**Technical Interview Sample Questions**

**Finance**

Why might a company choose debt over equity financing, or vice versa?

How will a decrease in financial leverage affect a company’s cost of equity capital, if at all? How will it affect a company’s equity beta?

What are the different ways to value a company?

What is the difference between a DCF and comps?

What is the difference between enterprise value and equity value?

Which of the three financial reporting statements (balance sheet, income statement, statement of cash flows) is most important and why do you believe this is so?

How does depreciation affect each of the three financial statements?

What is your best investment idea right now?

If I gave you a million dollars, how would you invest the proceeds?

What is your investment style?

**Strategy**

How would you describe the term ‘strategic thinking’?

Outline in broad terms how you would create a strategy for instance, a public campaign. As part of this strategic campaign, why should you conduct a SWOT analysis?

How should you go about identifying partners as part of any good business or organization strategy plan?

As you develop a strategic vision for your organization, what are the five key criteria on which you should focus?

Discuss the importance of establishing an appropriate basis for comparison in assessing strategic capability.

What are the three most common reasons why change in management fails in most organizations?

**Operations and Supply Chain**

What factors would you consider in determining the location of a distribution center?

How would you improve the utilization of a process?

You must process 50 units and have two options. In the first, you can start two lines with 1% defect rate and a capacity of seven units an hour. In the second option, you can start three lines with fewer people but a higher defect rate and a higher capacity. Looking at overall picture, which process is more efficient and why?

It costs $200 to train a new person, and a training session has an overhead cost of $2000. You have 220 people to process in the coming months. Given the normal attrition rate, you expect to lose 40 of the trained employees. Does it make sense to call for overtime or add new people?

You have a fixed budget, and heat in the building is causing increased attrition. Also, as your productivity targets are revised upwards each year, you want to buy a couple of machines, which would dramatically improve productivity. In particular, the machines would improve the productivity of the best associates by at least 20%, but these are the same folks who are threatening to walk out if something is not done about temperature. What would you do?

**Consulting**

What are the three most common reasons why change in management fails in most organizations?

What background do you have that would be helpful in consulting?

Why consulting?

How do you think the consulting industry is structured?

What are the differences among the consulting firms that are important to you?

What were the sales of your last employer? What was its profitability?

Are you a generalist or specialist? Where do you see yourself specializing?

Are you competitive?

How are you going to make your decision if you get more than one offer?