

RESOURCES FOR TECHNICAL INTERVIEWS



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Overviews of Finance

1. Investopedia

- Website: <https://www.investopedia.com/>
- Overview: It offers a comprehensive library of terms articles, tutorials, and educational content, ranging from basic to advanced topics.

2. CFA Institute

- Website: <https://www.cfainstitute.org/>
- Overview: The website offers a range of publications, webinars, and educational materials

3. Aswath Damodaran's Website:

- Website: <http://pages.stern.nyu.edu/~adamodar/>
- Overview: Dr. Aswath Damodaran is a professor at NYU Stern and an expert in valuation. His website provides a lot of free resources, including datasets, articles, and lecture notes.

4. Khan Academy – Finance and Capital Markets:

- Youtube/Website: Khan Academy
- Overview: the website has comprehensive courses on various finance topics, from basics to more advanced concepts, presented in easily digestible video formats.

5. Corporate Finance Institute (CFI)

- Website: <https://corporatefinanceinstitute.com/>
- Overview: There are a range of courses related to corporate finance, financial modelling, Excel, and more. Some content is free, while more in-depth courses usually cost money.

6. MIT OpenCourseWare:

- Website: <https://ocw.mit.edu/index.htm>
- Some recommended courses: 'Introduction to Financial and Managerial Accounting', 'Financial and Capital Markets'

7. Break Into Wall Street (BIWS)

- Website: <https://breakingintowallstreet.com/>
- Overview: This website is like Wall Street Prep, it offers practical training and courses tailored for investment banking, equity research, and other finance careers. Courses cover topics such as financial modelling, Excel, and interview prep.

Market Awareness

1. **Financial Times**
 - Oxford University offers a free subscription to the Financial Times for students. More information can be found here: <https://blogs.bodleian.ox.ac.uk/ssl/2022/11/08/how-to-access-the-financial-times-online-for-free/>.
 - The daily FT briefings podcast also offers a concise overview of business and financial news for the day.
2. **The Economist**
 - Editions of the Economist are freely accessible through SOLO: <https://blogs.bodleian.ox.ac.uk/ssl/2019/01/30/read-the-economist-for-free-online-via-solo/>.
3. **BBC Business News**
4. **Wall Street Journal**
5. **DealBook - The New York Times**
6. **Goldman Sachs BRIEFINGS Newsletter**
 - This newsletter from Goldman Sachs provides insights on markets, different industries and the financial sector.
 - Sign up here: <https://www.goldmansachs.com/briefings/>

For more resources to keep up with business and market news, Oxford University recommends a list of publications and websites here: <https://libguides.bodleian.ox.ac.uk/business/business-news>. These also cover publications that focus on a specific theme within finance, for example, impact investing.

Financial Modelling and Valuations

An understanding of financial modelling and valuations is highly useful when interviewing for summer internships. Having an understanding of basic financial terms and accounting concepts will help you demonstrate your interest and knowledge in the financial sector.

Useful Courses

1. [Building Financial Statements in Excel](#) - Udemy
This 1-2hr free online course teaches you how to build the three financial statements, use financial ratios to analyse statements, and build debt schedules.
2. [Financial Analysis for Decision Making](#) - edX
This course lasts 4 weeks with a 4-6hr commitment per week. Its syllabus covers how to evaluate stocks, bonds, and companies for investment alongside identifying worthwhile business opportunities.
3. [Analyzing Growth Drivers & Business Risks](#) - Corporate Finance Institute
This free course teaches you how to identify growth drivers of a business and introduces you to business frameworks, such as Porter's Five Forces and SWOT analysis.
4. [Business and Financial Modeling Specialization](#) - Wharton Business School, University of Pennsylvania, Coursera
This specialisation is a series of five courses introducing technical skills, including quantitative analysis, working with spreadsheets, and modelling risk. It is a longer time commitment with an estimated run of 3-6 months, but the courses can also be taken individually.

Valuation Methods

A valuation represents an estimate of the present value of an asset or business. Valuations are often used to assess the attractiveness of an investment or evaluate how much a company is worth. The following are a few examples of the methods that can be used to value a company.

Comparable Company Analysis is a valuation method which determines the value of a company by comparing the worth of other similar sized companies in similar industries. This valuation method is particularly useful in industries with relatively homogenous firms. However, it may not be as appropriate if the company is a first-mover with few/no competitors, or if the company's business model is particularly unique.

1. [Comparable Company Analysis Info Guide](#) - Forage
2. [Comparable Company Analysis Excel](#) - Corporate Finance Institute
3. [Wall Street Prep Guide on CCA](#) - Wall Street Prep

Market Capitalisation refers to the total value of a company's outstanding shares, which are shares that are presently held by shareholders. This method of valuation uses the stock market to determine the size of the company, which can be evaluated against other metrics such as revenue. Market capitalisation is calculated by multiplying the number of outstanding shares by share price.

A **Discounted Cash Flow (DCF)** model evaluates the value of an investment based on future cash flows (money transferring in and out of a company), and can be used in investment banking to analyse possible mergers and acquisitions. The following resources provide a guide to building a DCF model.

1. [Free guide to DCF model training](#) - Corporate Finance Institute
2. [Step-by-step DCF analysis](#) - Wall Street Mojo
3. [Valuation methods: Discounted Cash Flow \(DCF\) vs Net Present Value \(NPV\)](#)

The **Price-to-Earnings (P/E) Ratio** gives the relationship between the stock price of a company and its earnings per share (total profit/number of outstanding shares). It can indicate whether a stock is overvalued or undervalued on the stock market.

1. [Stock Analysis Using the P/E Ratio](#) - Charles Schwab
2. [What is the Price-to-Earnings \(P/E\) Ratio?](#) - Forage

For more methods of valuation, read these articles or view the above courses:

1. [How to value a company: 6 methods and examples](#) - Harvard Business School
2. [7 Business Valuation Methods](#) - DealRoom

Accounting Concepts

There are three main financial statements in accounting which represent the financials of a company. These are the:

1. **Income statement** - this shows the gross profit over a period of time from revenue with cost of goods sold deducted, and the net income generated after deducting operating costs and tax from gross profit.
2. **Balance sheet** - this shows the company's assets, liabilities (money owed), and equity at a point in time.
3. **Cash flow statement** - this shows the cash flows in and out of the company for a given time.

Below are resources you can use to learn more about accounting and financial statements.

1. [How to read financial statements: balance sheets, income statements, cash flow statements](#) - Harvard Business School
2. [Importance of financial reporting for a business](#)
3. [Three financial statements](#) - Corporate Finance Institute

Example Interview Questions

Here are some sample questions that could be asked in a technical finance interview.

Financial Statements

1. Walk me through the financial statements.
2. How are the three main financial statements connected?
3. How does X affect the financial statements?

Models and Valuations

1. What are the main methods of valuing a company?
2. How would you value X company?
3. How would you go about pricing a product?
4. Walk me through a DCF.
5. When would you use DCF vs. other valuation methods?
6. What could be some reasons why our actual cash flow was less than forecast?
7. What is an LBO and what are its value drivers?
8. When do you use an LBO model?
9. What is EBITDA? How do you calculate/adjust EBITDA?
10. What are some things you can do to further investigate a negative NPV project?
11. How do you calculate WACC?
12. Walk me through the steps of conducting an NPV analysis.
13. Does it ever make sense to accept a negative NPV project?
14. What is Enterprise Value?
15. What is Beta?
16. How would you calculate beta for a company?
17. What is good/bad about debt/equity?
18. What is typically higher—the cost of debt or the cost of equity?
19. What are the methods of raising capital for a project?

Sources:

https://carey.jhu.edu/uploads/files/Finance_Interview_Questions_1_16_15.pdf

<https://www.wallstreeoasis.com/resources/interviews/finance-interview-questions>

<https://igotanoffer.com/blogs/finance/investment-banking-interview-technical-questions>