

BLOOMBERG ASSESSMENT TEST

>>>BAT

OVERVIEW

The Bloomberg Assessment Test - BAT is a global, standardized online exam that has been developed in partnership with premier financial institutions and university faculty around the world.

The BAT covers a range of subjects including Finance, Economics, Math, Analytical Reasoning and other relevant topics. Students who take the BAT uncover their strengths on various subjects and gain insight into which areas of finance may suit them best.

The BAT also allows students the opportunity to gain exposure to financial employers worldwide. Bloomberg Institute maintains an anonymous database of BAT performance and showcases these results to over 20,000 global employers via the Bloomberg Institute Talent Search (<https://talentsearch.bloomberginstitute.com>).

VALUE PROPOSITION

EMPLOYERS The BAT will help employers screen their overwhelming number of entry-level applicants more efficiently, consistently and objectively, and will help promote fairness, diversity and meritocracy. Employers will also be able to reach talented candidates outside their traditional recruiting channels. The BAT may help reduce overall recruiting costs.

STUDENTS The BAT will help students demonstrate to financial employers that they are strong candidates for recruitment. The BAT also allows students to view their abilities in comparison to their peers to discover the areas in which they need to focus more attention.

UNIVERSITIES The BAT will help universities demonstrate the quality of their students, assess/improve their own finance curriculum, and help facilitate student placement in financial careers.

TEST DESCRIPTION

>>>**Three Hour** computer-based test, administered in person at partner universities and Bloomberg offices around the world.

>>>**Multiple Choice Questions**, including Bloomberg screens, charts and functions, emphasizing the “real life”, practical application of knowledge.

>>>**Eleven Sections**: 1) Economics 2) Financial Statements Analysis 3) Corporate Valuation 4) Investment Banking 5) Financial Markets 6) Investment Management 7) Verbal Skills 8) Math Skills 9) Analytical Reasoning 10) Situational Judgment 11) Modeling Skills

>>>**English**: All test questions and answers are written in English.

>>>**Employers** will have access to student testing profiles on an **anonymous** basis. Students may release their contact details to employers if interested in an employment opportunity.

>>>**Cost**: There is currently no fee to take the BAT.

MILESTONES

15,000+ students have registered for the BAT

10,000+ students have taken the BAT

150+ participating colleges/universities globally

SAMPLE STUDENT RESULTS

Registered users (e.g. employers, universities, etc.) may search the BAT database for candidates based on score performance and basic demographic data. As shown in the sample report below, a student's profile is anonymous and scores are based on relative rankings within peer groups.

Test History

BAT Score
80.28

Test Date
Jun 13, 2011

Candidate Information

Languages
English

Test Location
GB

Undergraduate Education

Undergraduate Current Year
3rd Year

University
University of Manchester

Area of Study
Economics

Level
Graduated 2011

B0032088

Share Profile

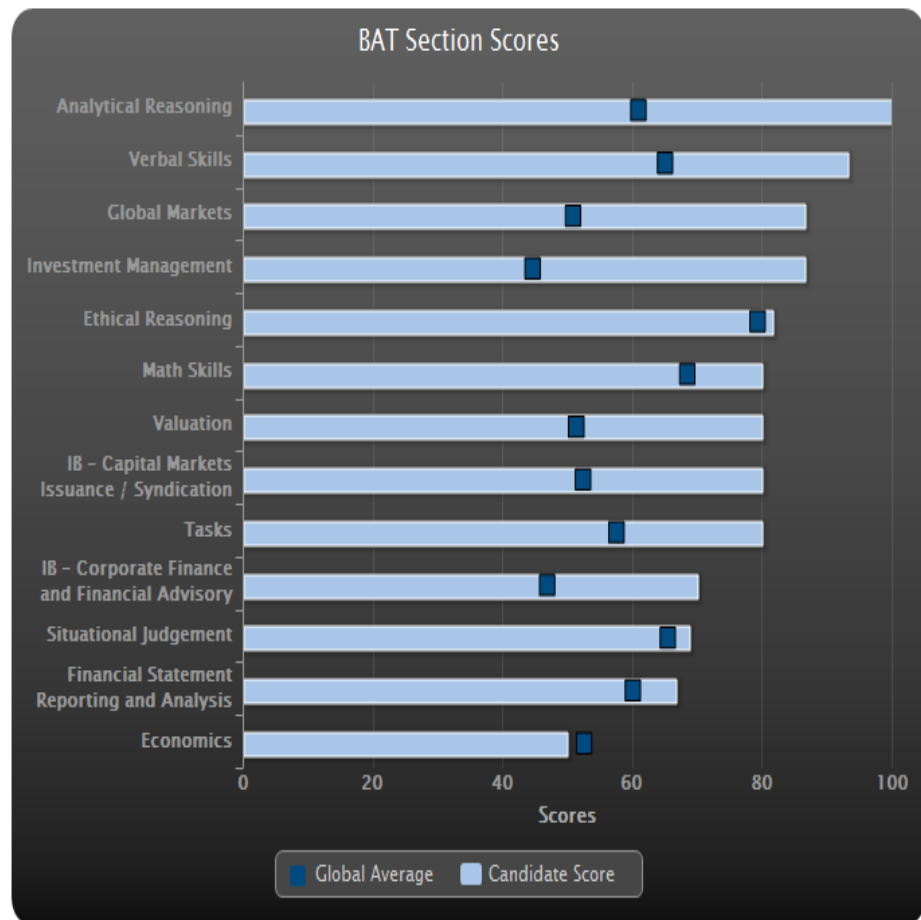
Connect

Detailed BAT Performance

BAT Section Scores

Score Distribution

Score Table



This graph shows the candidate score vs. overall average score by each section of the BAT for all test takers to date.

[Return to Search Results](#)

SAMPLE UNIVERSITY RESULTS (page 1)

Participating Colleges/Universities who send their students through the BAT, will be able to compare their University's results with that of other Universities around the world.

BAT Score Comparison and Percentile Ranking

April 2011 BAT Statistics

University A's Sample	14 Tests
Total Sample	7619 Tests

Sections	Scores (1)		Percentile Ranking (% of test takers scoring below Univ A)					
	Univ A	All	All	Bus. (2)	Non-Bus.	NA	EMEA	APAC
1) Economics	40%	54%	22	21	29	21	25	18
2) Fin. Statements Reporting & Analysis	53%	61%	36	32	62	35	47	22
3) Valuation	30%	50%	13	11	22	12	16	10
4) IB - Corp. Finance & Financial Advisory	40%	44%	34	32	41	32	37	31
5) IB - Cap. Markets Issuance/Syndicator	55%	58%	50	48	64	46	59	44
6) Global Markets	50%	52%	44	42	57	41	54	35
7) Investment Management	47%	45%	52	51	59	48	60	49
8) Verbal Skills	50%	67%	27	27	26	22	31	29
9) Math Skills	77%	80%	48	49	41	48	56	36
10) Situational Judgment	59%	69%	30	30	28	25	33	35
11) Ethical Reasoning	80%	80%	N/A	N/A	N/A	N/A	N/A	N/A
12) Tasks	40%	60%	13	13	15	13	14	14
13) Analytical Reasoning	N/A	61%	N/A	N/A	N/A	N/A	N/A	N/A
Overall	51%	57%	34	32	45	30	45	26

(1) Percentages (%) represent a median score.

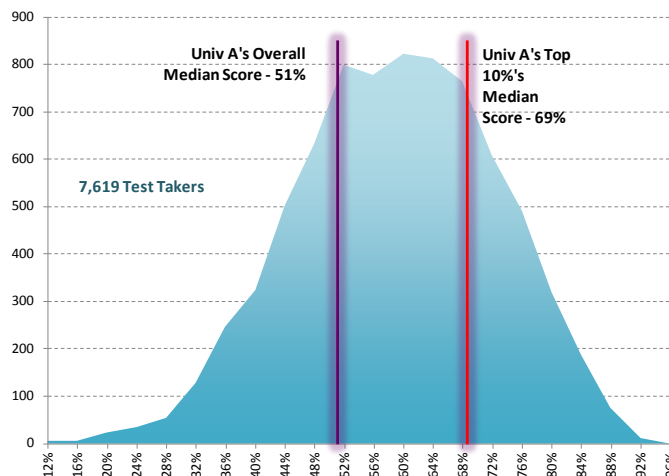
(2) Business is defined as the following area of studies: (i) Business/Management, (ii) Finance and (iii) Economics.

Overall Score Comparison

This compares Univ A's overall median score (PURPLE line) and Univ A's Top 10%'s median score (RED line) to the distribution of ALL test scores.

Y-axis represents frequency (# of test takers).

The sample size is currently 7,619 test takers.

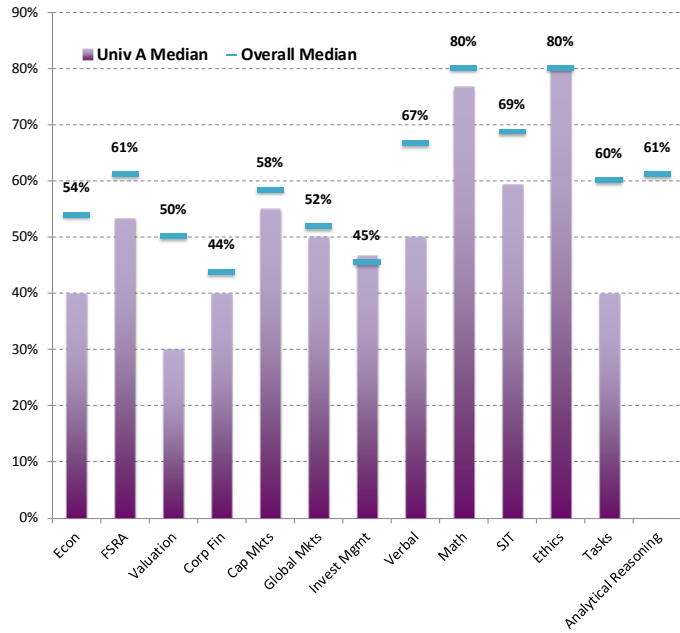


BAT Score Comparison and Percentile Ranking

Section Score Comparison

This compares Univ A's median score for each section to the median score for each section of ALL test takers.

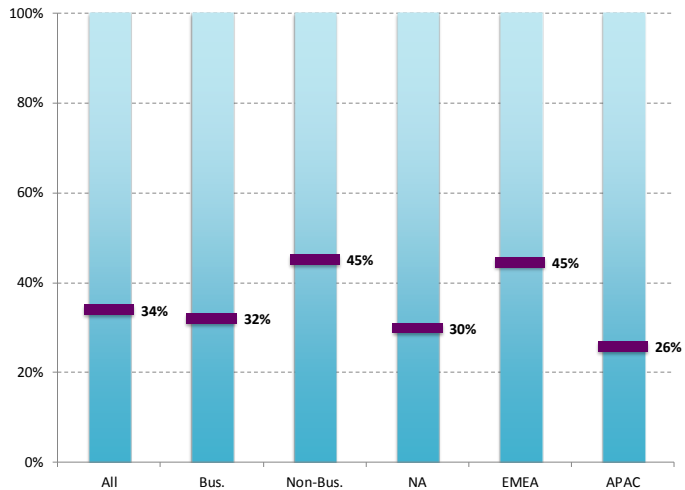
The horizontal **BLUE** bar is the median score of ALL test takers and the **PURPLE** column represents Univ A's median score.



Percentile Ranking

This illustrates Univ A's percentile ranking (% of test scores below Univ A's median score) based on area of study in university and region.

Bus. (Business) refers to the following areas of studies: (i) Business/Mgmt, (ii) Finance and (iii) Economics.



GET INVOLVED!

Universities that take part in administering the BAT gain a wide variety of benefits.

- **Provide** students access to robust employment opportunities via a cutting-edge recruiting tool that is available to some of the world's leading financial institutions
- **Allow** students to gain valuable information about their strengths and weaknesses, relative to their peers worldwide.
- **Acquire** data about University performance in relation to other universities and students.
- **Join** a prestigious group of global University BAT partners who are actively involved in helping to guide development of the BAT.

HOST A TEST SESSION!

Universities may host a test session for their students on campus free of charge. In order to arrange a test session on your campus you must have the following:

- **Room** with fifteen or more computers
- **Test Proctor/Invigilator** (we can provide this resource for you)
- **Students** to take the BAT (we will send you marketing materials to encourage student participation)
- **Paper & Pencils** for students to work through test problems.

Bloomberg Assessment Test - BAT

SAMPLE TEST QUESTIONS

I. Economics

You have just been transferred to Sydney and cover Australia and New Zealand on the sovereign research desk. Australia and New Zealand operate under a free trade agreement. No barriers to trade exist, and both currencies float. In this environment, an increase in expected inflation in New Zealand would most likely cause what effect?

Choose One Answer

- An increase in exports from New Zealand to Australia
- An increase in imports to New Zealand from Australia
- An increase in the New Zealand Dollar versus the Australian Dollar
- A decline in the New Zealand Dollar versus the Australian Dollar**

II. Financial Statements Reporting and Analysis

Pinnacle Entertainment is a gaming company with operations in the United States. As a result of increased competition and weakness in the Missouri market, the company took an impairment charge to write down the value of its three properties in the region. How will this charge be reflected on the cash flow statement?

Choose One Answer

- A use of cash from investing
- A use of cash from discontinued operations
- A source of cash from financing
- A source of cash from operations**

III. Valuation

As an investment banking analyst at Deutsche Bank, you are asked to perform a discounted cash flow analysis. Your associate provides you with the following information from the company's operating model and asks you to calculate the present value of the company's first five years of unlevered free cash flows assuming a 10% discount rate and a 40% tax rate.

Fiscal Year (FY)	Projections (millions)				
	FY+1	FY+2	FY+3	FY+4	FY+5
Net Sales	€300.0	€374.1	€417.7	€466.5	€521.0
EBITDA	66.0	84.2	94.0	105.0	117.3
Depreciation & Amortization	10.0	12.5	15.0	17.5	20.0
Capital Expenditures	7.5	10.6	13.5	16.6	20.0
Net Change in Working Capital	0.0	0.0	0.0	0.0	0.0

Choose One Answer

Which of the following is the present value of the company's free cash flows in millions?

- €168
- €179**
- €201
- €242

IV. Investment Banking – Corporate Finance and Financial Advisory

As an investment banking analyst at HSBC, you are working on an M&A pitch for an upcoming client meeting. Your managing director feels the client is particularly sensitive to dilution and would not be interested in a transaction that was not accretive. Based on the information provided in the table, which of the following transactions would you recommend including in the presentation?

	Acquiror	Target A	Target B
Price	CNY 200.0	115.0	400.0
EPS	CNY 10.60	6.00	9.50

Choose One Answer

- A 100% stock acquisition of Target A
- A 100% stock acquisition of Target B
- A 100% debt-financed, all cash acquisition of Target A (assuming a 5% after-tax cost of debt)**
- A 100% debt-financed, all cash acquisition of Target B (assuming a 5% after-tax cost of debt)

V. Investment Banking – Capital Markets Issuance / Syndication

A company wishes to finance its inventory which turns over six times per year. The CEO asks you which type of financing is most appropriate to finance inventory and other current assets such as receivables. What would you suggest?

Choose One Answer

- Revolving bank loan**
- 7 year senior note
- Mortgage note
- Preferred stock

VI. Global Markets

You are a junior treasury trader at JP Morgan. The yield curve is currently positively sloped, with the spread between the 2 year and 10 year treasuries at 100 basis points. Which of the following announcements by the Fed would most likely cause the 2s-10s spread to increase?

Choose One Answer

- Fed is raising short term interest rates to slow the economy
- Fed has changed its outlook from favorable to cautious regarding inflation
- Fed is buying 2 year notes in the open market**
- Fed is buying 10 year notes in the open market

VII. Investment Management

You are completing due diligence on a quantitative-trading (black box) hedge fund. Upon first glance, the returns of the hedge fund seem highly correlated with the returns for oil. What type of analysis can you do to ascertain how much of the hedge fund's returns are driven by investments in oil?

Choose One Answer

- Discounted cash flow analysis
- Histogram analysis
- Regression analysis**
- T-test analysis

VIII. Verbal

Read the passage below and answer the questions that follow.

Source: "G-20 Should Mull Currencies Agreement, Niall Ferguson Says" by Brett Miller
Bloomberg.com, October 12th, 2010

Group of 20 leaders meeting next month ought to discuss a plan to strengthen undervalued currencies, similar to the Plaza Accord in 1985, Harvard University historian Niall Ferguson said. "The real currency war is actually between Chimerica -- China plus America -- and the rest of the world," Ferguson said in an interview at the World Knowledge Forum in Seoul. "It would be much better to have some kind of Plaza-like international agreement and I very much hope that at the G-20 summit in Seoul next month this will be No.1 on the agenda." The Plaza Agreement reached in 1985 prompted a decline in the U.S. dollar against its Japanese and German counterparts.

Brazilian Finance Minister Guido Mantega said last month that a "currency war" was under way, in which economies are weakening currencies to support exports. At an International Monetary Fund meeting this month in Washington, finance chiefs failed to narrow differences over currencies, with China accused of undervaluing the yuan and low U.S. interest rates criticized for flooding emerging markets with cash.

"Currency appreciation is necessary," Ferguson said in the interview late yesterday. "If you insist on building up a vast horde of dollar-denominated reserves you will create distortions in the world economy that will ultimately come back and bite you." China doesn't need a dollar peg, because its workers are making enormous gains in productivity, he said.

The Harvard professor said there's a higher chance of "sub-par growth" among developed countries rather than a double-dip recession, with the U.S. and major industrialized economies "bumping along a lot closer to 2 percent per annum than they would like to be." Because developed economies have already used "massive" deficit spending and monetary easing to overcome the economic slump, "the idea that there is some additional ammunition in the locker to be fired again is completely misconceived," he said. The U.S. needs to come up with a plan to deal with its growing debt, Ferguson said. "The United States is in a fiscal hole of monumental proportions and we have to get real about this," he said. "At some point the Greek tragedy will happen to the United States if it carries on in this vein." There will be a move out of the world's "massive exposure" to U.S. Treasuries into higher-yielding assets at some point, Ferguson said, adding that the switch could be "quite sudden."

Many countries, including the U.S. and China, have implemented policies in an attempt to weaken their currencies. According to the point of view expressed in the article, what is the main goal of such policies?

Choose One Answer

-
- A country with an undervalued currency can channel liquidity into other countries in order to avoid an asset bubble in their own country.
 - A country lets its currency depreciate in order to generate higher-yielding assets to attract more direct investments from abroad.
 - A country can depreciate its currency to make its products appear cheaper to international customers to increase its exports.**
 - A country prevents the appreciation of its currency in order to maintain the currency peg with another country and ensure smooth trade flows.

Why were low U.S. interest rates criticized at the recent International Monetary Fund meeting?

Choose One Answer

-
- Low U.S. interest rates have caused much concern over the possibility of hyperinflation in the United States and its ripple effects in the rest of the world.
 - The dollar is undervalued because of the near-zero interest rates, which helps the U.S. exports but might create a trade deficit for the rest of the world.
 - Much of the excess liquidity generated by low interest rates in the United States has been invested in emerging countries where potential asset bubbles are a concern.**
 - Some countries have stopped purchasing U.S. Treasuries because of low U.S. interest rates, which might cause significant depreciation of the U.S. dollar.

IX. Math

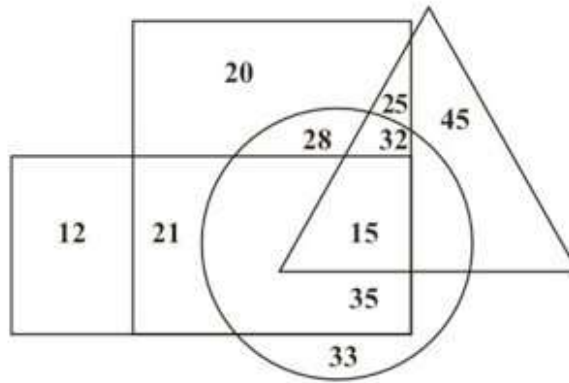
An office supply store sells boxes of erasers for \$2 each and boxes of pencils for \$3 each. In August, total sales were \$2,800. If customers bought 4 times as many boxes of pencils as boxes of erasers, how many boxes of each item did the store sell?

Choose One Answer

-
- Pencils = 200 boxes; erasers = 800 boxes
 - Pencils = 800 boxes; erasers = 200 boxes**
 - Pencils = 280 boxes; erasers = 70 boxes
 - Pencils = 70 boxes; erasers = 280 boxes

X. Analytics

A market research firm conducted a study for the hotel industry on the food preferences of a sample population. The results of the study are shown in the following diagram.



1. The triangle represents those who like Chinese food.
2. The circle represents those who like Spanish food.
3. The square represents those who like Indian food.
4. The rectangle represents those who like Italian food.

The numbers given in the diagram represent the number of people preferring the various types of food.

If the total number of people who chose Spanish food is 150, how many people chose both Chinese food and Spanish food?

Choose One Answer

- 7
 - 10
 - 15
 - 24
-

Which is the LEAST preferred type of food?

Choose One Answer

- Chinese
- Spanish
- Indian
- Italian