



LIBOR

Little Investment Bankers of Rutgers

Interviewing for Wall St. Careers

November 9th, 2023

Agenda

Getting to the Interview

Standard Interview Process

Behavioral Overview

Technical Overview

How to Prepare

After the Interview





Getting to the Interview

How to Land Interviews

- “Luck is what happens when preparation meets opportunity”
- Early Stage
 - Be confident and smart while networking
 - Develop networks at firms of interest
 - Attend firm webinars and interest programs
- Late Stage
 - Notify network of submitted application





Standard Interview Process

Basic Interview Process

- Receive First Round Interview
 - Will often be a Phone Screen / HireVue at larger firms
 - Used as a filter for serious candidates
- Second Round Possible for Further Filtering
- Superday
 - 2 - 3 hours of back to back interviews
 - Will meet with various team members from Analyst to MD
 - Expect to hear decision within same day to a week



Basic Interview Structure

- Tell Me About Yourself
- Behavioral Questions
 - Why Banking / S&T / ER / AM
 - Why Firm?
 - Other Behavioral Questions
- Technical Questions
- Q&A





Behavioral Overview

Tell me about yourself...

- Introduction

Hi my name is...

- Spark

My interest in Finance comes from...

- Initiative

When I came to Rutgers...

- Action

In my internship...

- Conclusion

And I'm here today



Why do you want to work at this company?

- What drew you to this job?
 - Start big picture and focus down into the specific role
- Who have you spoken to and what did they say?
 - Name drop the people you had meaningful discussions with
 - FOCUS on the culture
- Company values – Do your research
 - Client facing, accelerate economic progress, etc.
- Specific initiatives
 - Diversity, sustainability, third-world countries, etc.



Basic Behavioral Questions

- Strengths/Weakness
- Tell me about a time you failed
- Tell me about your greatest success
- Tell me about a time you led a team
- Tell me about a time you had a bad team experience
- What's the biggest sacrifice you've had to make



STAR Method (Be specific)

S – SITUATION → Where did this problem ARISE?

T – TASK → What was the PROBLEM?

A – ACTION → What did YOU do?

R – RESULT → What was the OVERALL end result?





Technical Overview

Accounting Portion of the Interview

- Conceptual Questions
 - What's the difference between Accounts Receivable and Deferred Revenue?
- Single-Step Scenarios
 - What happens on the 3 statements when Depreciation goes up by \$10?
- Multi-Step Scenarios
 - Walk me through what happens when you buy inventory using debt, turn it into products, and then sell the products.
- More Advanced Accounting
 - Walk me through what happens when you acquire a 70% stake in another company and pay \$70 for it.



What are the 3 main financial statements?

- Income Statement

- Revenues – Expenses = Net Income

- Cash Flow Statement

- Net Income adjusted for non-cash expenses and non-expense cash flows => Change in Cash

- Balance Sheet

- Assets = Liabilities + Shareholders' Equity

- Change in cash comes from the Cash Flow Statement
-



Valuation Overview

Firm Value (i.e., Enterprise Value): The total value of an operating business regardless of its capital structure

Enterprise Value = Equity Value + Debt + Preferred Stock + Noncontrolling Interests – Cash

Equity Value (i.e., Market Value of Equity, Market Cap): Value business to its equity holders after paying creditors and preferred claim holders

Equity Value = share price * # shares outstanding

Unlevered Free Cash Flow

Unlevered Free Cash Flow = EBIT - Taxes + D&A - CapEx - Change in Working Capital

Measure of unlevered/debt-free because it does not include interest

EBITDA

One of the most important single items someone will look at in evaluating a company

EBITDA = Revenues – Expenses (excluding interest, taxes, depreciation, and amortization)



Valuation Overview (Continued)

Weighted Average Cost of Capital (WACC): the average rate of return a company expects to compensate all its different investor

How do you calculate WACC?

$$\text{WACC} = (\% \text{ of Equity} * \text{Cost of Equity}) + (\% \text{ of Debt} * \text{Cost of Debt} * 1-t)$$

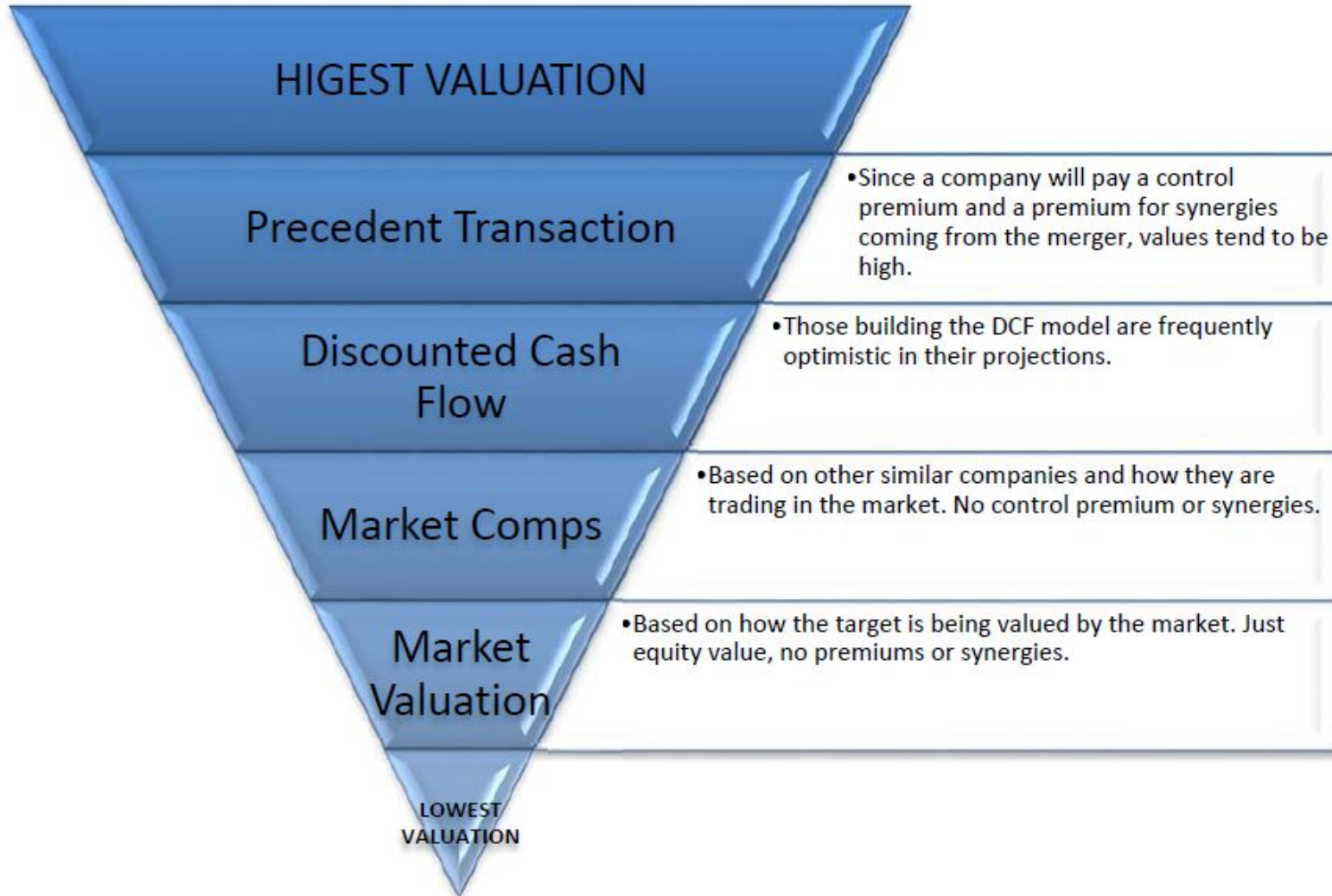
How do you calculate the Cost of Equity?

Use the Capital Asset Pricing Model (CAPM)

$$\text{Cost of Equity} = \text{Risk Free Rate} + [\text{Beta} * (\text{Market Risk Premium})]$$



Which of the Valuation Methodologies will Result in the Highest Valuation?





How to Prepare

Preparation Materials and Tips

- Behavioral
 - Behavioral Guide
 - Make a document answering any and all behavioral you may see
 - Have 3-4 STAR stories that you can use to answer questions
 - PRACTICE PRACTICE PRACTICE
- Technicals
 - Technical Guides (Breaking Into Wall St, WSO, Vault)
 - ibvine.io
 - Mock interviews with upperclassmen





After the Interview

Always Send a Thank You Email

- Purpose of a Thank You Email
 - Remind the interviewer of your conversation
 - Express gratitude for them taking their time to interview you
 - Maintain connection as you continue through the process
- Samples

Hey Andrew,

I hope all is well on your end. I wanted to reach out and say thank you for speaking with me today. I truly enjoyed our conversation and learned a lot from you.

I especially enjoyed hearing about your experience with a STEM double major and applying that to consulting. Thank you again, and I hope we can connect again soon. Have a great rest of your week!

Hi Alex and Adam,

I wanted to reach out to thank you for your time yesterday. I enjoyed our conversation about your motivations in joining Warburg, and the firm's ability to stay dynamic and entrepreneurial even with its long history. It was a great experience to hear about your founding of Warburg's later-stage tech group as well.

I look forward to meeting more members of your team as I finish my final rounds, and thank you again for the opportunity to speak.





Questions