance, the interviewee demonstrates that he could deliver the same results for the finance firm he's interviewing with.



4. Can you tell me about [Internship Experience / Full-Time Work Experience]? What did you do?

The biggest **mistake** with this question is to simply state what you did – for example, “I worked directly with clients and helped them plan their advertising campaigns.”

But that's not enough. You should tell the interviewer, in addition to your actual responsibilities, what you **accomplished** during the experience and link everything back to the **results**. So you can start out with a statement like the one above, but then you need to explain how you helped the clients win more sales, save money, or save time.

When you give your response, first summarize the main tasks you performed, then give the 3 **most** impressive results, and then explain how the skills you gained translate over to finance.

Sample “Good” Answer: “Sure, as a statistician for the Census Bureau, my duties were split between office and field work. In the office, I would spent a lot of time developing and designing questionnaires, as well as analyzing data collected from the field. Outside the office, I interviewed homeowners, businesses, and institutions for data such as the number of rooms in a building or the ethnicities of residents living at a particular address.



As a statistician, I gained much better analytical skills and learned a lot about economics and data analysis from my mentors; and from my work in the field, I learned how to work with all types of people, and had to sharpen my interpersonal skills to speak with people who had no desire to take time out to talk to me.

Not only did I gain a great deal personally, but I also contributed substantially to the Census Bureau, streamlining one of the Bureau's questionnaires for multi-family dwellings by changing its design and wording to make it more understandable for the average person – and that questionnaire eventually became the standard for multi-family dwellings.

Through the experience, I gained analytical, teamwork, and interpersonal skills, and made processes more efficient, also getting better results for the bureau in the process – and I could bring these same skills to your firm."

Why It's a Good Answer: The answer does not focus so much on the daily tasks the interviewee did in his work experience. Instead, the interviewee focuses his response on what he **accomplished** and **learned** from his experience, and of course, he explains clearly to the interviewer at the end how his skills can translate over to finance.

5. I see you've listed [Finance Coursework / Training Programs / Other Certifications] on your resume – can you tell me about what you did for those?

This is where you get to show off everything you've done *outside* of school and work to prepare for the job.

And yes, you definitely want to list all coursework, training programs, and relevant certifications on your resume – otherwise, why did you even bother getting them?



The same 3-point structure applies for the answer. I'll be overly self-promotional for this one:



Sample “Good” Answer: “Sure. I recently completed the *Breaking Into Wall Street* Advanced Financial Modeling course, which focused on a case study of Microsoft’s attempted \$44 billion acquisition of Yahoo, one of the biggest potential tech deals ever. I completed 3 main parts: an operating model for Yahoo, a valuation, and a merger model between Microsoft and Yahoo.

In the operating model, I learned how to build detailed revenue projections based on bottoms-up and tops-down methodologies, and create expense projections based on fixed and variable costs such as number of employees; I also created multiple scenarios for the model to correspond to the upside, base, and downside cases.

In the valuation segments, I valued Yahoo using the standard methodologies but focused on the more advanced nuances such as calendarization, adjusting for non-recurring charges, and stub periods and mid-year discounts in the DCF. I also used less common methodologies such as future share price analysis, liquidation valuation, and sum of the parts.

Finally, in the merger model, I built a full 3-statement model that combined Microsoft and Yahoo’s statements and accounted for different scenarios for the acquisition structure – stock vs. asset vs. 338(h)(10) – and financing options. I also analyzed possible revenue and expense synergies and calculated what the accretion / dilution would be at different levels and what the breakeven synergies were.

Overall, the case study included many of the tasks that you do as an investment banker and I feel very well-prepared and confident that I’ll be able to hit the ground running since I understand operating model projections, valuation, and merger models in-depth.”

Why It’s a Good Answer: He states the name and purpose of the case study, and then goes into more detail on the 3 areas he knows best (or would be most impressive to the interviewer).

You have to be very careful with these questions because **they can and will ask you for more detail on something if it’s very relevant**. Here, for example, if you do *not* know the differences between stock vs. asset vs. 338(h)(10) deals that well, you should not bring up the topic.



Case studies, competitions, and training programs like this will definitely help you in interviews, but **only if you know the material well and can address the questions they'll ask you.**

6. I see you've listed [Hobby / Sport / Activity] on your resume. Can you tell me about it?

You can use the same structure here, but you may have more difficulty in linking the skills back to finance. **Sports** are always good to discuss for this one because they require teamwork, focus over long periods of time, and constant hard work and practice.

Sample "Good" Answer: "Sure. I got my black belt in Judo after almost 9 years of training. It was very difficult to attain, and receiving the black belt was a big personal accomplishment for me. Attaining the black belt was very difficult to achieve for several reasons:



First, the amount of training required to reach that level was very extensive. I trained three days a week for 9 years and almost never took a week off. For three nights a week, I spent two hours at the dojo sparring with others and learning new techniques. It took a lot of self-discipline and commitment to pass up fun events and relaxation time to go to the dojo 3 nights a week.

Also, the training itself tested my limits. At times, the physical pain and exhaustion of the training was so intense that I wanted to quit. One time, I tore my leg muscles when I performed a throw incorrectly and it took me a month to recover.

Training in Judo for 9 years did wonders for my time-management and multi-tasking skills – I had other hobbies and a social life in addition to going to school full-time and eventually working a full-time job, but I always continued training in Judo no matter how busy things got. Even though sometimes I would sleep less or have less time to relax, I learned to prioritize my activities and arrange my schedule so that I would do everything I had to in addition to my work and Judo training."



Why It's a Good Answer: Instead of giving a whimsical answer touching on some of the things he did to attain his black belt, the interviewee provides 3 reasons for why achieving his belt was so difficult. In those 3 reasons, the interviewee describes what he learned and the amount of dedication it required from him.

Although he doesn't explicitly state the connection to finance here, the link is obvious enough as is: long hours, intense training, focus, the ability to bounce back from everything, multi-tasking, and more. Sometimes you can "over-do it" if you try to explain too much, especially when the question is about your interests or activities.

7. I see you wrote here that you're fluent in [Language]. Can you tell me about your most recent internship / job in [Language]?

You're setting yourself up for **disaster** if you list a language on your resume but can't back it up – there is no way to "fake" your way through not knowing a language. So take it off if you can't discuss business vocabulary, or keep it in but make sure you can explain everything on your resume in that language.

You never know if an interviewer just happens to speak the language you put on your resume, so if you cannot speak it fluently enough to describe your resume in that language, leave it out.

There's no sample answer for this one because it would be the same as what we've covered above – only in a language other than English.

The Results of Your Work Experience

8. I see you did a lot of good work at [Internship Name] – did you receive a return offer?



If you did, this is an easy answer.

If you did not, spin it in a favorable light by saying that it wasn't what you were looking for or that you **didn't fit in with the culture of the firm...** but that the specific reasons why it wasn't for you do not apply here, and that the firm you're interviewing with is a much better fit for you.

Never blame a boss, co-workers, or say that the work itself was boring or anything negative like that. And don't blame the economy.

It's only acceptable to blame something external if it's a situation like an entire firm going bankrupt, or a firm laying off its entire division, and it's very public news. Yes, it is harder to receive return offers in a poor economy but it still sounds like you're making excuses if you say, "Well, the economy is bad so hardly anyone got return offers..."

Do not lie about your offer status – bankers can **easily** discover if you lied, especially if your internship was at another bank. I have seen multiple people get rejected every year for lying about this sort of thing.

Sample "Good" Answer: "No, I did not receive a return offer from my internship at Horizon Partners. I did well and got to work on several live deals there, and the team members commented that my technical skills were good and that I contributed a lot – but it was just not a good cultural fit for me.

The main problem was that pretty much everyone there knew each other and had worked together in the same group for 10 years, and had also gone to the same 2 universities together. I tried to fit in as much as possible, but they even acknowledged that it was a tough environment to get used to, and mentioned that they had never hired an intern before for those reasons.

I tend to perform better in settings where there's a diverse group of people from all different backgrounds, and this is why I'm so excited about joining your firm – I've



gotten along well with everyone I've met so far and have been really impressed with the different clients you advise."

Why It's a Good Answer: This is a very tricky question to answer well, and this answer is certainly not "perfect" (just like the greatest weakness question, sometimes there are no "good" answers, just "less bad" ones).

The key is that he points out that **he performed well** and that the team even appreciated his performance... but he didn't fit in with the culture of the firm, and then explains specifically why. This "cultural fit" problem is rare at large banks, but it's common at smaller firms.

Then, he confirms that even *they* thought it was tough for him to fit in and further adds to his credibility by mentioning that they normally never hire interns. Finally, at the end he mentions how he gets along with a diverse group of people better (important at large banks) and how it's important for both co-worker and client relations.

9. Why did you decide to quit your job at [Company Name]? It says here you had performed well and were promoted twice.

10. Why didn't you accept a return offer from your internship?

[NOTE: These questions are virtually identical so we've combined the instructions and the sample response below. There are a few small differences, which we'll note in the last section.]

This question is similar to the one above – point out the positives first and how you learned a lot and performed well, but ultimately, you wanted something different in terms of work experience and culture, so you made the difficult decision to leave and pursue something more aligned with your career goals, which is why you're here today.

The main *difference* is that you don't need to tie this to an issue of "cultural fit" quite as much. It can be more about the work itself, and it's a little more acceptable to point to external circumstances, because they have more of an impact on a full-time job over



several years than they do on an internship experience (this reasoning doesn't apply if they ask why you didn't accept a return offer from an internship).

Sample "Good" Answer: "I definitely enjoyed my time working as an accountant at Xen Tech. The company developed advanced computer technologies, and I learned a great deal in my time there on how to manage the finances of small and mid-sized businesses. I excelled at my job, got along well with all of my coworkers, and I earned those two promotions through my hard work in only a year's time.

Ultimately, though, I quit because I wanted to take on more responsibility and contribute more to our client-facing operations, and it became clear that they did not look favorably upon that. In addition to accounting, they also had a business development group that focused M&A deals and partnerships, and I was very interested in joining. Several members of the team actually pushed for me to join as well.

Unfortunately, senior management had a very strict view about employees moving elsewhere, so they didn't want me to do that. I had gotten more and more interested in deals over time, and decided that I would be better off by moving to a firm such as yours where I could contribute directly to deals and work with clients."

Why It's a Good Answer: The interviewee begins his answer by speaking positively of his experience at his company. Then he explains that he quit because he became more and more interested in deal-related work, and that team members in that department even liked him and pushed for him to transfer, but senior management did not go along with it.

At the end, he states why the firm he's interviewing with right now will be a much better fit based on what he's looking for.

You can apply the same type of strategy for internships as well – the only difference is that you have to make it more about the *type of work* you wanted vs. what they actually did there, as opposed to saying that senior management didn't want you to move over.

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Strengths and Weaknesses Questions & Example Answers



Questions on your strengths and weaknesses are common for job interviews in any field – but you should **not** overlook these questions as being “filler” in finance interviews just because of that.



Not only must your answers be more thoughtful and convincing in finance, but they must also demonstrate that you can do the job by highlighting the **key qualities** that interviewers are looking for.

You must use also your responses to highlight your *judgment*, especially your ability to avoid saying something stupid for the “weakness” and “failure”-type questions. There are **many** bad answers to these questions, but not that many good answers. Arguably, there are only “less bad” answers.

To answer these questions in the best way possible, **prepare your examples in advance** and **structure your responses** as described below:

Preparing Examples in Advance



In order to prepare for the strengths/weaknesses questions that an interviewer may ask, create a list of at least **3 strengths** and **3 weaknesses**, with each one supported by a specific story or work experience entry on your resume.

Your **strengths** should all relate to qualities that bankers will be looking for. Examples:

- The ability to work long hours over extended periods
- Attention to detail
- Communication skills
- Quantitative / analytical ability

The first three qualities are straightforward, but the last one deserves more explanation.

Essentially, quantitative / analytical ability means that you can not only crunch numbers, but also interpret the **meaning** of numerical data. You may think that you lack this skill due to your liberal arts degree or because you have not calculated anything since your high school math class.

But if you have worked in a position which requires **extensive handling of money**, whether as a dealer in a casino or as a teller in a bank, then you have a strong ability to work with numbers.

Also, almost everyone who has worked in retail has had to work with numbers on the job. If you have calculated store inventory, selected items for marketing, or even just worked a cash register, then you have some degree of quantitative ability.

And if you have a background in a science, engineering, architecture, or economics, you won't have a problem demonstrating this ability at all.



Your **weaknesses** should be “real” and substantive, but at the same time, not “too real.” If your greatest weakness is that you have trouble focusing for long periods or that you have tendency to miss deadlines, then you’re in trouble.



Your weaknesses should be things that can be **learned** relatively easily, or things that could also be interpreted as strengths or spun around into sounding like strengths.

Some examples of good **weaknesses** include:

- Getting nervous during public speaking
- Not being able to delegate tasks well
- Not much accounting / finance experience
- Sometimes not following up properly on your work
- Too determined to get a job done (all-nighters, skipping meals, exhausting yourself, etc.)

Be careful when providing a weakness that could also be a strength, because some of those answers are far too clichéd (e.g. “I work too hard!” – that one didn’t work on university application essays, and it won’t work now).

Saying something unrealistic or clichéd like that may also imply that you lack interpersonal or communication skills, which is a big problem since much of your time in finance will be spent **convincing** your superiors and clients of certain points.

Structuring Your Response



For **strength** questions, simply state your strength(s) upfront and give an example or two from your work experience or activity / leadership experience to support them.

For the **weakness** questions, state your weakness(es) upfront and then give examples of how you’re actively working to improve them.

For example, if your weakness was your public speaking ability, follow up by saying that you’ve joined Toastmasters or another club where you actively attempt to improve your public speaking ability.



Or if you don't delegate tasks well, say that you've taken a class on time management or that you've been working with a mentor who is helping you with your ability to delegate tasks to others.

The key here is to stress that you are **taking steps to correct your weakness**. Convey to the interviewers that when you identify a problem, you actively take steps to rectify it since that is the kind of person you are.

For **mixed** questions that ask about both traits, always start with your strengths, give one or two examples, and then move onto your "areas for improvement." You do not have to say these are "weaknesses" – just explain how you're actively improving certain aspects of yourself.

Strengths/weaknesses responses do not lend themselves quite as readily to the STAR structure that we've discussed elsewhere in the guide, so your success lies in coming up with great **supporting examples** from your experience.

Discussing Your Strengths

1. What's your greatest strength?

For this question, try to tailor your response to the specific job you are applying for. The example strengths mentioned above are all suitable for general analyst / associate positions, but for certain positions which may require greater leadership or team collaboration skills, pick the strength that would be most valuable for the position.

Examples that would be good to cite for your greatest strength:

- Ability to get things done on-time and work long hours
- Communication / interpersonal skills
- Leadership and project management abilities
- Quantitative / analytical ability

Sample "Good" Answer: "My greatest strength is my communication skills. I work very well with all kinds of people from different backgrounds and ages. When I work with others, I make sure that I understand the different perspectives and objectives that



each person brings to the table. At the same time, I am able to clearly communicate my goals and expectations to others to ensure that there are no misunderstandings later on in the project.

For example, when I worked as the member of a 10-man marketing team in my last internship, the work we produced initially was poor. Although no one wanted to blame any particular person, I knew that there were several team members who were directly responsible for our poor work product, and I spoke to them directly to figure out what had gone wrong.

It turned out that those team members had liberal arts background and were having trouble understanding a few economic concepts that were essential in our efforts. I sympathized with them, and I took the time out to explain to them those key concepts.

I also discussed with them and the other team members how we should approach our task delegation given the backgrounds of everyone on our team. At the end, we were able to work out a good system where if the liberal arts team members were having trouble with more finance-related tasks, we would trade responsibilities to make sure that the final team product was optimal.”

Why It’s a Good Answer: The interviewee states upfront his greatest strength and explains it in more detail afterward. Then, the interviewee provides a specific example that directly illustrates his greatest strength. In this case, the interviewee also uses the correct language to describe his communication skills through action words such as “sympathized,” “discussed,” and “explained.”

Notice also how he uses the term “team members” rather than “people,” signaling that he views the team as more than just individuals – playing directly into the importance of teamwork in the business world.

2. Why should we hire you?



This is a very direct interview question and one of the most important ones – if you can’t answer it, why *should* they hire you?

It’s similar to the previous question on your greatest strength, but the key difference is that you need to focus more on the *company’s* needs and the requirements for this specific role in your answer

rather than a generic strength.

There are a couple ways to approach this one:

1. Point to the **results** you’ve achieved in the past – increased sales, reduced expenses, time savings – and how you can accomplish these for the firm you’re speaking with.
2. If you don’t have a lot of results to point to, stick to more **general traits** like the ability to get work done no matter what, your educational background, and how you’re also the type of person they’d *want* to spend time with (you pass the “airport test”).
3. Finish by stating that you can **hit the ground running** and that you’ve already learned a lot of the skills on your own, so they won’t have to spend much time training you.

Or, you could use a combination of some or all of the points above:

Sample “Good” Answer: “You should hire me because I have a track record of saving organizations time and money, I can get the job done no matter what the requirements or deadline is, and I’ve already learned a lot of the key accounting and finance skills required on the job, so I can hit the ground running and start contributing immediately.

As one example, when I worked at the New York City Department of Finance, I often had to work long hours to finish urgent projects that my supervisor assigned to me. Because the City’s Department of Finance was in the midst of revising the City’s tax laws, the office had an unusual amount of work while I worked there, and often we had last-minute deadlines that required precise analysis and attention to detail. I ended up



saving the department over \$50,000 in administrative costs by improving the tax filing process – in just 3 months – and I could deliver those same results for your firm as well.

I've also earned top grades and led several student groups at the University of Michigan, and I've taken several finance and accounting classes and have enrolled in financial modeling classes so that I can immediately make myself valuable and start contributing to your firm once I join. So I'm confident that I can do the work no matter what, that I'll deliver great results for you, and that you'll start seeing those results from very early on."

Why It's a Good Answer: The interviewee starts off by stating strengths that are relevant to the needs of the company and the position he is applying for. He gives a specific example of how he saved time and money for an organization in the past and had to work long hours and be very attentive to detail in the process, both of which are important for finance roles.

After he gives a specific example to support this point, he then mentions his educational background ("selling" his intelligence) and his people skills – plus, how he can start contributing immediately, unlike other candidates that might require more in-depth training.

Employers hire people who generate positive ROI for them – if you can show evidence of this (make them more money, save them time, or reduce their expenses), you'll be far ahead of other candidates.

3. How would your best friend describe you in three words?

Resist the urge to give a humorous or casual answer. This interview question is far less common than the previous two, but it's no less important.

Interviewers ask this question or some variation of it to elicit an interesting response from interviewees – but regardless of how they ask it, just refer back to your list of 3 strengths and use it to produce an answer.



However, try not to use more formal words like “astute” or “team-player.” The interviewer will be gauging your response, and the more realistic your response is (i.e. does it sound like what a real person would say?), the better it reflects your judgment.

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.

Sample “Good” Answer: “Hardworking, careful, and outgoing. My best friend would describe me as hardworking because whether it’s a small task that my friend asks me to do, or a big project at work, I always put my full effort in it to do it right. She would also say that I am a careful person because I put a lot of thought into details and I think things through before making important decisions and going through with actions. Finally, she would consider me outgoing because I am very friendly and easy to get along with, and I always like to start conversations and get to know people better.”

Why It’s a Good Answer: These are the interviewee’s strengths, and they tie in directly to what you need to succeed in finance and in business more generally.

If you were to casually ask your friend what they thought of you, this would *not* be their answer in most cases... But what if the **interviewer** were to call up your friends and asked them to describe you in three words?

If they were good friends, hopefully they would state three of your strengths in a similar fashion. But since you’re the one being asked this question, a straightforward response such as the one here with more casual words is a good approach. You still emphasize the same qualities, but you don’t need to sound quite as formal.

Discussing Your Weaknesses and Failures

4. What’s your greatest weakness?



From your list of at least 3 weaknesses, pick the one that is **least** relevant to the position you are applying for. If the job description requires you to give the occasional presentation to clients or in board meetings, then do not mention public speaking as your greatest weakness.

This question highlights a particular shortcoming in your abilities, and even if you follow up by describing how you are working to improve this area, it's better *not* to let it stick in the interviewer's mind.

As we discussed above, you do **not** want to state something clichéd here such as "I work too much!" because it sounds stupid and the interviewer will just laugh at you. Instead, pick something real but not something critical that will sink your chances.

Once you state the weakness, give a specific instance when it came up, and then explain what you've learned and how you're improving upon it.

Sample "Good" Answer: "My greatest weakness is that I'm sometimes not good at delegating work in organizations and in team project scenarios. I am somewhat of a perfectionist, so I like to make sure that every single detail is correct.

On one project in my Finance class last year, I knew that a few team members were from engineering backgrounds and didn't understand some of the concepts quite as well, so I didn't divide the work well enough and we didn't have enough time beforehand to double-check everything.

But I've been working to improve that by better assessing everyone's strengths and abilities upfront, and then deciding early on who will be completing specific tasks on projects.

For example, when I submitted a report to my team supervisor during my internship earlier this year, everyone contributed more equally and we had plenty of time to fact-check and error-check everything in advance, which resulted in a much higher-quality final product."



Why It's a Good Answer: This answer is good because not being able to delegate well is a legitimate weakness, but not something that will sink your chances as a junior-level employee at a bank – and as we suggest, the interviewee gives a specific example, points out how he's working to improve himself, and give an example to support that.

You do not want all 3 of your weaknesses to sound like this one because they will sound insincere. So mix it up and give some weaknesses that are more or less serious than others, if you are asked to name multiple weaknesses.

See also: <http://www.mergersandinquisitions.com/weakness-interview-question/>

There are some good tips there on this question, but watch out for the comments – there are some **really** bad suggestions and ideas, so don't take everything mentioned in the comments literally. The suggested weaknesses at the top of this section of the guide are better than some of the suggestions in that article as well.



5. What is your biggest failure?

Although this question is similar to the one above, it is different in that you should focus on 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 you should highlight what you learned from it and how you've improved since then.

Don't say something like, "My greatest failure was getting into Yale, Princeton, and Cambridge, but not Harvard!" On the other hand, you don't want to list something *really* serious such as getting arrested, failing a class, or getting fired for embezzling money.

It's better to say something *relatively* real and then show how you've used the failure to develop. Even if your failure here is relevant to the position, is not as problematic since your main focus is not on the failure itself, but on how you've learned from it, improved, and turned it into one of your strengths.



Sample “Good” Answer: “My biggest failure was my lack of communication in a team project I worked on in college in an engineering class. The professor assigned each person to a group of 5, but after we discussed which part of the project we would each work on, I just took my assigned portion and worked on it myself.

On the day before the project was due, I showed up at the team meeting with my part completed, but it was then that we all found out, to our horror, that one person got sick the week before, and as a result, his part of the project was sloppy and done incorrectly. The project was rushed and incomplete, and I received the worst grade of my entire time at university as a result.

Since then, I’ve learned that in every team project that I work on, communication between team members is just as important as the work itself. I’ve found that even if I’m not the team leader or even if people prefer to work on their own, I have to check in with all of the team members to make sure that everyone is on track with their work.

When I worked as a member of a sales team last summer, I made sure to talk with everyone several days in advance before a big presentation. One time, I found out 3 days before a major presentation to potential investors that a team member was having trouble finishing his part because of personal problems at home.

Because I found this out 3 days in advance, I was able to contact the other members of the sales team to get them to cover for him and make sure that our final product was perfect.”

Why It’s a Good Answer: The interviewee’s response is “real,” but he makes the failure seem to be a thing of the past. Although the interviewee reveals a true weakness, it is now a strength because he learned from the experience and improved on that area (communication), never making the mistake again. And of course, the interviewee provides an example at the end to back up his statement that he has improved and learned from this mistake.

Another subtle but significant point here is how this failure occurred in the context of an *engineering* class, which interviewers might assume is less relevant for finance since engineering is much more technical. So although the weakness and the failure are real,



interviewers might subconsciously view them as “less significant” because the failure didn’t occur in an accounting/finance/business setting.

6. Why would we NOT give you an offer today?

This one is tricky because it’s so direct. You could 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 over 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. Then at the end, you can admit a weakness and point out how you’ve been working to improve upon it, incorporating elements of the other questions and sample responses above.



Sample “Good” Answer: “I see no reason why you would not give me an offer. I believe I am your best choice because I’m a great fit for this job – this position requires a keen attention to detail and the ability to follow instructions precisely, and those are my strengths. During my previous internship at Bank of America, I had to do exactly that, and my supervisor was very pleased with my work and wrote a great recommendation for me.

I’ve also completed my undergraduate degree and earned top grades at Boston College and did my Master’s in Finance at LSE. Plus, I’ve worked on similar deals and with similar clients at BoA and can start contributing immediately.

If you did not give me an offer today, it might be because I don’t always have the best presentation skills. While I performed well in school and in my previous jobs, I would sometimes get nervous when giving presentations or making announcements at social functions.

However, during my time at MasterCard, my supervisor often asked me to create PowerPoint presentations for my division’s weekly section meetings. As a result of



those weekly PowerPoint presentations, I became much more comfortable with public speaking and presentations, and I'm still working to improve those skills today."

Why It's a Good Answer: The interviewee confidently states upfront that there's no reason they would *not* hire her due to her strengths, previous work experience, and educational background.

But then at the end, she admits that sometimes her presentation skills are not as good as other peoples', which is a legitimate weakness and something that can hurt you in interviews... but she has been working to improve them over time.

Discussing Both Strengths and Weaknesses

7. What feedback did you receive from your internship this past summer? / What kind of performance review did you receive from your job?



The most common mistake here is being vague and saying you performed well and they liked you, and then failing to give weaknesses or 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 specific examples of times when you demonstrated those qualities.

Your all-nighters, the time you stayed the weekend working on a presentation, or the time you caught mistakes that 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, using a structure similar to what we have recommended and used above.

Sample "Good" Answer: "On the last day of my internship at MasterCard, my supervisor told me that he admired the enthusiasm I had for my work and that I was one of the hardest working interns he had ever had."



He said that he really appreciated how I showed a lot of energy when I came into work every day and that I showed a lot of initiative in going around offering my help to any member of the office who had extra work. Also, he said that my willingness to work long hours and to get the job done no matter how tight of a deadline was very rare in his experience.

My supervisor mentioned, however, that one area I could improve on is my follow-up on assignments. Although I was very enthusiastic about my work and eagerly accepted my assignments, I had a tendency to leave the work behind once it was done and throw myself into the next project.

Despite the good quality of my work, my supervisor told me that sometimes the recipient may still want to give feedback or suggestions. I have since learned that it is important to follow up on my work to show that I'm responsible and care about what happens to my work product after I send it out. I now make it a regular habit to follow up on my assignments to make sure that everything is perfect and to get feedback from the recipient."

Why It's a Good Answer: The interviewee gives specific qualities/strengths that he backs up with examples which demonstrate those qualities. Furthermore, the interviewee willingly states an area where he wasn't as strong during his internship/job, but which he has since improved on.

By describing in detail those specific qualities and area(s) for improvement, the interviewee conveys not only his work ethic to the interviewer, but also shows that he recognizes his shortcomings and is willing to acknowledge and improve them.

8. How would a former co-worker describe you?

This question is similar to the one that asked how your best friend would describe you in three words. The difference here is that you are not just stating your strengths, but also your flaws – "former co-worker" rather than "best friend" implies that it's someone who didn't view you in a 100% positive light.



Of course, you will still highlight your strengths. Follow the same format as the previous question by first describing your strengths. After that, discuss an area which you could have improved on during your work experience and describe what you have done since then to improve yourself.

Sample “Good” Answer: “My former co-workers during my job at Facebook would describe me as one of the most enthusiastic and hard-working people they had ever worked with. Every day when I came into the office, I would always have a lot of energy and would be willing to help out wherever I can.

My co-workers noted this and often called upon to help them out with tasks they had trouble with – which was really important at a company like that, because your responsibilities aren’t strictly defined and can change at any time. Whenever my co-workers had to work late hours to finish projects, I would always stay behind to help them out, and they mentioned that I was a huge help on several occasions.

However, some of my co-workers may say that I need to work on my follow-up skills. Oftentimes, after I finish an assignment, I’ll eagerly rush on to the next one. But releasing a product or delivering an advertising campaign to a client is never the end of the road – one co-worker commented to me that he wished I could leave out some time after finishing a project to follow up with the recipient and ask if there was anything else I could have done for him on the project. Since then, I have made it a habit of always following up with the person who I submitted an assignment to in order to make sure that everything is perfect before I focus all of my efforts on upcoming projects.”

Why It’s a Good Answer: The interviewee is not using this question solely to praise himself, but also to name concrete strengths and explain what he did well and not so well – he candidly acknowledges an area where he needed improvement, but ends by describing how he has since learned and improved in this area.

He also subtly mentions in the beginning that his responsibilities were not “strictly defined,” which sells the interviewer on his ability to deal with “random work” and last-minute requests, which are very common in finance. Although Facebook and other tech companies may be perceived as very different from banks, by making this point the interviewee helps to overcome this objection in advance.



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Teamwork / Leadership Questions & Example Answers



Teamwork and leadership abilities are highly valued traits in the finance industry, since you always work in a team. Interviewers will assess how well you work with others, both as a leader and team member, by asking you questions related to your past work experience.

These questions often center on a specific instance in your past work experience through which interviewers can determine your teamwork and



leadership qualities. Interviewers will often begin by asking “Tell me about time when...” followed by an instance when you dealt with a difficult coworker or led a team in a challenging project.

You can answer these questions most effectively by **preparing your examples in advance** and **structuring your responses** in a concise manner.

Preparing Examples in Advance

The best approach for teamwork/leadership questions is to pull 2-3 examples from your resume that you can re-use for everything. The examples can be from any type of substantive experience, such as full-time jobs, internships, volunteer experiences, leadership positions in student clubs, and so on.

But regardless of which experience you pull your examples from, the key is to focus on *specific* projects/clients/initiatives that clearly demonstrate your teamwork/leadership qualities.

When you are picking the 2-3 examples from your resume, remember to prepare at least one example that demonstrates each of the following abilities:

- Your ability to work in a **team**.
- Your ability to **lead** a team.
- Your ability to **resolve** a problem, either as a leader or as a team member.

We’ve all worked in a team at some point in our lives, but what if you’ve never actually worked as the official “leader” of a team?

Think creatively and find a case where you were responsible for just a **portion** of a project or event and use that – maybe you weren’t the President of the club, but you led one recruiting event or you organized a welcome event for new members.

You may have not been the *bona fide* project manager, but if there was a section of the project where you delegated tasks and oversaw the completion of the tasks, then assumed a leadership role in that instance. Here are some examples you might be able to use:



- A **social event** for your student club that **you planned**. You may not have been named the “leader” of the event planning, but you assigned one person the task of booking the venue, another with buying the decorations and food, and others with the setup. Throughout the event, you made sure things were running smoothly and dealt with problems that arose. From this simple event, you can easily point to several examples of your leadership qualities.
- You volunteered at a youth community center and **started a sports program**. To implement the program, you relied on other volunteers and the teens at the center to distribute flyers, acquire funding, buy equipment, and set up the facilities. The volunteers and teens may not have been official members of your “team,” but in this instance, you demonstrated leadership abilities and you were the person responsible for the implementation of the program.

Structuring Your Response

You should follow the **STAR** structure for your responses here:

1. **Situation** – Who was on your team, and what was the internship / job / activity where you had this experience?
2. **Task** – What was the key challenge that you had to overcome?
3. **Action** – What did you do to confront this challenge?
4. **Result** – Did you succeed, and what impact did it have? Or if you didn’t, what did you learn and how did you change for the better?

See the sample questions below for examples of how to apply this structure:

Discussing Teamwork and Leadership Experience

1. Can you talk about a team project or some kind of group activity you’ve worked on before?



This is a fundamental question that you need to be prepared for, as it almost always comes up in interviews in one form or another. Ideally, you will talk about something that was a success rather than a failure.



Using the **STAR** structure, first describe the **situation**: set the background of the project by briefly describing which company/organization you were working for and the purpose of the project. Next, describe your particular **task** and how it fit into the project's overall purpose. In doing so, be sure to describe your team briefly (how many people and who was doing what).

Then, talk about the **actions** you took specifically to accomplish your task. Remember that the focus here should be less about the task and more about **how well you worked in that team**.

For example, mentioning that you worked long hours, were attentive to detail, and/or you put in additional effort right at the end to save the team would all be good to point out. Finally, state the **results** of the team project and how your actions and teamwork contributed to a positive outcome.

Sample "Good" Answer: "Sure. During my summer internship last year at the New York State Comptroller's Office, I was assigned to work with a team of two attorneys, an investigator, and an analyst whose purpose was to investigate cases of financial waste and funds misappropriation.

The largest case that we worked on during my internship was when we were investigating a public hospital. There were reports that government funds were being misused in the hospital, and our team's lead attorney wanted us to conduct an investigation and produce a report for the State Comptroller. My role in the project was to work with the analyst in researching and analyzing the hospital's financial reports.

Throughout the project, I worked closely with the analyst in analyzing a huge amount of data. Because there were so many financial statements that we had to go through, I ended up spending long hours at the office to cover all of the data. Also, because the



analyst was working on several other projects, I ended up taking on a large share of her work to complete the project in time.

In our final report, we determined that there were several instances of funds misuse in a particular division of the hospital. Based on our report, the Comptroller's Office withheld government funds until the hospital changed its financial policies and agreed to submit yearly reports to our office."

Why It's a Good Answer: The interviewee describes a specific project where he worked in a team and structures his answer in a detailed and effective manner. By using the **STAR** structure, the interviewee conveys to the interviewer how he contributed to the team project.

The interviewee's skills and abilities to work in a team are highlighted through his long hours and willingness to cover for a team member to get the job done. It's also good that he mentioned the bit about the financial statements, since it signals to the interviewer that he knows something about accounting / finance.

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. You should describe 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.

In doing so, remember that you can **never** blame someone specific – instead, say that there were "personality conflicts" and that you worked to resolve them. Or you could simply state that it was no one's fault but that it was due to extenuating circumstances.

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.

Sample "Good" Answer: "Sure. During my summer internship last year at the New York State Comptroller's Office, I was assigned to work with a team of two attorneys, an investigator, and an analyst whose purpose was to investigate cases of government financial waste and funds misappropriation.



My role in the team was to work with the analyst in analyzing financial reports. Although the analyst and I were given different collections of reports to analyze and we would eventually have to combine our analyses for the team, initially we could not meet deadlines because the analyst was overburdened with additional projects that she was given from the Comptroller's Office. It was no one's fault since the Comptroller's Office was simply understaffed, but in the interest of completing our assignments on time, I would often take on the analyst's report assignments for our team in order to meet the deadlines.

As a result, our team was able to complete our investigations on schedule, and the lead attorney on our team was very happy with the work performance of the analyst and myself."

Why It's a Good Answer: Not only does the interviewee turn a failed situation into a success, but he also highlights his teamwork capabilities. Furthermore, the interviewee does not blame anyone and places his coworkers in a positive light instead.

When placing blame on "circumstances" beyond anyone's control, be careful of the context: while government understaffing is a common problem, stating that the small business you worked at was understaffed may put your employers in a negative light and make interviewers wonder whether you'd think the same thing about their firms.

3. Can you tell me about a time you faced an ethical dilemma in a team or with a co-worker?

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 inappropriately or how you caught someone cheating.



Note that this does **not** have to be an example of something that was clearly wrong – it can just be a case where you thought the right course of action was different from what a co-worker thought.

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.

Although the **task** part of the **STAR** does not translate directly here, you can follow the rest of the structure by describing the situation, the actions you took, and the end result.

Sample “Good” Answer: “Sure. When I worked as a teller for Bank of America last year, there was one time when I noticed that a co-worker had miscounted a customer's deposit. I quietly pointed it out his mistake to him, but the co-worker did not respond.

After the customer left, I pulled up the records and showed the co-worker his mistake. However, the co-worker dismissed it by saying that the correction would require too much paperwork and was not worth the effort.

Nevertheless, I felt that the error was significant as it would cost the customer a substantial sum, and despite being on good terms with the co-worker, I told him that I would have to report his mistake. The co-worker was displeased, but despite my warning, he refused to change his mistake.

After I reported the mistake, the co-worker was reprimanded and put on probation. My relationship with the co-worker was not the same afterward, but I felt that it was the right thing to do in that situation.”

Why It's a Good Answer: It's easy to make this response too lengthy, but remember that the focus here is still on **how well you work in a team** and your ability to deal with an interpersonal conflict.



The response here is concise and clearly states why he took the actions that he did. Also, the interviewee here makes an attempt to resolve the conflict by speaking directly with the co-worker *before* getting others involved in the situation, thus highlighting his reliability as both an employee and a team member.

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



This question is very similar to the one above about a team situation that did not go as planned, but this one relates to a situation that occurred when you were in a **leadership position**.

The key is to 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 two 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 a staff member in a dorm and you had to prevent two residents from harassing each other.

The difficulty of the situation will depend on your own experiences, but it's best to find an instance in your background when you were in a leadership position, and where you encountered a significant challenge that would require most people to think and act carefully before proceeding.

Once again, you should apply the **STAR** structure to answer this type of question:

Sample "Good" Answer: "In my senior year of university, I was assigned to be the team leader of a marketing project that involved five students. Although we had agreed on who would handle each assignment, I was responsible for everyone getting their work done and for the completion of the final project."



On the night before the project was due, one of the team members called me to say that he was very ill and had not done anything on his part, as he usually finished assignments at the last -minute, the day before the due date.

Although the situation appeared hopeless at that point, I simply decided that we would do our best in with the time we had. I contacted the other team members and convinced them to pull an all-nighter with me to finish as much of the assignment as we could. Despite the last-minute and hurried work we put in, we not only passed, but received very positive feedback.”

Why It’s a Good Answer: The interviewee highlights the difficulty of the situation and the actions he took to resolve it. Furthermore, the interviewee portrays his reaction to the difficult situation in a favorable light.

Situations such as this one usually cause people’s emotions to run high, but the response here depicts the interviewee as a capable leader who is able to take on such situations without being stressed out. And, of course, last-minute troubles like this happen every other day in finance and all-nighters are quite common – so it’s good to remind the interviewer that you’re capable of dealing with it.

5. Can you tell me about a time when you stepped up and demonstrated leadership even when you were not in an official leadership role?

Remember that interviewers are looking for the ability to recognize when leadership is needed, and NOT a team member who usurps the leader’s role. Think of an example where there was clearly a **problem** in a team project and when you went beyond your duties for the sake of the project.

You may struggle to prepare for this question, but there is most likely some instance in your life when a team project ran into difficulty and you had to fix it. It could be something less dramatic such as taking on the work of a lazy co-worker, or something more interesting such as when a team leader shirked his responsibilities and you had to personally hold your team members accountable for finishing their parts.





Think of a time when you took the initiative in a team setting and your actions greatly contributed to your team's success.

You can and should re-use other stories and responses you've prepared to answer this type of question – see our example below for more on how to do this:

Sample “Good” Answer: “In my senior year of university, I was assigned to a marketing project that involved five students. Although the project did not have an official leader, we divided up assignments and agreed to hold each other accountable for finishing our respective assignments.

However, the night before the project was due, one of the team members contacted everyone, saying that he was very ill and had not done anything on his part at all as he typically started and finished assignments the day before they were due.

We could have tried to blame him by telling our professor about the situation, but I did not want resort to this. I contacted the other team members and convinced them to pull an all-nighter with me to finish as much of the assignment as we could. Despite the last-minute and hurried work we put in, we not only passed, but also received positive feedback and a good grade.”

Why It's a Good Answer: The interviewee demonstrates to the interviewer that he is willing to take the initiative and do more than his original assignment called for. Here, there is clearly a problem in a team project, and the interviewee's actions in refusing to pass the buck and in rallying his team to finish the remainder of the project demonstrate solid leadership abilities even when they weren't officially required of him.

Also note that it's perfectly fine to re-use the same story here as long as you haven't mentioned it before, or as long as you focus on a different angle.

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 and do everything, but if leadership is required, you can step up and handle it.

You will have to do this all the time in finance, even at the entry-level: you deliver whatever senior bankers and Partners have asked for, but you may also *give* work to the support staff. Bankers do not want a “Managing Analyst” or “Managing Associate” who thinks he/she can abuse subordinates.

You should start by stating that you can function well in either role and then give 2 examples to back up what you say, once again using the **STAR** structure.

Sample “Good” Answer: “Depending on the situation, I can excel either as a leader or as a team player. In past projects, I have successfully followed instructions and executed my duties. But when leadership is required, I am more than capable of taking on a leadership role.

For example, when I interned at a public interest advocacy organization last summer, I worked mainly as a team member since my supervisor gave me my assignments. I fulfilled all of my assignments to his satisfaction and I worked well with the other interns in projects that required teamwork.

However, there was an instance when several interns and I were tasked with creating slogans for a new public outreach initiative. We all gathered in a room and began brainstorming various ideas. But after several hours of discussion, we hadn’t yet reached a consensus on our ideas, and it was at that point that I stood up and suggested that we take a different approach to our discussion: instead of continuing the endless debate on the merits of each idea, we could instead consolidate the ideas we had and rank our preferences for every idea from first to last. Afterward, we could tally the points for each idea and determine the most popular ones and go from there.



My approach made our task a lot easier, and we quickly reached a verdict on the best slogans; for the remainder of the project, I assumed a leadership role in directing the discussions and organizing our ideas.”

Why It’s a Good Answer: The interviewee stresses that he is flexible: he can be both a “team player” and a leader. Also, he backs up his statement with an example that demonstrates how he worked well as a team player and as a leader when the situation called for it. He does not go into as much depth in the first example given here, but that’s OK since it’s still a detailed answer overall.

7. What is your leadership style?

A “moderate” answer works best here. You’re responsible and you can ensure that 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 so much of your time error-checking work and fixing problems.



The suggested structure here is the same: state upfront what your leadership style is, and then give a specific example. You do not need to mention every step of the **STAR** structure, but it’s good to point out in general terms the situation at hand, what you did, and the overall results.

Sample “Good” Answer: “I always view myself as responsible for the outcome of my team, so I use a ‘hands-on’ approach to checking the details and making sure that everything runs as smoothly as possible. At the same time, I like to give my team ample breathing space by giving them the freedom to accomplish their tasks as they see fit, as long as they meet expectations.

For example, when I worked as the assistant manager of a Staples location near my hometown, I personally made sure that the entire inventory was accounted for, that



every aspect of the store was maintained, and that all of the employees were courteous and helpful to the customers.

Although I made clear to my shift team that I required a high standard of professionalism from all of them and that I would hold them accountable for the quality of their work, I also told them that I would not be a micro-manager who looks over their shoulders as they worked. This worked out very well, and customers we surveyed later indicated that they were extremely satisfied with the service we delivered.

So I allow my team to work the way they want, but when I check their work and problems arise, I am quick to address the problem and fix it.”

Why It’s a Good Answer: The interviewee conveys his ability to ensure the quality of his team’s work without coming across as a micro-manager. He states the answer upfront, then goes into a specific example and explains the situation, how he managed employees, and then states the results at the end.

8. Does the leader make the team?

No, the team makes the team. The leader can provide direction and unify everyone, but one 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 here and spin them differently. Think about a time when the leader was important to the project and its completion, but it was ultimately a team effort that made the project a success.

Sample “Good” Answer: “The leader does not make the team. The leader can provide direction and unify everyone, but one person alone is not a ‘team.’ A leader can make things better and turn around a dysfunctional team, but everyone needs to pull their own weight.

For example, when I worked as the assistant manager of a Staples location near my hometown, I personally made sure that the entire inventory was accounted for, that every aspect of the store was maintained, and that all of the employees were held to a high professional standard.



Although I could ensure that the store ran as smoothly as possible by addressing problems and monitoring performance, the members of my team handled the actual running of the store. I could not check the entire store's inventory, help all of the customers, and maintain the store by myself. All of these things had to be done by the collective effort of my team, and it was only when everyone worked their hardest and fulfilled their own tasks that the team succeeded.

This approach worked very well, since our team earned the highest satisfaction ratings ever recorded from customers we surveyed during this period."

Why It's a Good Answer: The interviewee credits the team and acknowledges the importance of teamwork. He gives a specific example here of how the team contributed and how both his own efforts and the team itself achieved a specific result. He doesn't apply the **STAR** structure completely, but he still follows the basic outline.

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Understanding Banking Questions & Example Answers

These questions are designed to test whether or not you **know what you're getting into** – 80-hour workweeks, not much of a social life, constant pressure to perform, and so on.

They'll also ask you if you know what investment bankers (or other finance professionals) do, how deals work at a high-level, and what various groups at the bank do. There are 4 main question categories to be aware of:



1. **What** Investment Bankers Do, At a High-Level
2. Describing How Different **Deal Types** Work
3. Understanding What **Different Groups** at a Bank Do
4. How to **Advise Companies** and Recommend Different Options

Category #4 blurs the line between “fit” and technical questions, and for more in-depth coverage you should review the technical sections of this guide. The sample questions and answers here are very high-level and test whether or not you know the basics.

These questions are much more common if you're a **career changer** or you come from a non-business/finance-related major.

If you've already had finance experience, don't spend time reviewing these questions in-depth unless you really need a refresher on all these topics.

Preparing Examples in Advance



I hate to be overly self-promotional, but your best bet for 90% of these questions is to review the coverage of all these topics on [Mergers & Inquisitions](#).

We go into these topics in-depth there, often with 3,000+ word articles. Focus on the following articles for a good refresher:

- [What Do Investment Bankers Do?](#)
- [Why You Actually Work So Much as an Investment Banker](#)
- [How You Win Clients and Land Mega-Deals as an Investment Banker](#)
- [What's In a Pitch Book?](#)
- [Industry Groups vs. Product Groups](#)
- [Mergers & Acquisitions \(M&A\): What You Do Every Day](#)
- [The Initial Public Offering \(IPO\) Process](#)
- [Why Investment Bankers Make So Much Money](#) (Don't bring this up in an interview, it's just for your own understanding)

If you're now saying to yourself, "Wait a minute! This information is available for free on your other website – don't I get anything more in this interview guide?"

The answer: **yes, you do** – because we explain how to **structure** responses to these questions in an interview, and how to make your answers **concise** (i.e. less than 3,000 words).

The links above are good starting points, but you'll need to keep reading to understand how to answer these questions in real life, what to say, and what not to say.

Structuring Your Response



There isn't one universal structure you can use for these questions, because they're all asking for slightly different things; you explain an IPO one way, but you explain why a company would issue debt vs. equity in another way.

Here's the general structure we recommend using:



1. **Answer** the question at a high-level (e.g. “In a sell-side M&A deal, the bank markets the company to potential buyers and helps negotiate a deal for the best price and terms possible”).
2. **Describe** the specific steps in the process, but don’t go into excruciating detail – qualitative question answers should be concise. So you might give 5-10 brief steps for the process, but you would **not** recite a paragraph for each step.
3. **Summarize** the outcome (e.g. “And so at the end of the sell-side M&A process, ideally the client has been sold for the best price and terms possible.”).

You may not always be asked to describe a **process** – in which case you would just replace the specific steps in #2 above with supporting points for your argument instead.

What Do Investment Bankers Do?

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 as a junior banker involves creating presentations, financial analysis and marketing materials such as Executive Summaries.

Sample “Good” Answer: “It’s true that I haven’t had industry experience, but I’ve done a lot of research on my own and have spoken with many friends in the industry.

Based on that, I know that investment bankers act as **agents** and help companies sell to other companies, raise debt and equity, and sometimes buy other companies – and they earn commissions from closing deals.

On a day-to-day basis, as a junior banker, you help support senior bankers by creating presentations, financial analyses, and marketing materials such as pitch books as well as



Executive Summaries for clients. You also help with logistical details that need to get done, such as scheduling meetings and calls.

Overall, your goal as a banker is to help clients achieve their goals – whether it's selling the business, or expanding by raising capital or acquiring other companies."

Why It's a Good Answer: The interviewee acknowledges and addresses the objection upfront, and then gives a summary sentence stating what bankers do. Then, he provides supporting details on what he as a junior banker will do, showing that he understands the role. Finally, he concludes by summarizing the role of investment bankers.

2. 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. Most people understand that much – but they miss out on two other important points:

1. They don't explain *why* bankers work that much.
2. They don't tie it back to their own experience and explain why *they* can work that much on an ongoing basis, citing examples from their past.



Sample "Good" Answer: "I've done my homework, researched the topic, and spoken to a lot of contacts in the industry, and I know that 80 – 100 hour workweeks are common for junior bankers, so that's what I'm expecting.

You work that much because clients' demands are unpredictable and deals can heat up at any moment, making your schedule unpredictable. And pitches and deal opportunities often come up at the last-minute, which means there may be a lot of work that needs to be completed quickly.

I've actually worked 70 – 80 hours per week before, when we were completing a group project in one of my engineering classes for the "final exam" in the class – we were very



busy over the span of a month, but I managed to juggle the rest of my classes and score high grades across the board.

So I'm fully aware of how much bankers work and why they work that much, and I'm confident I can do it as well."

Why It's a Good Answer: He states the answer upfront, and then, as supporting evidence, explains *why* bankers work that much and cites an example from his past where he worked that much over a month-long period.

This example sounds like a slight exaggeration, but the point remains valid: he worked long hours over an extended time period and can do it again. Finally, he concludes by summarizing everything he just stated and reiterating that he can do it.

3. How do companies select the banks and bankers they work with?



Usually companies select banks on the basis of **relationships** developed over the long-term, but sometimes it is more random and happens based on a "bake-off" right before the deal process starts, where the company invites various banks in to present their views and to explain how they would run the process.

Much of this comes down to not just what the banks recommend, but also how **comfortable** the company itself feels with different banks and bankers, and their track record in the market. For example, if one group is well-known for advising on high-profile tech IPOs, a high-profile tech company might select that bank for its own upcoming IPO.

Sample "Good" Answer: "Companies select banks to work with based on a combination of factors, including the long-term relationships they've developed, the banks' track records, and the specific pitches that banks put forth.

Often, bankers will start speaking with companies long before they ever consider a deal and will advise them informally over years and years; they're doing that to plant the seeds of eventually advising the company on a deal. The bank's track record is also



important, and if it's known for something specific such as selling tech companies for high multiples, the company in question may factor that into its decision as well.

Finally, the pitch that each bank presents in the 'bake-off' meeting prior to the official deal kickoff is important and what each firm recommends will play into the company's decision. Overall, all those factors play a role in the decision-making process, but companies ultimately select banks and bankers based on who they're most comfortable with and who gives the best recommendations."

Why It's a Good Answer: He states the main points upfront, and then gives a bit more detail on each of these 3 supporting points. Then at the end, he summarizes everything and reiterates the key factors that will cause a company to select a certain bank to advise it on a deal.

Describing Deals and What Bankers Do



4. Let's say I'm working on an Initial Public Offering (IPO) for a client. Can you describe briefly what I would do?

You do not need to go into tremendous detail on every step of the process here – they just want to see that you understand the **goal** of the process, the main steps, and what bankers do.

The goals in an IPO are to get the client an attractive valuation (so it receives a good amount of cash), win over solid institutional investors, and then to support the client's share price once it goes public and starts trading.

Here's how you might describe the steps in an interview (we're just going to provide the answer below rather than saying everything here and then repeating it in the sample answer):

Sample "Good" Answer: "In an IPO, you aim to get the client an attractive valuation, recruit good institutional investors, and support the client's share price once it goes public and ensure that the initial valuation was about right. You can divide the process



itself into 3 main steps – gathering information, drafting the registration statement, and then the road show.

First, you meet with the client and gather basic information – such as its financial details, an industry overview, and who its customers are.

Next, you meet with other bankers and the lawyers to draft the registration statement (called the 'S-1' in the US and various names in other countries) – which describes the company's business and markets it to investors. You receive some comments from the SEC (or equivalent regulatory organization in other countries) and keep revising the document until it's acceptable.

Finally, you spend a few weeks going on a "road show" where you present the company to institutional investors and pitch them on investing in the company. Afterwards, the company begins trading on an exchange once you've raised the capital from investors.

The overall goal is to get a good valuation for the client to maximize the cash it receives, to attract solid institutional investors, and to support the share price after the company's stock starts trading – and you do that by carefully refining the pitch and valuation and working closely with other teams at the bank."

Why It's a Good Answer: He states the main goals upfront, and then states explicitly the 3 main steps in the process, describing each one in more detail after this summary statement. Finally, at the end he once again summarizes the goals and explains how the bank can achieve them.

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

Similar to the walkthrough above, once again you want to state the goals upfront, summarize the steps in the process, and then re-iterate the goals at the end and explain how bankers add value.

Sample "Good" Answer: "In a sell-side M&A deal, the bank markets the company to potential buyers and helps negotiate a deal for the best price and terms possible. You can divide the process into 4 main steps – gathering information, marketing to potential



buyers, narrowing the list of potential buyers, and negotiating the terms of the deal with the buyer.

1. First, you meet with company, create **initial marketing materials** like the Executive Summary and Offering Memorandum (OM), and decide on potential buyers.
2. Then, you send out the Executive Summary to potential buyers to **gauge interest**, also sending additional information and responding to follow-up requests.
3. Next, you **narrow** the list of potential buyers by setting a bid deadline and requiring written Indications of Interest (IOIs) from buyers. Then you select the ones that advance to the next round; you continue to respond to requests and narrow the list further.
4. You pick the “winner” and then negotiate terms of the Purchase Agreement and announce the deal.

Obviously, bankers want to maximize the price the client receives, but other deal terms can also be very important – and bankers add value by negotiating with the buyers, bringing in competing offers, and pitching the company more effectively to win a higher price.”

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

This is similar to the process above, but now you are trying to **minimize** the price for your client so that they pay less, while still making the deal terms as favorable as possible for them. Also, the steps above are now reversed – because you’re approaching potential *sellers* rather than potential buyers.

Sample “Good” Answer: “In a buy-side M&A deal, the bank helps the client to select the best company to acquire and minimize the price it pays while getting the best deal terms possible. You can divide the process into 4 main steps – upfront research on potential acquisitions, narrowing down the list, doing in-depth due diligence on the most likely candidates, and negotiating the deal itself.

1. First, you spend a lot of time upfront **doing research** on dozens or hundreds of potential acquisition targets based on what the client wants to buy.



2. Next, you **narrow down** the list based on their feedback and decide which companies to approach; you conduct meetings with interested parties and gauge how receptive each one is.
3. Then, you narrow down this list further over time and conduct more **in-depth due diligence** on the most likely sellers, using the information to come up with an offer price.
4. Finally, you negotiate the price and key terms of the Purchase Agreement and then announce the transaction.

Those are the 4 main steps in a broad process. Bankers aim to **minimize** the price the buyer pays, and win the best terms possible – and they do that by negotiating with the seller and creating downward price pressure by making multiple companies interested in selling.”

Why It’s a Good Answer: The same rationale as in the answers above: present the goals upfront, give the number of steps, provide detail on each one, and then summarize everything at the end. Starting to notice a pattern with deal and process descriptions yet?

7. Walk me through a debt issuance deal.



This is very similar to the IPO process, but there is less involvement from government and regulatory organizations (since “the general public” does not participate), and you work closely with Debt Capital Markets (DCM) and/or Leveraged Finance rather than Equity Capital Markets (ECM).

Fewer banks are involved compared to an IPO as well.

Finally, the goals are also different – it’s not really about valuation, but more about raising the right amount of debt at the **right terms** (i.e. the lowest interest rate and least restrictive covenants possible).

Sample “Good” Answer: “The process of raising debt is similar to the process of raising equity in an IPO, but the main goal is to raise the required amount of debt at the best terms possible, in terms of interest rates, principal repayment, and covenants. You can



divide it into a 4-step process: gather information, develop potential debt financing packages, create an investor memorandum, and market the deal to investors.

1. First, you meet with the client and gather basic financial, industry, and customer information.
2. Second, you work closely with DCM / Leveraged Finance to develop a debt financing or LBO model for the company and figure out what leverage and coverage ratios, interest rates, covenants, and other terms might be appropriate.
3. Third, you create an investor memorandum describing this and selling the company and the debt issuance to potential investors.
4. Go out to potential debt investors and win commitments from them to finance the deal.

That's how the process works – you care mostly about getting it done and winning enough commitments from investors, plus getting the best terms possible.”

Why It's a Good Answer: He gives the upfront summary of the goal, then lays out the 4 steps, gives a sentence for each one, and summarizes everything at the end. Once again, the right balance is struck between giving too much detail vs. not enough detail.

8. Can you describe what a Leveraged Buyout (LBO) is and how the process works?



For this question, you should review the Leveraged Buyout technical section of the guide because we go into more detail on everything there – including how and why it works.

If a bank is advising the **seller** in an LBO, the process is very similar to a sell-side M&A deal. The main difference is that the bank focuses on pitching the client to private equity firms instead. Also, the bank may propose a debt financing package for the PE firm and seller in question.

For a description of this process from the perspective of a private equity firm, please see the LBO technical section in the guide; we walk through it from the bank's perspective below.



Sample “Good” Answer: “In an LBO, a private equity firm uses a combination of debt and equity (cash) to acquire a company, operate it for several years, and then sell it to realize a return. From the perspective of a bank advising the company, the process is very similar to a sell-side M&A deal: you aim to get the client the best price and terms possible, but you also have to think about the financing of the deal in more detail.

You can divide the process into 4 steps: gathering information, marketing to PE firms, narrowing the list of potential PE buyers, and negotiating the terms of the deal with the eventual acquirer.

1. First, you meet with company, create initial marketing materials like the Executive Summary and Offering Memorandum (OM), and decide on PE firms to market the company to.
2. Then, you send out the Executive Summary to potential buyers to gauge interest, also sending additional information and responding to follow-up requests.
3. Next, you narrow the list of potential PE firms by setting a bid deadline and requiring written Indications of Interest (IOIs) from buyers, and then you select the ones that advance to the next round; you continue to respond to requests and narrow the list further.
4. You pick the “winner” and then negotiate terms of the Purchase Agreement and announce the deal. Also as part of this process, you work with DCM / LevFin to determine the most appropriate debt terms, and pitch the PE firm and company on using the debt package that your bank provides.

Those are the 4 main steps of the process. Bankers want to maximize the price for their client, get the best terms possible, and ideally get both parties to use their own debt package.”

Why It’s a Good Answer: He states upfront why LBOs happen and what private equity firms do, and then explains it from the perspective of a bank, comparing it to a sell-side M&A deal, breaking it down step-by-step and showing what’s different, summarizing everything at the end.

9. What is a divestiture? How is it different from a normal M&A deal?



This question does **not** ask you to describe a process (Finally! You get the point by now...), so you don't need to walk through this step-by-step.

Instead, you just explain what it is upfront – selling off a **division** of a company or a **certain business line** rather than the entire company – and go through how it's similar to and different from normal M&A deals.

The overall process works the same way: gather information, market the division, pitch it to potential buyers, and negotiate the best price and terms possible. The difference is that the terms and valuation can be more complex, and it's critical to create a "standalone operating model" for this division that shows what it looks like as an independent entity.

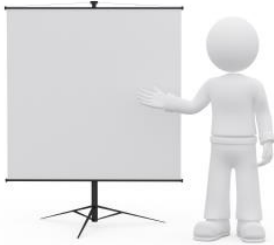
Sample "Good" Answer: "In a divestiture, a company sells off a specific division or business segment rather than the entire company. It is similar to a normal sell-side M&A deal if you're advising the company that's selling, and the process is similar as well: you gather information, market the business, narrow down the potential buyers, and negotiate the agreement with the winner.

The differences are that the process tends to be messier, as do the transaction structures, since you're only selling part of a company, and also that the 'standalone operating model' is very important.

You need to evaluate what a specific division would look like by itself – additional expenses, infrastructure, staff, support, and so on. So that's a divestiture: it's very similar to a sell-side M&A deal, but with a few key differences since it's only the sale of one division of a company."

Why It's a Good Answer: He gives the similarities and differences upfront, elaborates on them, and then summarizes the answer at the end.

10. What's in a pitch book?



This one is very dependent on the **type** of pitch book – a sell-side M&A pitch book is very different from a buy-side M&A pitch book, which are in turn both very different from equity / debt financing pitch books and general “relationship development” pitch books.

You don’t need to explain all of these, of course, and you can just go with one of the above and describe what goes into it. The **purpose** of a pitch book is to present your views and convince the company to do business with your bank.

Most pitch books start with a section that summarizes the bank’s credentials and recent track record, followed by a summary of the company’s options, details on the numbers involved in the proposed deal and the logistics, and a summary and recommendations at the end.

Sample “Good” Answer: “The point of a pitch book is to convince a company to hire your bank as an advisor. You can divide most pitch books into 5 sections.

1. First, you see the **bank’s “credentials”** – their recent track record and similar deals they’ve done to prove their expertise.
2. Second, you’ll see the bank’s **summary of the options available** to the company and some thoughts on what they recommend.
3. Third will be the **valuation and financial models** – for example, if you’re pitching for an IPO you might show what the IPO proceeds would be used for.
4. Fourth would be **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. Finally, the bank would list its **summary and key recommendations** at the end.

Those are the 5 main sections, all of which help to prove the bank’s expertise and help convince the company to hire the bank as its advisor.”



Why It's a Good Answer: Once again, the interviewee states the goal of the pitch book upfront, names the 5 key sections, explains them in more detail, and then reiterates these points and the purpose of the pitch book at the end.

11. Imagine you want to draft a 1-slide company profile for an investor. What would you list on that slide?

This question tests whether or not you know what investors and financiers actually care about when looking at a company – and if you understand that you need to be **concise** when showing a company to investors or potential buyers.

And this type of work comes up all the time on the job in investment banking. We're not going to waste time and space repeating this, so here's the recommended answer:

Sample "Good" Answer: "For this type of profile, you want to focus on the **key qualities** that investors care about – the overall business, its financial performance and valuation, its products and services, and its customers and geographies.

You could put the name of the company in the header and 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 valuation multiples on the top right. The bottom left can have descriptions of products and services, and the bottom right can show key customers and the geographies that the company operates in.

Your goal should be to get investors interested in the company quickly and make them curious about learning more, which is why you show only the most important points here."

Why It's a Good Answer: Once again, the interviewee states the purpose of this slide upfront and gives the key points. Then she describes each section of the slide and summarizes the purpose at the end, explaining why only certain information is on there.

Describing Different Groups at a Bank



12. Can you tell me about the different groups at an investment bank?

The two main categories are **industry groups** (Healthcare, Retail, Industrials, Energy, Natural Resources, Financial Institutions, Real Estate, Technology, etc.) and **product groups** (Mergers & Acquisitions (M&A), Leveraged Finance, Restructuring, Equity Capital Markets (ECM) and Debt Capital Markets (DCM)).

The basic difference is that industry groups work entirely with companies in one specific industry, but work on multiple deal types – M&A, debt, equity, and so on – whereas product groups only advise on one deal type but do so across multiple industries.

Industry groups tend to be more about relationship development, understanding the market, and modeling specific companies, while (some) product groups get more technical and are more about understanding the specifics of deals.

Not all banks are structured this way – Goldman Sachs, for example, does not have a separate M&A group and its industry groups handle all aspects of M&A deals.

When you answer this question, you don't want to seem "biased" toward one or the other unless you're already interviewing with a specific group.

Sample "Good" Answer: "The two main groups at a bank are industry groups and product groups, and they exist for different purposes – relationships and in-depth industry knowledge, and then deal execution.

Examples of industry groups include Healthcare, Consumer/Retail, and Technology. They work with companies in a specific industry on many deal types, and focus on getting to know management teams over the long-term, bringing in clients, and then assisting with deal execution.

Examples of product groups include M&A, Equity Capital Markets, and Leveraged Finance. They focus on the execution of a specific deal type, such as acquisitions or debt financing, and specialize in getting deals done in the optimal way for clients.



All these groups would be great to join, and I'm excited about the opportunities available at your firm."

Why It's a Good Answer: He states the main idea upfront, elaborates on what each group does and gives a few examples, and then states explicitly at the end that he doesn't have a preference for either one. Of course, if he were interviewing for a specific group such as M&A or Real Estate, he would state that that group is his first choice.

13. How are Equity Capital Markets (ECM) and Debt Capital Markets (DCM) different from other product groups like M&A?

ECM and DCM are sort of like "investment banking meets sales & trading" – you still execute deals, but you need to follow the markets closely, stay on top of trends, and keep your counterparts in industry groups in the loop, assisting with pitch books and client materials whenever needed.



You won't necessarily learn as much on the technical side as you would in an M&A group since there's less modeling and the transactions themselves are simpler, but these groups are ideal if you enjoy following the markets, but still want to work on deals.

Sample "Good" Answer: "The difference is that in ECM and DCM, you spend more time following the markets, spotting trends, and assisting industry groups with the materials they need to advise clients on equity and debt financings.

ECM and DCM are sort of like, 'sales & trading meets investment banking,' and are a good place to be if you enjoy both following the markets **and** doing deals and working with clients.

You'd learn a lot in all of these groups and get great exposure, and I would be very excited about joining anything you just mentioned."

Why It's a Good Answer: Honestly, there is not much to this one – the interviewee just states the difference in the beginning, explains it in a bit more detail, and then emphasizes at the end how she's open to anything. Once again, if you're interviewing with a capital markets group, then you should say that that group is your first choice.



14. What's the difference between DCM and Leveraged Finance?

These two groups are similar because they both work with debt and at some banks they overlap or are actually the same group (sometimes called “Leveraged Capital Markets”). The differences, where they exist:

- Leveraged Finance is more **modeling-intensive** and focuses more on debt that's being used for **deals** – refinancing existing debt, acquisitions, LBOs, and so on.
- DCM is less technical and focuses more on debt used for “everyday purposes.”
- LevFin focuses on “high-yield” debt (riskier) while DCM does more work with investment-grade debt (less risky).
- DCM is closer to the sales & trading side and sometimes groups are even structured like trading desks, whereas LevFin is more like a traditional investment banking group.

Sample “Good” Answer: “Both groups are similar because they focus on debt-related deals. The difference is that DCM is more about following the markets, more focused on investment-grade debt, and can be closer to sales & trading.

In Leveraged Finance, most groups focus on high-yield debt and debt that's being used for transactions such as LBOs and acquisitions, whereas in DCM the debt is investment grade and therefore intended for ‘everyday use.’

Also, Leveraged Finance does more work on deals, but DCM does more work following the markets and trends, so it can be more similar to a sales & trading desk rather than a traditional product group at a bank.

Overall they're both great groups and I would love to get the experience of joining either one.”

Why It's a Good Answer: You know the drill by now – an upfront summary, a few supporting points, and then a conclusion that emphasizes how he/she is open to either one (and if it's an interview with a DCM or LevFin group, say that that group is your #1 choice instead).

Advising Companies and Making Recommendations

15. Let's say you become an investment banker, and you're hired as the financial advisor for a company to help it expand its business. How would you approach this task, and how could you add value as an advisor?



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 part of this process, you would assess their financial performance, the market, their future plans, and what competitors and potential acquisitions are doing.

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 price to expect, and how to manage the entire process.

Sample "Good" Answer: "The first thing I would do is ask the company what its specific expansion goals are – do they want to double sales? Acquire a promising up-start? Go into a new market or geography?

Second, I would assess their finances, evaluate the market, their future plans, and see what other companies in the market are doing. All of that would let me determine, for example, if it makes sense to raise debt for acquisitions or expansion efforts, whether they should issue equity instead, or if they should just continue operating as-is and focus on organic growth.

Ultimately it would be a dialogue with the company and management team to figure out what they really want and how I could best advise them. My main value-add would come from making introductions to potential partners, acquisition targets, and even acquirers, helping them to negotiate effectively and manage the process to maximize their growth.



Finally, based on the plan we draw up and my assessment of the company, plus my own skills and resources, we would get started with the expansion efforts and I would guide them through the process.”

Why It’s a Good Answer: This is a rather vague question, but the interviewee answers it well: there isn’t an upfront “answer” here, but he does explain what he would do first, second, and third, and what value a banker could add – and then summarizes the action plan at the end. Remember that not all answers need to be structured exactly the same way, and this is a perfect example of one that doesn’t match the usual recommended format.

16. A company approaches you and asks whether it should raise debt or equity to finance an acquisition – what would you recommend?

To answer this one, first you have to assess the company’s goals and what their finances look like right now, and then you need to understand the trade-offs of debt vs. equity.

- **Equity:**
 - No interest expense or principal repayments, so there are no true “cash” expenses...
 - But the company gives up a percentage of ownership in itself to investors and dilutes existing shareholders, which still “costs” something.
 - It’s best to use equity (additional stock) when the company’s share price is relatively high and it therefore doesn’t have to give up as many shares, when the company truly can’t afford debt, or when existing shareholders are fine with some dilution.
- **Debt:**
 - Added interest expense and principal repayments, so on the surface it’s more expensive in pure cash terms...
 - But the company doesn’t have to give up any ownership in itself to investors and will not dilute existing shareholders.
 - It’s best to raise debt if dilution is more of a concern, if the company can easily afford it and/or doesn’t have much, if any, existing debt, or if it needs cash for something else in the future such as a factory or a large acquisition.



Another factor is the state of the market – equity and debt may be easier to issue or harder to issue depending on investor sentiment at the time.

Sample “Good” Answer: “The first thing I would do is assess what the company’s goals and plans are, what their financial performance looks like, and what the current debt and equity markets look like.

If the company is fine with diluting existing shareholders to some degree, or it has a relatively high share price, or it can’t afford to pay interest and principal on debt, it’s better to issue equity; debt is better if it can better afford the additional cash payments or if it doesn’t want to give up ownership.

Another consideration is what their future plans are – if they are about to make a big acquisition or raise debt or equity for something else, that would also affect my recommendation. Finally, you need to look at the markets and whether or not investor sentiment on new issuances is positive.

Based on all of that, I would go to the company with a few ideas in mind and recommendations depending on what they say, and together we would form a plan for how to raise the capital.”

Why It’s a Good Answer: Once again, he breaks it down and explains the 3 most important factors he would look at in the beginning, and then goes into detail on each of them. At the end, he summarizes and makes the important observation that a recommendation is just a **recommendation** – all “plans” are formed by the company itself plus the bankers advising it.

17. Why might you advise a company to raise debt if it can afford to pay for another company with 100% cash on-hand instead?



We went over these reasons above: the company might have already earmarked the cash for something else, such as the purchase of a huge factory or a major acquisition, or it might be in a position where it can easily repay debt with minimal long-term impact.

If you were buying a house for \$500,000 and actually had \$500,000 in cash, would you buy it outright with 100% cash and **not** take on a mortgage?

No, probably not, because you want to **save cash for other purposes** (well, unless you already have \$100 million in the bank) and get a higher return on your money elsewhere.

Sample “Good” Answer: “There are a number of reasons a company might want to raise debt even if it can acquire another company with 100% cash – including its future plans, the terms of the debt, and its financial performance and the ease of repaying the debt.

First, if it’s planning to use cash in the future for an acquisition or big expenditure, it will need to raise additional funding via debt or equity, so that could be one reason.

Second, if the terms of the debt are very favorable, i.e. a low interest rate and little principal repayment required, it might make sense to raise the debt and then put the company’s existing cash into something that yields a higher return.

Third, if the company can easily repay the debt (due to high profitability), then it might be an easy decision to raise debt since it’s almost ‘free.’

Those are a few reasons why a company might do this – the first one is probably the strongest argument for raising debt, since the process does take time and money and should usually only be done if required.”

Why It’s a Good Answer: She states the 3 main reasons upfront, gives more detail on each one, summarizes her conclusions, and then points out that reason #1 is probably

the strongest one on here and that raising debt for the sake of raising debt or “replacing” cash makes little sense.

18. Let’s say that a company approaches you and says that it has excess cash on its Balance Sheet. What would you advise it to do?

There are a few options if the company has excess cash:

- **Invest in Capital Expenditures (CapEx):** Most companies can grow by purchasing new assets such as equipment, factories, buildings, and land, and expanding their operations like this.
- **Make an Acquisition:** Or they could acquire other companies and use those to boost their own growth.
- **Hire More Employees:** Generally, more employees should support higher growth because they can help sell more products/services, support new customers, and make processes more efficient.
- **Repurchase Shares:** This is a good option if the company’s share price is at a low level vs. historical prices and it believes that its share price will rise in the future – it can capture some of that upside by repurchasing shares. This is better if the company doesn’t see any way to expand by re-investing the cash with the options above.
- **Invest in Stocks, Bonds, Real Estate, etc.:** This is less useful than the other options because generally these investments yield **lower** returns than improving the company’s own business operations. But it’s arguably better than leaving cash sitting around earning minimal interest.



Once again, you want to assess the company’s goals and opportunities upfront and then advise them based on what they say.

Sample “Good” Answer: “First, I would ask the company what its goals are and evaluate what type of growth opportunities exist in its market, and then I would recommend spending the cash to grow if the possibility is there, or using it for other purposes if it is not.



If there's a clear and obvious way to expand into a new geography via purchasing equipment, factories, or buildings there, for example, that would be a good use of cash; a relevant acquisition would also be useful if there are smaller, high-quality, complementary companies out there. Hiring additional employees to research and develop new products could be a third potential use of cash.

If there are no clear ways to grow by using these methods – for example, the market is already saturated or there are no new projects or smaller companies that would enhance growth – then two other options would be repurchasing shares or investing in stocks, bonds, and other asset classes like real estate to earn a higher yield.

If the company's stock price is at a relatively low level and it anticipates appreciation, repurchasing shares makes a lot of sense because it can capture significant upside like that; if not, using the cash to invest in other assets would make more sense.

Overall, there's no clear-cut, universal answer for what to do if a company has too much cash, but there are ways to use the cash to expand or at least earn a higher yield."

Why It's a Good Answer: The interviewee lays out the 2 main options in the beginning: spending the cash to grow, or using it to earn a higher yield by investing in its own shares or in other assets.

Then, he explains each option in detail and gives a rough "order" for determining when to pursue which possibility, summarizing the recommendations at the end by explaining that there's no universal answer, but that there are rules of thumb depending on the company and the market.

19. A client approaches you and asks whether it should go public via an IPO or sell to another company. How would you help the management team think through this decision?



This one comes down to the company's goals and the trade-offs of both "exit strategies":

- **Sale to Acquirer:**



- Make a “clean break” from the business (if management leaves afterward) and sell off 100% to someone else
- May be able to grow more quickly if you pick the right buyer – a large company with resources for exactly what you need, for example
- Lose control of the company and now you work for someone else; you’ll also lose employees and management team members
- Can be a very time-consuming and expensive process to be acquired, and deals often fall through at the last-minute
- **Initial Public Offering (IPO):**
 - Can gain some liquidity (for you, employees, and investors) by selling only a small portion of the business
 - Gain cash in the bank for acquisitions / expansions, and now you can use your own stock to acquire other companies
 - Despite the inflow of capital, may not be able to grow as quickly as you would if you were acquired by a huge company with massive resources
 - Makes it more expensive to continue operating due to audit and accounting requirements; also, the IPO process itself will consume countless hours over several months

Sample “Good” Answer: “First, I would ask the management team what its long-term plans are and what it sees as the best way to grow the business going forward, and then make recommendations based on that.

The key question is whether or not the team wants to stay with the company for the long-term, and if so, how it believes it can best grow the business – by merging with a larger company, by acquiring smaller companies, or simply by raising capital to grow, for example.

If the team wants to stick around for the long-term and it sees organic growth, combined with a few smaller acquisitions, as the best scenario, then an IPO makes sense. They’ll still control the company and will make key decisions independently.

If, on the other hand, the team wants to move on or if it believes that a large company with a complementary focus is the best way to expand (or if both of those are true), then a sale may make more sense. They do lose control in that case, but gain those other benefits.



Ultimately, there's no 'correct' answer here as it's very dependent on the company, its plans, and the market itself – but those are some of the points I would discuss with the team."

Why It's a Good Answer: He states the key questions he would ask upfront, and then describes the trade-offs of the IPO and sale after that. At the end, he correctly points out that there's no universally correct answer and that an extended discussion would be necessary.

Also notice how he does *not* list every single trade-off of the two options here: it's not necessary to do that and it's better to focus on the **main points** rather than giving a laundry list.

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"Warren Buffett" Questions & Example Answers



"Warren Buffett" questions are designed to test your "general business" knowledge about industry trends, companies / stocks, recent deals, and investment opportunities.

They may *seem* less important than some of the other "fit" questions, such as telling your story, explaining experience on your resume, and demonstrating your teamwork and leadership skills...

And that's sort of true because you're not guaranteed to get these questions in interviews.



But if and when they come up, they will be **extremely** important. And unlike with obscure / advanced technical questions, you have no excuse *not* to be prepared for these questions since the question categories are simple:

1. Discuss a recent industry trend or news story.
2. Pitch me a stock or company you like.
3. Tell me about an M&A (or other) deal that interested you recently.
4. How would you invest \$10 million?
5. How would you start or sell a business?

Categories #1 – 3 are the most important, so you better have good answers for those prepared in advance. These questions will often turn into extended dialogues with the interviewer where you go back and forth and discuss various points.

Preparing Examples in Advance

Just follow what we've described above:

1. Come up with **1 industry trend**.
2. Be able to discuss **1 recent news story**.
3. Research **2 companies** that you can pitch (ideally they will be public so you can combine this with the "Pitch me a stock" question).
4. Know **1 recent M&A (or debt / equity financing) deal** that you can speak to in-depth.

It's more difficult to "prepare" for the questions about how to invest funds and how to start and sell a business, but it's good to have general ideas about the types of businesses you might be interested in starting.

Here are a few examples you might use for these points:

1. **Industry Trend** – Talk about a new technology that's changing the economics of the energy industry, e.g. an increased focus on unconventional reserves.

2. **New Story** – Talk about the central bank’s decision to raise or lower interest rates, a coup d’état or war, or the real cause of rising income inequality in the developed world.
3. **Companies to Pitch** – You like EnergyX Holdings due to its strength in emerging markets and Commercial Bank A because of its above-average lifetime customer value and high-quality loan portfolio.
4. **Recent (M&A) Deal** – You found the acquisition of Gold Company X by Mining Company Y interesting because it was a cross-border deal under heavy regulatory scrutiny and the buyer paid an unprecedented 80% premium for the seller.

These are just examples, and I’m intentionally avoiding real deals and companies here because **you need to come up with your own examples**.

It is not at all difficult to find this information, and you can [click here to view a full tutorial and get a free quick reference guide on how to do so](#).

Structuring Your Response

The structure here depends heavily on the question being asked: describing industry trends and news stories differs from pitching a stock or talking about an M&A deal. And those, in turn, differ from the questions about starting or selling a business and investing.



To discuss a trend or news story, you should:

1. **Summarize** what it is upfront.
2. Explain **why** it’s happening or why it happened.
3. State how it’s **impacting** companies in the market and what’s changing as a result.
4. Say what your **opinion** is and how it differs from what everyone else is thinking.

To pitch a stock or talk about an M&A deal, you should:



1. State the company name(s) and explain why you like it or found the deal **interesting**.
2. Summarize the **financial** information (revenue, profit margins, and growth).
3. Give **2-3 supporting reasons** why you like the company/stock; for a deal, give 2-3 reasons why it happened.
4. For a company/stock, also state possible **risks** and how you could mitigate them; for a deal, talk about whether or not **you** think it was a good move by both sides.
5. **Summarize** your conclusions at the end.

For questions about investing or starting / selling a business, you can use the same structure recommended elsewhere in the guide and give the key question you'd ask or the summary of your plan upfront, 2-3 supporting reasons, and summarize what you've said at the end.

Your responses will be slightly different if you're going for a sales & trading, asset management, hedge fund, or equity research-type role; there, you need to think through the **entry and exit strategy** (e.g. how many shares you buy and sell and when you do it over time) in more detail and better understand the stocks you pitch.

In investment banking interviews, they're unlikely to spend the entire 30 minutes discussing a single stock recommendation so we do not recommend spending hours or days preparing for this one.

Discussing Companies, Stocks, Deals, and Trends

1. We do most of our work with [Industry Name] companies. Can you talk about a recent industry trend?

Follow the format above and make sure you pick something that's **recent and relevant**, explain why it's happening, cover how it impacts the financial performance of companies, and then give your own take at the end.



This question is simple if you prepare in advance, but interviewees make a few common mistakes:



1. They describe a trend in an industry *other* than the one they asked you about. If you're interviewing with a Real Estate group, um, make sure you name a trend in the **real estate** market...
2. They don't explain the "why" – many real estate firms have shifted spending from development to acquisitions... **because** construction costs have been skyrocketing and so it's easier to buy assets on the cheap.
3. They don't explain its **impact** – as a result, real estate firms have been raising additional debt and equity to fund acquisitions and, in turn, driving up prices in key geographies.

Sample "Good" Answer: "One recent trend in the real estate market is that large firms have been shifting their spending away from new property development to acquisitions of existing properties instead.

They're doing this because construction costs have skyrocketed over the past year due to disputes and arbitration with labor unions, and because the cost of natural resources and basic materials has been increasing.

As a result, companies in the market have been raising more debt and equity to finance their operations and do these deals – that not only changes their Balance Sheets and leads to more business for the banks advising them, but it also means that they'll have to refinance the debt in coming years as well. A side effect is that property acquisition prices have been climbing as well and are 5-10% higher than a year ago.

What's interesting about this, and what a lot of other people are overlooking, is how the trend differs depending on the real estate segment. Hotel companies, for example, haven't shifted their spending much because the economy is booming and their new, higher-end hotels are doing well despite the rising costs. So I think the impact of this trend really depends on the industry segment."

Why It's a Good Answer: He followed the exact structure we recommended: he states the trend upfront, explains **why** it's happening, how it's impacting company's finances, and then gives his own opinion at the end and points out something that other people aren't talking about.

2. Tell me about a news story you found interesting lately.



This answer will be very similar to your answer for the previous question about industry trends.

The difference is that this response doesn't have to be a "trend," and can be more general in nature.

It *should* still be related to economics / business / finance – if you mention a new movie or some type of human rights story, interviews will think, "That's nice, but does he/she actually know what's going on in the world of business?"

Good news items to talk about:

- Anything from the Opinion / Editorial section, ideally business-related.
- Financial crises and major announcements involving banks, bailouts, and central governments.
- New regulation that's related to the finance industry.
- Major policy changes or macroeconomic news.

Sample "Good" Answer: "One interesting new item has been the implementation of the Basel III rules for commercial banks after they were first agreed upon years ago. Among other things, banks now have to keep more regulatory capital on-hand, they must comply with new liquidity coverage and net stable funding ratios, and there are additional conservation and countercyclical buffers.

These rules were implemented mostly because of the extended financial crisis and the fallout from that – regulators felt that banks needed to be much more conservative with their lending practices and the leverage they used to prevent another catastrophe.

Overall, the added requirements will reduce banks' profits and Return on Equity (ROE) since they can no longer be so aggressive with lending. And it's speculated that the new rules may slow down economic growth worldwide since companies won't be able to borrow as easily anymore.

My view is that not much will change, actually – the problem is that the Basel rules are still 'risk by Excel' and banks always find loopholes and ways around them. Some



banks may earn lower profits, but I don't think global economic growth will be impacted much, because the supply of capital already exceeds demand."

Why It's a Good Answer: The same as usual: she states a major news story (it would help to be a bit more specific here, but we'll forgive that), gives the summary, explains why the regulation is being implemented and what it can do, and then gives her opinion at the end.

3. Tell me about the market(s).

This is a vague question, but it's very common in interviews. It's testing whether or not you follow basic news such as how the stock market has performed over the past year, what people are saying, and where you think things are heading in the future.



You can still apply the same 4-point structure we recommended above to answer this question, but what you say will be slightly different depending on the region you're in and the markets you follow.

Sample "Good" Answer: "Overall, the stock market this year has been flat to down, with major indices like the Dow Jones down by 1-2%, others such as the S&P 500 up by 2-3%, and many others unchanged. There aren't many IPOs going on and M&A activity is down about 30-40% over last year.

That's happening because the current recession has lasted far longer than expected, and there's a lot of uncertainty on all sides: consumers don't want to buy houses or make huge purchases because they're afraid of losing their jobs, with unemployment still relatively high, and companies don't want to do deals because they don't want to use their cash.

The weak markets are affecting everyone, but consumer-focused companies in the 'mid-range,' i.e. between luxury retailers and consumer staples, have suffered the most, sometimes losing half their market caps, due to a severe decline in middle-class consumer spending.



Other people are expecting a recovery by the end of the year, but I'm less optimistic: I think that unless there's a major technological breakthrough or a new industry that drives job creation, we're not likely to see much of uplift due to all the structural problems with the economy."

Why It's a Good Answer: The same as above – notice here how he quotes a few numbers for stock market indices, deal activity, and stock prices in a specific industry. You should always have a general sense of those figures, as well as other important macro indicators like the GDP growth rate, inflation, and the unemployment rate before going into an interview.

4. Can you tell me about a company you admire? / Pitch me a stock.

[NOTE: We are combining these two questions because they're asking for the same thing, and because it saves *you* time when preparing if you simply come up with a list of "admirable companies" that also happen to be public.]

This sounds like a simple question, but it's one of the easiest to screw up in an interview. Let's look at what **not** to do first:



1. Do **not** use a well-known or "hot" company like Google, Apple, or Facebook (or any new "hot" companies that join this list). Pick something lesser-known so that the interviewer cannot possibly know more about it than you.
2. Do **not** skip over the key financial metrics and data that make the company attractive – this takes 2 seconds to look up on Google Finance.
3. Do **not** focus on the company's products or services and forget about their customers, their positioning, and how they stack up against their competitors.

Also remember that we are now using a *different* 5-point structure for this question – you need to state the name upfront, summarize its financials, support why you like it with 2-3 reasons, give potential risks and how to mitigate them, and then summarize everything at the end.



Sample “Good” Answer: “I like Aero Dynamix, a leading manufacturer of commercial aircraft engines. It has about \$500 million revenue and \$100 million in EBITDA and trades at around \$20.00 per share, at a P/E of 10x, vs. 11-12x on average for its competitors. I like them and think the price could rise to \$25.00 per share, for a P/E of 12x, in the next 12 months.

Right now, they’re undervalued by about 20% vs. competitors because prices and demand have declined in some of their key markets in Europe. But they’ve just gotten started expanding in China, where there’s far more growth potential, and 10% of their revenue will come from there by the end of the year.

Also, oil prices have fallen 15% in the past several months but that hasn’t been factored into their price yet. As those lower prices move through the system, air ticket prices are likely to decline, which should push up traffic and cause companies to invest in more aircraft, which will help the company.

Finally, they operate at higher margins than the rest of the industry but haven’t received credit for that yet because the market over-reacted to bad news in one of their regions.

The main downside risks are a general market decline, which could be hedged by shorting a broader index, and stagnation in emerging markets, which you could hedge by longing a defensive or blue-chip index or anything else not dependent on developing economies.

Overall, I think they’re very-well positioned and could rise to \$25.00 in the next 12 months for a 25% gain.”

Why It’s a Good Answer: Not only does our interviewee follow the exact structure we outlined above, but she also provides lots of data and very specific numbers about the stock price she expects to see in the next 12 months.

The reasons given for liking this stock are concrete and reasonable, and she also discusses how to hedge the risk by longing or shorting other securities.



In a trading / equity research / asset management / hedge fund interview, you'd want to give more detail on the logistics of entering and exiting the position and how much time you would need to do everything.

5. Tell me about an M&A (or debt / equity) deal that interested you recently.



There are fewer rules about what to avoid here. It's still a good idea to mention a lesser-known deal so that you don't get extremely in-depth questions, but it's not the end of the world if you mention a massive \$50 billion merger.

The bigger issue here is that you need to **research everything** in detail before you start talking about the deal, and sometimes the information is tough to find. The best source is the [WSJ Deal Blog, which has very useful "deal profiles" that summarize the key financial figures, metrics, and analyst commentary.](#)

Sample "Good" Answer: "One recent deal that interested me was Mid Energy Corp's recent acquisition of Solar X Farms for \$1.2 billion. Mid Energy mostly operates wind farms and geothermal power, and this is its first move into the solar power market – which may be a sign that the market for renewable energy is consolidating.

Mid Energy had revenue of around \$10 billion and EBITDA of \$1 billion, while Solar X had revenue of \$800 million and EBITDA of \$100 million. Mid Energy was growing at around 5% per year and had 10% margins, while Solar X had slightly higher margins and was also growing at around 10%. The deal was done at a 12x EBITDA multiple and 1.5x revenue multiple.

The deal happened for a few reasons: for one, Mid Energy wanted to expand into solar power given new breakthroughs there that have made costs more competitive. Also, it wanted to expand its geographic reach into Central and South America, where Solar X is strong. Finally, Mid Energy wanted to prevent its chief competitors from acquiring Solar X, so it was also a defensive play.

Overall, I think it was a good move for them as diversification makes sense when the company grows to that stage, but I think they should have paid more like a 9-10x



EBITDA multiple. The 12x multiple they paid represented over a 70% premium, and 30-40% premiums have been more common in this market over the past year.

In short, Mid Energy acquired Solar X mostly for strategic reasons: to diversify geographically and in industry focus, and as a defensive play. I think it will work out well, but that they also overpaid and could have done the deal for less.”

Why It’s a Good Answer: The interviewee follows all our rules and structure above, and explains the rationale for the deal very well. The only problem is that saying a buyer “overpaid” for a seller is not always the best argument – chances are that it was already heavily negotiated, so further price reductions probably weren’t possible.

Also, more detail on the deal process and how competitive it was (multiple bidders?) would have been good. But this is a good high-level summary of the deal and sometimes it’s better to leave out those details in your first response to a question like this.

Discussing Investments and Starting and Selling Businesses

6. Let’s say that a client comes to you and indicates that he/she has \$10 million USD to invest in anything. What would you advise him/her to do?

Always ask for the investor’s goals first. Are they looking to earn big capital gains over 30-40 years? Are they looking for tax-free retirement income? What assets interest them, and what is their risk tolerance?



There’s no one-size-fits-all answer for this one, but a few guidelines:

- If the investor is relatively young (20s, 30s), has a long time horizon, and can tolerate risk and fluctuations, a well-diversified portfolio and significant weighting in equities is best.
- As the investor gets older and has less and less time until retirement, the portfolio should shift more to fixed income (bonds) rather than equities, and you should focus more on capital preservation and income rather than capital gains.



- And for someone at retirement age, tax-efficiency, capital preservation, and generating a decent amount of income are the biggest concerns.

Sample “Good” Answer: “First off, I’d ask the investor what his/her goals are and then assess the best strategy best on his/her goals, risk tolerance, and the timeframe over which he/she plans to invest the capital. With this amount of money, regardless of the strategy, **diversification** is important because it is a substantial sum and no one wants to lose it all.

For example, if the investor is relatively young – say, in the 25 – 35 age range – and can therefore go for high capital gains over a long timeframe, then I’d encourage a diversified strategy with a portfolio made up of mostly equities, maybe 70-80%, and also around 20-30% worth of fixed income. The equities could be spread across different market segments and geographies.

If the investor is older and has different goals – for example, income generation or capital preservation – then I would recommend a heavier weighting toward fixed income, while still diversifying across specific bonds. And past a certain point, it might make more sense to focus on municipal bonds or real estate for the income generation and tax benefits.

Overall, **diversification** is the most important point here regardless of the investor’s age and desired strategy. Going from \$10 million to \$20 million is nice, but not if there’s a 90% chance of losing everything and only a 10% chance of doubling your money – so on balance, I would be fairly conservative here.”

Why It’s a Good Answer: He states the most important points upfront and then goes through a few example scenarios to support his points – and then reiterates the key fact at the end, which is that **avoidance of loss** is more important than producing huge gains in this case, since \$10 million USD is an enormous sum to 99.9% of people.

7. Let’s say you could start any type of business you wanted, and you had \$1 million USD 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.

Generally speaking, \$1 million USD is actually not that much money for starting a business, so you'd have to do something that doesn't require massive spending in the form of factories, distribution networks, and so on.

Potential ideas with this amount of capital:

- Anything **Software / Internet**-related because all you need are a programmer or two in the beginning.
- Some type of **small business** where you can lease the space required rather than making a huge upfront commitment and buying a property.
- Something **service-based**, like a consulting or accounting firm, that also requires little capital in the beginning.
- Anything that you can **test** very well early on before making a bigger financial commitment.

You also do not want to take on an established competitor in this scenario – competing directly with Microsoft, Facebook, Google, Exxon-Mobil, or Goldman Sachs would be foolish.

So you should go after something more **niche** where there's a still bit of competition (simply because that validates the market), but not so much that you would have trouble standing out.

And, of course, it should be something that you're interested in and know something about. If you have no experience with solar panels, starting a solar panel company is dumb even if it's a "hot" area.

Sample "Good" Answer: "First off, \$1 million USD is actually not that much for starting a business, so I would focus on industries where not a lot of capital is required – for example, Software / Internet or something services-based. And I'd make sure that



there was *some* competition in the market, but not too much, and that I was pursuing something that I was interested in and could take a different angle on compared to everyone else.

As a specific example, I might target the mobile app market and create a smartphone or tablet app for health and fitness needs. While there are a lot of apps out there in that market, it's still young enough that you can get noticed with the right product, the right marketing, and the right positioning.

Plus, it's easy to make an app for far less than \$1 million – it might cost \$50-100K for the initial development, which is all I would need to test the viability of the idea. I could do a lot of the marketing myself for no cost simply by offering to write content for major sites and promote the app like that.

And it's something I've been very passionate about for years, since I used to be a marathon runner in high school and since I've done a lot of web projects before. That's why I'd choose this idea – it's a commercially viable market but one that's not saturated with competitors, the costs are relatively low, and I'm passionate about it."

Why It's a Good Answer: She states upfront the key criteria she'd think about before starting the business, and then gives a specific example of a type of business she might start, and then explains how it satisfies all the criteria. At the end she summarizes the 3 most important points about this idea.



8. Let's assume that you are going to start a laundry machine business. How would you analyze whether it's viable?

This question is more like a question you might receive in a consulting interview where they ask you to size the market or count the number of basketballs that would fit in the Empire State Building.

To determine whether it's "viable," you need to see whether or not it will generate a **profit** and so you have to break it down into logical steps:



1. What are the **upfront costs**? You may not have exact numbers, but it's safe to assume that buying dozens of laundry machines, plus the building itself, will cost at least a few hundred thousand dollars.
2. What's the **potential revenue**? Think about how many potential customers there are nearby, how frequently they do laundry, and how much they pay each time.
3. What are the **ongoing expenses**? These are fairly low for a Laundromat since there are no (or few) employees, but it still costs something to run – utilities, interest / principal repayment from the loan, and maintenance for the machines.

Overall, **location** plays the biggest role in the success of this type of business – if you build it next to an apartment complex where everyone has laundry machines, you're doomed from the beginning.

Sample “Good” Answer: “To determine whether it's viable, I'd look at the upfront costs, the potential revenue, and the ongoing expenses.

I don't know exactly how much laundry machines cost, but they're not cheap. Let's assume that there are 25 washers and 25 dryers, for a total of 50 machines, and that each one costs \$5K. Then the land and building itself might cost \$250K, or around \$125 per square foot for a 250 square foot facility. So the upfront cost is \$500K total, and I might put down \$100K in cash and take out a loan for the rest. I'll assume a 5% interest rate, but set the total expenses to 10% of the loan balance per year to account for principal repayment as well.

For revenue, it's hard to say exactly how many customers there will be, but you can look at it in terms of average 'turns' for a washing machine or dryer each day. If we say that the average is 5 per day, that's 250 turns per day. At an assumed \$2.00 per turn, that's \$500 per day in revenue.

\$1000 per day in revenue would be \$365,000, so \$500 per day is roughly \$180,000. Loan-related expenses would be around \$40,000 per year initially, and if we assume one employee plus ongoing machine maintenance and repairs, that might add an additional \$60,000 in expenses. It's hard to estimate utilities and real estate taxes, but to be conservative we could say \$2,000 in month for those expenses, for \$24,000 per year.



So in total, annual revenue is \$180,000 and annual expenses are \$124,000 per year, so annual profit would be \$56,000, or between \$50K and \$60K in the first few years.

Obviously we'd need more detailed data to estimate these numbers more precisely, but on the surface the average laundry machine business seems viable due to the low expense profile, and it only gets better over time as the debt is paid off. Of course, this depends on the **location** and if you build it in the wrong place, nothing here will work."

Why It's a Good Answer: Almost conjuring up an image of a poor management consultant, the interviewee here breaks down each step logically and uses guesstimates where they make sense for both the revenue and expenses.

He states upfront the 3 main categories to estimate, and then clearly lays out the upfront costs, what the potential revenue might be based on conservative assumptions, and the annual expenses, taking into account the debt. And then at the end he summarizes the analysis and points out that if the location is wrong, all of this is irrelevant.

9. 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** – the higher, the better, of course.
2. **Form of payment** – cash or stock. Cash can be better since... it's cash, but you also pay taxes immediately. Whereas with stock, you only pay taxes when you sell and you get some upside if the company's stock price appreciates.
3. **Future plans** for the company vis-à-vis your own plans – Will they let you leave? Or will they only acquire the company if you stick around for years?

There's no magical way to decide what the most important term is, or *how* you would actually make the decision, but you can explain these 3 criteria and how you'd weigh them to make a decision.



Sample “Good” Answer: “The 3 most important criteria would be price, form of payment, and whether or not they’d want me to stay on for years, months, or leave whenever I wanted.

Obviously a higher price is better, but beyond a certain range I would pay more attention to the other terms. Getting 5% more for the company would be great, but if it meant I had to stay there for 5 years I would prefer to get a lower price and be allowed to move on more quickly instead.

The form of payment is also important because in some cases, cash is better – if the buyer is private or a public company with shaky past performance, for example. But in other cases, stock is better, especially if taxes are a concern or the buyer is a massive public company.

Finally, future plans are very important – if they made me sign a ‘non-compete’ or made me stay on for years and years, I might negotiate for a lower price but less restrictive terms there.

My view is that once you sell a business, it’s best to make a clean break and go on to do something else as soon as you can, so I personally would value that over a slightly higher price.

Those are the 3 main factors I would consider: price, form of payment, and future plans. My bias is toward having the greatest flexibility possible in the future, and for reducing risk by negotiating a cash payment, if possible.”

Why It’s a Good Answer: He gives the 3 main points upfront, and then explains the trade-offs of each one and the different options for price, form of payment, and future plans. Then at the end, he goes into his own preferences and what he would value most highly out of all these options.



“Why Banking?” Questions & Example Answers

“Why investment banking?” questions are among the most important ones in interviews, and they extend directly from your “Story” and from the “Understanding Banking” questions.

The **last** thing any bank wants is for you to join and then quit 2 weeks into the job when you realize you have to work more than 40 hours per week – so they’re going to test how committed you are.

The **worst** answers here are generic.

Don’t say you want to do banking because you want a “fast-paced environment” (working at a restaurant is also “fast-paced”) or because you “enjoy accounting and finance” (why not just go to the Big 4?).

You need to make your answers **personal** and **specific** to you so that interviews remember you as a **real person** as opposed to “3.5 GPA from semi-target school with wealth management internship.”

Preparing Examples in Advance

With these questions, the way you prepare depends on how you structure your responses – so you need to decide whether you’re going to use the **Big Picture Method** or the **Slice of Life Method** first (see the next section).

Here’s what you need to be able to answer:

1. **Why investment banking?** You need a personal story or example to back this up, or you need to take more of a “big picture” approach and explain how your general career direction makes IB the best choice for you.
2. **How have you prepared?** You must be able to cite specific classes and transferable skills from internships, self-study programs, or even independent study.





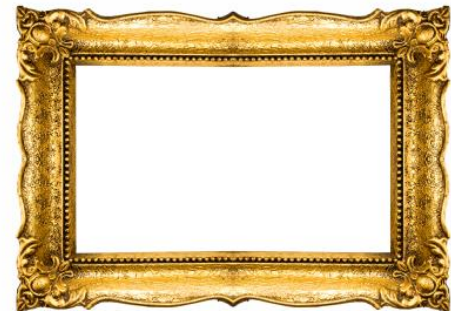
3. **Are you sure you can do the job?** Especially if you don't have much relevant finance experience, you must explain why you're still a good candidate. To do that, focus on the **results** you can bring to the table in the form of higher sales, lower expenses, or time savings, as well as how your skills translate to finance and are still very useful there.

Most of the other questions in this section are variations on these points, or test slight nuances such as whether you're truly committed regardless of what the economy is like. So, bottom line: if you can answer the questions above very well, you'll have enough material to handle the rest.

Structuring Your Responses

This part depends on the specific question you get because the "Why investment banking?" one is different from the other possible questions here.

The two best ways to answer "Why investment banking?" are called the **Big Picture** method and the **Slice of Life** method.



- **Big Picture Method**
 - Background in One Field... (Engineering, Healthcare, Journalism, Marketing...)
 - + Finance Experience... (Learn the Business Side)
 - = Long-Term Success (Advise or Invest in Companies in Your Industry)
- **Slice of Life Method**
 - Specific Incident That Sparked Your Interest (Family Business, Parents Day-Trading, Stock Investing Competition)
 - + How It Developed Over the Years (Internships, Jobs, Classes)
 - = Why You Want to Do IB Specifically (Become a Trusted Advisor)

The "Big Picture" method is better if you're a career changer or you can't pinpoint reasons that are as specific; the "Slice of Life" method is better if you have something specific or you already have an accounting or finance background.



Decide which one to use upfront and structure your answer with the method in mind.

For the other questions you may receive (preparation, whether or not you can do the job, and so on), the 2-3 point structure we've used elsewhere still works (Summarize your answer, give 2-3 supporting reasons, and re-state your conclusions at the end).

Why Investment Banking and How Have You Prepared?

1. Why are you interested in investment banking?

Once again, you do exactly what we said above and pick the most fitting approach: Big Picture or Slice of Life. This answer should **not** be nearly as long as your real "story," but you can re-use parts of your story in framing your response.

Sample "Good" Answer: "Sure. So I had always been interested in biology and healthcare from an early age, since my family was full of doctors. I didn't want to go to medicine school, though, so I ended up working at a healthcare policy think-tank after university and contributing to major policy decisions and advisory processes there.

Over time, I started doing more work on healthcare M&A deals and analyzing the legal issues there, and I began meeting with more and more bankers and learning about the industry in greater depth. I realized I actually enjoyed the quantitative and deal work more than the qualitative side, and that I also enjoyed the advisory aspect to my work.

After continuing to research the field and meet with bankers, I decided that going back to business school after 4 years on the job made a lot of sense: it would let me gain the finance and business skills and then combine them with my experience in healthcare.

In the long-term, I want to become a trusted advisor to healthcare companies and contribute to their decision-making processes on M&A deals, financing efforts, and expansion strategies, and combine my industry knowledge with the business and finance skills I've gained in school."

Why It's a Good Answer: This is just a shortened "story" – instead of reciting all the details, she starts with her initial interest in biology / medicine, explains how she didn't want to pursue a career in medicine and ended up at the think-tank instead, and then



talks about generally becoming more interested in finance, though it wasn't a specific incident that made her more interested.

At the end, she **synthesizes** by explaining how she wants to combine her industry knowledge with the finance and business skills to advise companies in the healthcare industry.

If you were using the Slice of Life method for this question instead, the structure would not be that much different: you would just pick something more **specific** that made you interested and talk about how internships, jobs, and activities afterward kept leading you in the direction of investment banking.

2. What do you think makes a good investment banker?

Here, you need to point out how **senior vs. junior** roles in banking differ, and talk about some of the specific skills you need initially and as you move up.

If you've read the rest of this guide, you already know the key skills at both levels:

- **Junior (Analyst / Associate):** Quantitative / analytical ability, attention to detail, ability to burn the midnight oil, leadership / teamwork, and interest in and knowledge of accounting and finance.
- **Senior (VP, Principal / SVP / Director, MD / Partner):** The skills become more about project management, leading a team, developing relationships, winning clients, and negotiating deals successfully.



You can mention how you've gained these skills from your work experience, but sometimes it sounds "forced" if you try too hard to make this point. If there's a way to subtly reference your own experience, go ahead and do it – otherwise, make this one more low-key.

They're likely to follow-up and ask you more about whether you, *personally*, have the skills and how much you've done to prepare – which takes us into the next question after this one.



Sample “Good” Answer: “Sure. The required skills differ depending on your level. For junior bankers – Analysts and Associates – you do a lot of work in PowerPoint and Excel as well as administrative tasks, so it’s important to have solid analytical and quantitative skills, exceptional attention-to-detail, the ability to work long and unpredictable hours, good teamwork and leadership skills, and a solid understanding of accounting and finance.

Your work must make senior bankers’ lives easier, and your role is to do things as quickly and accurately as possible to help them win clients and execute deals successfully. I’m familiar with this because I did something very similar in my most recent internship in wealth management – extensive research and analysis to support the relationship managers and improve processes.

As a senior banker, your role shifts and you become more of a project and team manager, and are responsible for negotiating deals, developing relationships, and winning clients. You still need to understand the accounting and finance, of course, but you spend more time reviewing work and speaking with clients directly.”

Why It’s a Good Answer: He states upfront how the skills differ at the junior and senior levels, and then gives specific examples of required skills, also explaining *why* junior bankers need different skills – because they do so much PowerPoint, Excel, and administrative work.

He inserts a mention here of how he performed similar work in his last internship. As discussed above, it’s good to include a subtle reference in a response like this, but it would be going overboard to say, “And by the way, I’ve gained these exact same skills in my internship because I did X, Y, and Z.”

3. What have you done to prepare yourself for investment banking?



To answer this question, state upfront the skills and experiences that the job requires, and then explain what you’ve done to prepare and gain those skills and experiences.



Citing classes, activities, internships, previous jobs, training programs, certifications, and anything else you can think of are all acceptable.

Even if your preparation has been very last-minute, you never want it to seem like you've decided in the last 1-2 weeks that investment banking is your calling. So avoid mentioning timeframes unless you can point to preparation that took place months or years ago.

Sample "Good" Answer: "To be an investment banker, you have to understand the technical skills required – accounting, finance, and transaction modeling – as well as the demands of the job itself, from the long and unpredictable hours to working with clients to working in a team and having exceptional attention-to-detail. I've prepared in 3 main ways: via my internships, by speaking with dozens of bankers, and by learning the technical side on my own via courses.

First off, I've always done internships that involve teamwork, client work, and often long hours – in my most recent role at Acme Co., for example, I led an engineering team and helped them respond to client requests, which often came in at the last-minute and which required weekend work and long work into the night as we added features.

Second, I've also spoken with dozens of bankers and have made multiple weekend trips to New York to network and find out in detail what you actually do in the industry and the parts of the job that don't get advertised – which has been very insightful.

Finally, I've taken a few financial modeling courses on my own and been through case studies of major deals like TPG's \$3 billion leveraged buyout of J Crew, and I've improved my technical skills from that.

So I'm prepared for the job because of my work experience, networking efforts, and the extra courses I've taken."

Why It's a Good Answer: He gives a very structured response and explains in the beginning what skills are required, and then summarizes the 3 ways he has prepared and gained those skills. Then he gives more detail on each of these 3 methods, and summarizes at the end how he's learned the key skills and requirements from his experiences.



4. I see you have no relevant finance experience – why should we hire you over someone who’s had a previous banking internship?

This is a **very** tough one to answer because it’s such a direct question. Rather than taking the “Well, I have these very useful skills so I’m just as good...” approach, I recommend addressing their objection head-on by stating the following:

- Ultimately, they hire people who get **results**: in the form of higher sales, lower expenses, or process improvement (time savings).
- You have a track record of getting **results** in your previous work and leadership experience... which not even those with finance internships can necessarily point to.
- And on top of that, you’ve also taken the initiative to learn all about banking on your own via **self-study** so you can hit the ground running.
- And as the cherry on top, you can point out how much **extra effort** you’ve been through to even get selected for this interview – if you weren’t 110% committed, how could you have done that?

Sample “Good” Answer: “Sure. I realize I haven’t had a banking internship, but ultimately you hire people because of the **results** they generate for you: higher sales, reduced expenses, or time saved. I have a track record of achieving all of those in my previous internships.

For example, in my last internship at ABQ Digital Marketing, I helped clients generate 20% higher sales from their campaigns, which led to over \$10,000 per month in extra revenue for them – and I improved the client on-boarding process at the firm, which saved us 5 hours per week, worth about \$1,000 per week at our billable hourly rates. Prior to that, I helped the state government agency I worked at save over \$20,000 in wasteful spending by streamlining the application process for government grants.

I’m confident I could bring these same skills to your bank and immediately deliver a solid ROI for you. In addition to all that, I’ve also learned the key skills you need in banking via self-study, by reading books on financial modeling and enrolling in a course that covered valuation, merger models, and LBO models.



Finally, I'm more committed than other candidates because I've spent 9 months networking and meeting as many people as possible in the industry, all to win this interview. So that's why I'm a great choice for your firm: my track record of results, how I've learned the skills on my own, and my commitment to the industry."

Why It's a Good Answer: She takes a very direct approach here and acknowledge the objection upfront, but then points out how banks want people who can deliver **results**: more money, lower expenses, or time saved.

Then, she gives specific examples of how she delivered results in past work experience and how she could also save time/money for this bank (when applying for junior-level roles it's better to focus on time/expense savings because those are more achievable results).

Finally, she goes back to the points on self-study and commitment at the end and summarizes her track record of results, how she has gained the required skills anyway, and how committed she is compared to other people. These last 2 points address possible objections, but the **heart** of the answer is in the first portion: if you deliver good results, nothing else really matters.

Why Investment Banking Despite the Economy?

5. 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?

This is a common question when the economy isn't doing so well and when hiring is down. You need to emphasize 2 points in your response:

1. You think that entering during a downturn can actually be **better** because you have the chance to be there when things improve in the future – or at least, to learn how business is done when economic conditions are much tougher.





2. You take a **long-term view** of the market and are not concerned over a downturn right now. Long-term, you still want to be an advisor to companies and do deals, and that's your goal regardless of the economy.

Sample "Good" Answer: "That's a great question. I take a very long-term view of the market and my career, and I also know that entering during a downturn can actually be better in the long-term, for a few reasons.

First off, while banks may be suffering right now along with the rest of the economy, the advisory services that banks provide will always be in demand because companies always need to raise capital and will always be buying and selling other companies. And long-term, I want to be a trusted advisor to executives and management teams, so I think about my plans far into the future and the best way to get there as opposed to what's going on right now.

Second, I think there can be some advantages to entering the industry during a downturn: you can be there and have several years of experience when things improve, and you can learn how business and deals get done even under very tough economic conditions, which is bound to be useful over your career.

So that's why I'm still committed: my long-term view, and because entering the market in a time like this has its advantages. Plus, nothing else out there provides the broad skill set and exposure that you get with investment banking."

Why It's a Good Answer: He states the 2 key reasons upfront and then gives more detail on each of them – these are the two most realistic reasons you can give in this case.

At the end, he also adds in another point about the skill set and exposure that you gain in investment banking, which is another good bit to add and something that is very true: even in a recession, few other jobs provide the learning opportunity and exposure you get in IB.

6. 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?



This one is the opposite of the question above, but its purpose is similar: to separate the wheat from the chaff and see who's serious about the industry and who is just waffling around.



To answer this one, you should:

1. Point out how you've been interested in the industry for a **long time** and didn't just suddenly realize you wanted to do this overnight – cite interests and hobbies, classes, work experience, and even small incidents like meeting financiers or business people early on.
2. Point out how you also have a **long-term plan** for your future in the industry. You're not just hopping in "for the money and fame," but rather because you've thought about your future and where you want to be heading, and you view banking as the way to get there.

Sample "Good" Answer: "That's a great question, and I agree with you that many people these days are not that serious. In my case, it's different because I've been interested in and moving toward investment banking for years now, and I have a long-term plan and commitment to the industry.

First off, with each of my previous internships I've moved closer to the industry: going from non-profit to work to marketing to wealth management last summer, and now banking. At the same time, I also took elective classes on accounting and finance starting 3 years ago, and even growing up I had been trading stocks as a hobby and following business. So my interest has been there all along, and I've been moving closer over time.

Second, I have a long-term plan because I'm very interested in the publishing and media industries and eventually becoming an advisor to those companies, combining some of my previous experience and interests with the experience and skills I'll gain in this position. I've spoken with dozens of bankers about this and have had positive feedback from all of them on my plan.

So that's why I'm serious: my interest has been there for years, my actions have supported this interest, I have a specific long-term plan that I'm working toward, and banking is my way to get there."



Why It's a Good Answer: Besides following the structure we laid out above, there are a few other points to note here:

1. He points out a specific **direction** of increasing interest in investment banking – non-profit to marketing (business) to wealth management (the markets, more specifically).
2. He gives a specific **industry** he's interested in becoming an advisor in – this sets him apart from candidates who give more generic responses. You can use interest in a region or deal type here as well (e.g. you want to start an M&A boutique bank in Argentina).
3. He also points out his **networking efforts**, which is another sign that signals his long-term interest and commitment to the field.

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After the Interview: Questions and Thank You Notes

What to do *after* the interview is considerably easier than what to do before the interview, because you usually just wait for them to get back to you.

But there are a few points to keep in mind – both **immediately** after the interview and then several days to a week after the interview.

“Do You Have Any Questions for Me?”



This is what the interviewer will almost always say when he/she is finishing up the interview, and you **always** need to respond “Yes!” and then ask your questions.

Saying “No” is not a wise move, because it indicates that you’re not particularly interested or engaged in the interview... which is not good if you want to receive an offer.

The actual questions you ask do not matter that much as long as you avoid anything stupid, inappropriate, or questions that are easily answered elsewhere:

- “How much money do you make?” If you ask this question, you **deserve to fail in life**.
- “So what’s it like being an investment banker?” You can read all about this on M&I.
- “How many hours do you work each week?” See above.

Better questions to ask at the end:

- “Can you tell me about your background and how you got started in the industry?” (If they haven’t already explained this.)
- “What have you learned since you started working that you wish you knew when you were *first* getting started?”
- “What qualities have made previous interns / full-time hires successful or not successful?”
- “What was the most surprising part of this job when you first started working?”



You can come up with endless variations on these. The point is to ask relatively **thoughtful** questions that aren't controversial, but which show that you're genuinely curious about the company, the role, and what you'll be doing there.

Some people recommend asking about very specific topics, but that is reading **way** too much into it – I've interviewed hundreds of candidates before and I never once thought, "Aha! This person asked such a great question at the end that we'll definitely have to hire him / her!"

Most of the time, hire / no hire decisions are made **within the first few minutes of the interview** and the rest of the interview, including the question at the end, is less significant than that initial interaction.

One final point: if you've already spoken with many, many people and have been through several rounds of interviews in one day, it's fine to say that you don't have any questions because you've already gotten to ask everyone the questions that you've had.

It's better to still come up with *something*, but in this scenario it's more acceptable to say that you don't have anything that you want to ask about it.

Ask for a Business Card

Always ask for the interviewer's business card at the end – you never know who will turn out to be helpful in the future, or if you'll run into the person again.

And it never hurts to follow-up and stay in touch, even if you end up **not** winning an offer at the firm.

When you get the business card, put it in the folder that you've carried with you to the interview rather than crumpling it and putting it in your pocket or suit jacket. First impressions still matter, and you want to seem thoughtful when collecting business cards.





Follow-Up Afterward

There is mixed advice about sending “Thank You” emails after the interview; some people say they’re useless because investment bankers decide on candidates very quickly, while others say that they’re still worth sending because they might tip the scales in your favor.

I’ve said before in articles on M&I and in some of the tutorials here that Thank You notes usually don’t make a big difference...

And that’s true, but they’re still worth sending anyway because it takes 30 seconds to do so. Keep it **very** brief and do the following:

- Email each person you met with **individually** – no group emails.
- Send an email with subject “Thanks for the Interview” or “Interview Today” or something like that.
- If you’re in a more conservative region like Asia, you can use “Dear Mr. / Ms. So-and-so,” but in North America you’re usually fine using his/her first name instead.
- Thank them for their time, say that you enjoyed speaking with them, and if anything interesting or specific to you came up (or you had a shared interest or experience), remind them of that.
- Say that you enjoyed meeting everyone at their firm and look forward to hearing from them soon.

Example “Thank You” Email:

“**Subject:** Interview Today

John,

Thanks for taking the time out to interview me today – I really appreciate it.

I enjoyed meeting you and everyone else on the team, and it was great hearing about your adventures mountain climbing – good luck on your trip this weekend!”



Thanks again, and I look forward to hearing from you soon.

Thanks,
[Your Name and Contact Information]"

Do not overthink this. If you're spending hours and hours sending Thank You Emails, you're doing something wrong. And if you don't have anything unique or memorable from the interview, leave that part out.

Ask For Feedback On Your Performance?



Some interview guides and coaches recommend that you ask for feedback on your performance after the interview, either in these "Thank You" Emails or via follow-up phone calls afterward.

I don't think it's a great idea to ask for feedback until *after* you hear back one way or the other – and if you win the offer, there's no point in asking for feedback.

If you ask for feedback before you hear back from the firm, you may come across as "begging" for the offer or trying too hard.

The other problem is that bankers and other financiers are unlikely to give you an honest answer when you ask for feedback – few people will be so direct as to say, "You suck at technical questions and can't do math, so we don't want to hire you."

You're more likely to get **honest** feedback in industries like consulting and tech start-ups where people are nicer and are more willing to be "real" with you.

So you should only ask for feedback if they give you a definitive "No" and you genuinely don't know what you did wrong or what you could improve upon.

In this scenario, it's fine to send a **follow-up email** asking for feedback and for ways to improve your performance.



Stay In Touch Even If You Didn't Win the Offer?

This is fine, but don't feel pressured to stay in touch with every single person you've met in the recruiting process just for the sake of "networking."

If you hit it off very well with one or two of the interviewers, then definitely stay in touch and keep them updated on your progress as you move along with interviews elsewhere.



Positive results (e.g. you win an offer at a firm that's at a similar or higher "prestige level") are especially good to report back to them.

It's just like how if you start dating a supermodel, all other members of the opposite sex will suddenly become more "interested" in you: now you've got **social proof** and evidence that other people "see something" in you (yes, adult life is just like high school all over again).

Bottom-line: yes, stay in touch with interviewers, especially with any that you got along with quite well – and report back **positive results** when possible.

When Will You Hear Back?

It depends on the type of bank (or other firm) you're interviewing at, the level of the role you're interviewing for, and how much experience you have.

The **simplest** case is when you're interviewing at a bulge bracket (or elite boutique, or middle market) bank as an undergraduate or MBA.

In this scenario, you'll almost always hear back **quickly** – often within a few hours or 1 day of the interview. If you don't hear back within one week, it means that you didn't get the offer, or that they've been delayed in their decision-making.

It gets much harder to predict when you'll hear back when:

- 1) You have **significantly more work experience** (e.g. you've been working full-time for 3 years and are interviewing as a lateral hire); or
- 2) You're **interviewing at very small firms** – boutiques with 10 or fewer people, for example; or
- 3) You're interviewing for **buy-side roles at private equity firms or hedge funds**, and they're **NOT** mega-funds (i.e. \$100 million USD in assets under management (AUM) up to a few billion USD in AUM).



In all these cases, there's little pressure for the firm to respond quickly because **they can afford to take their time**.

At larger investment banks, hiring decisions for entry-level Analysts and Associates must be made quickly because candidates may receive competing offers in a short timeframe.

But that is less true for buy-side roles and if you have significantly more work experience – if you've already worked full-time for 5 years, you have no chance of suddenly receiving 2 competing job offers on the same day and ditching the firm you've already been speaking with.

In private equity and at hedge funds, the process may drag on for **months and months** because firms are small and you will sometimes speak with everyone there, multiple times, before decisions are made.

So the most likely outcome following interviews is **not hearing anything** for a few days up to a few weeks.

The Non-Response

If you don't hear back, your only 2 options are:



- 1) Follow-up up each week, continue to express your enthusiasm, and switch to the phone if they do not respond via email or if they become unresponsive.
- 2) Bring them news of **other job offers** you've received and indicate that you need to respond by a certain deadline, so you need a decision from them.

#2 is the only leverage you have in the entire recruiting process and the only way to "force" a decision from them.

For many buy-side roles, they won't necessarily give you an offer until you've **already agreed to accept it**.

So bringing news of other job offers may not be too effective – this strategy tends to work better for undergrads, MBAs, and recent graduates.

Never lie about receiving an offer somewhere else – it's guaranteed to come back to haunt you.

The Negative Response



If you hear back from the firm and they tell you, "Thanks, but we're not giving you an offer," most people would say that it's time to give up there.

And most of the time, there is truth to that – a firm "no" means that you have a low chance of changing their minds.

Sometimes, though, you **do** have a chance at changing their minds and going back in for interviews and/or winning offers.

Generally you only want to do this if you feel there's a specific reason you were misjudged and/or that you can **significantly** improve your performance the next time around.

For example, maybe you couldn't explain why your most recent job was relevant and after the interviews, you went through your project and client experience and found more points that were finance-related.



If, on the other hand, they were looking for someone very specific and you did not match the job requirements at all (e.g. they wanted someone with 5 years of experience in distressed debt investing, but you only worked on tech M&A deals), then it's usually not worth the effort.

So there's no universal rule on whether or not you should plead your case and ask for a second chance.

This tactic tends to work better for students and those with less full-time experience, and does **not** work as well if you are going for higher-level roles – by that stage, it's highly unlikely that you got nervous and didn't present yourself effectively.

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Brain Teaser Questions & Answers

Brain teasers are silly to ask in interviews, but that doesn't mean you won't get them.

The questions below just scrape the surface of what's out there, but they are among the more common types seen in interviews.

The key with brain teasers is to keep your cool and attempt to reason your way through any question, even if you haven't a clue as to the answer. This is one case where saying nothing or stating you don't know *hurts* you.

1. A car drives 60 miles at an average speed of 30 miles per hour. How fast should the driver drive to travel the same 60 miles in the same time period, but at an average of 60 miles per hour?

This is not possible. To travel 60 miles at an average speed of 30 miles per hour, 2 hours are required; to travel at an average of 60 miles per hour in those same 2 hours, you'd need to go 120 miles rather than 60 miles.

The most common mistake is to respond with 90 miles per hour or 120 miles per hour – if you get a question like this in an interview, be sure to ask clarifying questions that could point you in the right direction.

In this case, for example, we might have reframed the question and asked if it was really, “How do you travel 60 miles in 2 hours at an average speed of 60 miles per hour?” If he said yes, we'd instantly know it was not possible.

2. What is the angle formed by the hands of the clock when it is 1:45?

142.5 degrees. If we just think of the clock hour hand at 1 and the minute hand at the 45 position (near 9 o'clock), that is 120 degrees since they are 4 “numbers” apart, and each number on the clock represents 30 degrees (360/12).

However, recall that the hour hand has already moved by the time the minute hand has reached the 45 position – it is now closer to 2 o'clock. 45 represent $\frac{3}{4}$ of an hour, so the



hour hand will have moved $\frac{3}{4}$ of 30 degrees, or 22.5 degrees. If we add them together, we see that $120 + 22.5 = 142.5$

The most common mistake is to state the original number we arrived at – 120 degrees – rather than finishing the calculation. Sometimes with this type of question the interviewer will lead you in the right direction if you have a basic idea of how to solve it.

3. You have stacks of quarters, dimes, nickels and pennies (these represent \$0.25, \$0.10, \$0.05 and \$0.01, respectively, in the US monetary system for anyone international). There are an unlimited number of coins in each stack.

You can take coins from a stack in any amount and in any order and place them in your hand. What is the greatest dollar value in coins you can have in your hands without being able to make change for a dollar?

\$1.19. There are a few ways to think about this, but the easiest is to start with the largest coin – quarters – first and then work your way down.

4 quarters equals \$1.00, so we clearly can't do that – but 3 quarters are ok because that's only \$0.75.

Next, we have dimes. Recall that we can use any combination of coins to make change for a dollar – if we were to have 5 dimes and put them together with the 2 quarters, that would make \$1.00. So we'll use 4 instead – there's no combination there that would result in \$1.00 when added to the quarters.

Nickels are next. Here, we can't have any – because even a single nickel, \$0.05, would add up to \$1.00 when added to the 3 quarters we have (\$0.75) and the 2 dimes (\$0.20).

Finally, for pennies we know that we can't have 5 pennies (\$0.05) because we could then get to \$1.00 using the same logic as we saw for the nickels. So 4 is the maximum here.

With that, we see that 3 Quarters + 4 Dimes + 4 Pennies = \$1.19



The most common mistake is not realizing you can use any combination of your existing coins to add up to a dollar – most people understand that you can't have 4 quarters, but sometimes interviewees forget that $2 \text{ quarters} + 5 \text{ dimes} = \1.00 as well.

This is another case where asking clarifying questions – such as whether 2 quarters + 5 dimes would count as \$1.00 – really helps.

4. You have a hose along with a 3 liter bucket and a 5 liter bucket. How do you get exactly 4 liters of water?

First, fill the 3 liter bucket and pour it into the 5 liter one. Then, re-fill the 3 liter bucket and pour it into the 5 liter bucket until it's full – that leaves 1 liter in the 3 liter bucket and 5 in the 5 liter bucket.

Then, pour out the 5 liter bucket so nothing is left and pour the 1 liter of water from the 3 liter bucket into the 5 liter bucket. Finally, fill the 3 liter bucket completely and pour it into the 5 liter bucket – since it already has 1 liter of water, you'll get exactly 4 liters.

For this type of question, it's easiest to use deductive reasoning to get the answer. You know you can't possibly get 4 liters of water in the 3 liter bucket – it has to be in the 5 liter bucket.

Since you can easily get 3 liters of water, that tells you that the "trick" will involve isolating the remaining 1 liter and getting it into the 5 liter bucket. So then the question comes down to how to get the 1 liter of water in the 3 liter bucket. You know it has to involve pouring water into the 5 liter bucket, and that leads you in the right direction.

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