

## FINANCE GUIDE: TABLE OF CONTENTS

### I. OVERVIEW AND THE FIT INTERVIEW

- Recruiting calendar
- Overview of the interview process
- How to prepare for both fit and technical questions
- Sample fit questions and strategies for answers
- Industry overview
  - Overview of financial markets
  - Structure of an investment bank
  - What can I expect to do at an investment bank?
  - How will I spend a typical day?

### II. ANALYTICAL FRAMEWORKS

#### *Accounting*

- Structure of the 3 financial statements (I/S, B/S, and CFS)
- Relationship between the I/S, B/S, and CFS
- Levers for improving Return on Equity (ROE)
- Key Balance Sheet ratios
- Inventory Valuation - concept, techniques, and applications
- Lease Accounting - techniques and implications for financial analysis
- Deferred taxes - concept and applications
- Pooling and Purchase Accounting - concept and applications for financial analysis

#### *Valuation*

- Commonly used valuation techniques
- Discounted cash flow method - Free Cash Flow, Beta, WACC, and APV
- Public Comparables
- Precedent Transactions
- LBO Valuation - concept and applications
- Football Field

#### *Capital Structure Considerations*

- Tradeoff Theory of Capital Structure
- Equity Offerings
- Typical IPO timeline
- Credit Rating tiers
- High Yield Bonds

#### *Mergers and Acquisitions*

- Key issues in an M&A transaction
- Acquisition Structuring - tax-free and taxable mergers; acquisition currency and accretive vs. dilutive mergers

#### *Miscellaneous*

- Six steps in pitching a stock
- Bond Terminology - coupon rate, yield, and duration
- Derivative securities - calls, puts, futures, and collars
- Option pricing - Black Scholes formula
- Key economic indicators

### III. CLOSING THE INTERVIEW

- Types of questions to ask the interviewer
- Types of questions to avoid
- How to make a great final impression before you walk out

### IV. FINAL ROUND STRATEGIES

- How to perform well during finance case interviews
- How to handle open ended cases and off the wall questions