

# 88 Finance Interview Questions to Hire Top Talent

## Questions

---

1. Tell me what is the difference between assets and liabilities?
2. What do you understand by the term 'revenue' in simple terms?
3. Explain what is profit. What are some ways to increase a company's profit?
4. If a company's stock price goes up, does that always mean the company is doing well? Why or why not?
5. What is the difference between a debit and a credit?
6. Imagine you have a lemonade stand. How would you keep track of how much money you're making?
7. What do you think a financial analyst does every day?
8. What is the stock market?
9. If a company has a lot of cash, is that always a good thing?
10. What are some different ways a company can get money to grow?
11. What is inflation, and how does it affect the value of money?
12. Explain the concept of budgeting and why it's important for a company.
13. What is the basic accounting equation, and why does it matter?
14. How does a company decide whether to invest in a new project?
15. What are some ethical considerations in the finance industry?
16. How do interest rates affect borrowing and lending?
17. What are some common financial ratios, and what do they tell you about a company?
18. Explain the difference between saving and investing.
19. What are some risks involved in investing, and how can they be managed?
20. What are the main components of a balance sheet?
21. Walk me through a discounted cash flow analysis. What are the key assumptions, and how sensitive is the valuation to changes in those assumptions?
22. Explain how you would value a company with negative earnings. What alternative valuation methods could you use?
23. Describe a situation where you used financial modeling to solve a business problem. What were the key inputs and outputs of your model?
24. How do you determine the appropriate discount rate to use in a valuation? What are the key components of the cost of capital?
25. What are the different types of financial statements, and how do they relate to each other?
26. Explain the concept of working capital management. How would you improve a company's working capital cycle?
27. Describe a time when you had to analyze a complex financial situation and make a recommendation. What were the key factors you considered?
28. How do you stay up-to-date on the latest developments in the financial markets? What resources do you use?
29. What are the key differences between debt and equity financing? What are the advantages and disadvantages of each?
30. Explain the concept of financial leverage. How can it be used to increase returns, and what are the risks involved?
31. Describe a situation where you had to deal with a difficult client or colleague. How did you handle the situation?
32. How would you assess the creditworthiness of a company? What financial ratios would you use?
33. Explain the concept of capital budgeting. What are the different methods used to evaluate investment projects?
34. What are the different types of financial risks, and how can they be managed?
35. Describe a time when you had to make a decision with incomplete information. How did you approach the situation?
36. How do you prioritize your work when you have multiple competing deadlines?
37. Explain a recent financial news story and its potential impact on businesses.
38. How can a company improve its return on equity (ROE)?
39. What are some common pitfalls in financial modeling, and how can you avoid them?
40. Describe different methods of forecasting revenue for a company. What factors would influence your choice of method?
41. Explain how changes in interest rates affect bond prices.
42. What are some strategies a company can use to manage foreign exchange risk?
43. Walk me through a complex financial model you've built, explaining the key assumptions and how you stress-tested it.
44. How would you value a company with negative earnings and no tangible assets?
45. Describe a time you had to make a financial decision with incomplete information. What did you do?
46. Explain how changes in macroeconomic factors, like interest rates or inflation, would impact a company's valuation.
47. What are the key drivers of a company's financial performance, and how would you analyze them?
48. How do you assess and manage financial risk within an organization?
49. Discuss a recent financial regulation and its potential impact on the industry.
50. Explain a situation where you had to challenge a financial assumption or forecast. What was the outcome?
51. How do you approach a complex capital budgeting decision, considering various project risks and uncertainties?
52. Describe your experience with different financial software and tools (e.g., Bloomberg, FactSet, Alteryx).
53. What are the limitations of traditional financial metrics, and how would you supplement them with alternative measures?
54. How do you stay up-to-date with the latest trends and developments in the financial industry?
55. Explain a situation where you had to communicate a complex financial concept to a non-financial audience.
56. How would you approach restructuring a company's debt to improve its financial stability?
57. Describe a time you identified and mitigated a potential financial fraud or error.
58. Explain how Environmental, Social, and Governance (ESG) factors can influence a company's financial performance and valuation.
59. How do you value a startup company with limited financial history?
60. What are the ethical considerations in financial decision-making, and how do you ensure compliance?
61. Explain your understanding of derivatives and their role in risk management and investment strategies.
62. How would you analyze the financial impact of a merger or acquisition?
63. Describe a situation where you had to work under pressure to meet a tight financial deadline. How did you manage it?
64. Explain a complex financial model you built and how it improved decision-making.
65. How do you assess the risk of a new investment opportunity, considering both quantitative and qualitative factors?
66. Describe a time you had to make a critical financial decision under pressure with limited information.
67. What are the key indicators you monitor to assess the financial health of a company, and why?
68. How would you advise a company on managing its capital structure to optimize its cost of capital?
69. Explain your approach to valuing a company in a distressed situation.
70. Discuss your experience with implementing financial controls and ensuring compliance.
71. How do you stay updated on the latest trends and regulations in the financial industry?
72. Describe a time when your financial analysis led to a significant cost saving or revenue increase.
73. What is your opinion on the current state of the market, and what are the biggest opportunities and threats?
74. Explain your understanding of derivatives and how they can be used to manage financial risk.
75. How would you advise a company on a potential merger or acquisition, considering both financial and strategic aspects?
76. Discuss your experience with managing financial relationships with external stakeholders, such as investors and lenders.
77. How do you approach forecasting future financial performance, considering various economic scenarios?
78. Describe a time when you had to challenge a financial decision made by senior management, and what was the outcome?
79. How do you use financial data to identify and address operational inefficiencies?
80. What are the key considerations when evaluating an international investment opportunity?
81. Explain your experience with budgeting and forecasting for a large organization.
82. How do you ensure the accuracy and reliability of financial information?
83. Describe a time when you had to lead a financial project from start to finish.
84. How would you approach a situation where there is a significant discrepancy between budgeted and actual results?
85. What are the ethical considerations that are most important to you as a finance professional?
86. Explain how you would build a discounted cash flow (DCF) model from scratch.
87. Discuss the impact of inflation and interest rates on financial planning and investment decisions.