

# PJT Super Day Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

- 1. Which of the following is NOT one of the three main financial statements?**
  - A. Income statement**
  - B. Balance sheet**
  - C. Cash flow statement**
  - D. Equity statement**
- 2. How did the individual demonstrate their leadership abilities during the capstone project?**
  - A. By taking initiative to organize team meetings**
  - B. By mediating disputes among team members**
  - C. By effectively allocating responsibilities**
  - D. By gathering external resources for the project**
- 3. What is PJT's primary focus in the investment banking sector?**
  - A. Advisory services, restructuring, and capital markets**
  - B. Trading and brokerage services**
  - C. Wealth management and financial planning**
  - D. Venture capital and private equity**
- 4. Why did the individual express interest in investment banking?**
  - A. Desire to maintain a slow-paced work environment**
  - B. Preference for corporate development lifestyle**
  - C. Seeking more structure and career development**
  - D. Involvement in family business**
- 5. What is the first step in calculating Free Cash Flow (FCF)?**
  - A. Subtracting taxes**
  - B. Revenue**
  - C. Calculating COGS**
  - D. Gross margin**

- 6. How does downside protection work in private equity investing?**
- A. By limiting losses through strategies such as investing in common shares**
  - B. By guaranteeing returns to investors regardless of company performance**
  - C. By using designated funds for high-risk investments**
  - D. By employing strategies that limit losses, such as investing in preferred shares**
- 7. What is one reason a company may go bankrupt despite having a positive net income?**
- A. Consistently increasing dividends**
  - B. Decreased revenue recognition**
  - C. Erosion of working capital due to increasing accounts receivable**
  - D. Lack of shareholder interest**
- 8. What could explain the difference in multiples between two companies with the same EBITDA?**
- A. Market capitalization**
  - B. Growth rate and potential**
  - C. Industry competition**
  - D. Shareholder equity**
- 9. In a DCF analysis, which component is added to the unlevered free cash flow to determine total value?**
- A. Debt**
  - B. Working Capital**
  - C. Terminal Value**
  - D. Tax Rate**
- 10. If a company has 100 shares outstanding and 10 options at an exercise price of \$5, what are the proceeds from the options?**
- A. \$50**
  - B. \$5**
  - C. \$500**
  - D. \$1,000**



## **Answers**

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1. D
2. C
3. A
4. C
5. B
6. D
7. C
8. B
9. C
10. A

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## **Explanations**

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**1. Which of the following is NOT one of the three main financial statements?**

- A. Income statement**
- B. Balance sheet**
- C. Cash flow statement**
- D. Equity statement**

The correct answer is 'D,' the equity statement, as it is not considered one of the three main financial statements. The three primary financial statements that companies commonly prepare and utilize are the income statement, balance sheet, and cash flow statement. The income statement provides a summary of a company's revenues and expenses over a specific period, resulting in net income or loss. It helps assess the company's profitability and performance. The balance sheet offers a snapshot of a company's assets, liabilities, and shareholders' equity at a particular point in time. This statement is crucial for understanding the financial position and overall health of a company. The cash flow statement complements these two by detailing the inflows and outflows of cash over a period. It categorizes cash movements into operating, investing, and financing activities, providing insights into the liquidity and cash management of the business. While an equity statement can refer to various detailed accounts of equity changes, it is not a standalone or primary financial statement like the three mentioned above. Recognizing the main financial statements is essential for anyone studying finance, as they serve as the foundation for financial analysis and decision-making.

**2. How did the individual demonstrate their leadership abilities during the capstone project?**

- A. By taking initiative to organize team meetings**
- B. By mediating disputes among team members**
- C. By effectively allocating responsibilities**
- D. By gathering external resources for the project**

The individual showcased their leadership abilities primarily through the effective allocation of responsibilities, which is a critical aspect of leading a team. When a leader allocates responsibilities, they demonstrate an understanding of the strengths and weaknesses of each team member, allowing them to assign tasks that maximize productivity and engagement. This skill helps ensure that all parts of a project are covered effectively and that team members feel valued and empowered by being assigned tasks that align with their expertise and interests. Effective delegation also fosters accountability, as team members know what is expected of them and understand their role within the team, which can lead to improved collaboration and project outcomes. While organizing team meetings, mediating disputes, and gathering external resources are important aspects of team dynamics and project management, the allocation of responsibilities directly influences the project's efficiency and success by optimizing the team's capabilities.

### **3. What is PJT's primary focus in the investment banking sector?**

- A. Advisory services, restructuring, and capital markets**
- B. Trading and brokerage services**
- C. Wealth management and financial planning**
- D. Venture capital and private equity**

PJT's primary focus in the investment banking sector is on advisory services, restructuring, and capital markets. This concentration allows PJT to leverage its expertise in providing strategic advice to clients facing complex financial challenges, steering corporate restructurings, and facilitating capital market transactions. PJT's reputation for delivering tailored and high-impact advisory solutions positions it as a leader in these critical areas, which are essential for companies navigating mergers and acquisitions, financial reorganizations, and capital-raising initiatives. In contrast, trading and brokerage services typically involve executing market transactions and managing investment portfolios, which are not the core competencies of PJT. Similarly, wealth management and financial planning focus on individual clients' investment and financial strategies rather than corporate advisory roles. Venture capital and private equity represent investment strategies that involve providing capital for startups or established companies but are not the central aspects of PJT's business model. Hence, the emphasis on advisory and restructuring aligns directly with PJT's strategic strengths and market positioning.

### **4. Why did the individual express interest in investment banking?**

- A. Desire to maintain a slow-paced work environment**
- B. Preference for corporate development lifestyle**
- C. Seeking more structure and career development**
- D. Involvement in family business**

The choice indicating that the individual is seeking more structure and career development aligns closely with the typical motivations for pursuing a career in investment banking. Investment banking is known for its rigorous training programs, clear hierarchies, and well-defined career paths. Individuals often enter this field with the intention of acquiring specialized skills, gaining exposure to high-profile transactions, and advancing rapidly in their careers. The structured environment provides an opportunity to learn from seasoned professionals, receive mentorship, and work on complex financial projects that enhance one's knowledge and competencies. Therefore, the drive for structured growth and development is a fundamental appeal of investment banking, making this choice the most fitting among the options provided.

## 5. What is the first step in calculating Free Cash Flow (FCF)?

- A. Subtracting taxes
- B. Revenue**
- C. Calculating COGS
- D. Gross margin

The first step in calculating Free Cash Flow (FCF) involves starting with revenue, as FCF begins with measuring a company's ability to generate cash from its operations. Revenue is the total income generated by the sale of goods or services before any expenses are deducted. It serves as the foundation for assessing how much cash a business can generate before accounting for costs. Once you have revenue, the subsequent steps in calculating FCF typically involve subtracting operating expenses, taxes, and investments in capital assets from this amount. By beginning with revenue, you establish a clear picture of the company's operational performance, which is crucial for determining how efficiently a company converts its sales into cash flow. The calculation of COGS, gross margin, and taxes all come after the initial revenue figure, serving to refine that revenue into a usable cash flow metric.

## 6. How does downside protection work in private equity investing?

- A. By limiting losses through strategies such as investing in common shares
- B. By guaranteeing returns to investors regardless of company performance
- C. By using designated funds for high-risk investments
- D. By employing strategies that limit losses, such as investing in preferred shares**

Downside protection in private equity investing refers to mechanisms that help reduce the risk of significant financial losses in adverse conditions. This protection is crucial for investors as it aims to provide a cushion against potential declines in the value of their investments. Investing in preferred shares is one of these strategies employed to limit losses. Preferred shares typically provide investors with certain advantages over common shares, such as priority in dividend payments and claims on assets in the event of liquidation. This can insulate investors from some of the risks associated with common stock, thereby enhancing downside protection. In the context of private equity, structured investments often use preferred shares as a way to secure a return on investment while also protecting against downside. These shares often come with fixed dividends and the right to convert to common shares under certain conditions, which can enhance returns if the company performs well. However, even in unfavorable situations, holders of preferred shares are prioritized over common shareholders when it comes to recovering their investments. Thus, this approach effectively balances the risk-reward equation, making it a vital strategy for enhancing downside protection in private equity investing.

**7. What is one reason a company may go bankrupt despite having a positive net income?**

- A. Consistently increasing dividends**
- B. Decreased revenue recognition**
- C. Erosion of working capital due to increasing accounts receivable**
- D. Lack of shareholder interest**

A company can be in a situation where it has a positive net income but still faces bankruptcy due to issues related to cash flow and working capital management. When a company experiences an erosion of working capital because its accounts receivable are increasing, it implies that the business is not efficiently managing its collections. Even though the net income reflects profitability on an income statement, the cash flow statement may reveal a different reality. If a substantial amount of revenue has been recognized but not yet collected in cash, the company might struggle to meet its short-term obligations and operational expenses. Increased accounts receivable can indicate that customers are taking longer to pay their invoices, which can create cash flow problems. If the cash generated from operations does not cover the outflow required for debt repayment, operational costs, and other liabilities, this can lead to insolvency, hence the potential for bankruptcy despite showing a profit on paper.

**8. What could explain the difference in multiples between two companies with the same EBITDA?**

- A. Market capitalization**
- B. Growth rate and potential**
- C. Industry competition**
- D. Shareholder equity**

The difference in multiples between two companies with the same EBITDA can be largely attributed to their growth rate and potential. Companies that are expected to grow at a faster rate typically command higher multiples, as investors are willing to pay a premium for the opportunity to benefit from increased earnings in the future. This is particularly true in industries where future growth prospects vary significantly due to market conditions, innovation, or company-specific strategies. For instance, if one company is in a rapidly expanding industry, such as technology or renewable energy, while the other is in a more stable or mature sector, like traditional manufacturing, investors will likely assign a higher multiple to the faster-growing company in anticipation of its ability to generate greater returns. These growth expectations can stem from various factors, including market demand, competitive advantages, or unique product offerings, creating a disparity in how the companies are valued despite having similar current earnings metrics like EBITDA. Other considerations, such as market capitalization or shareholder equity, while they can provide useful insights, do not directly impact the multiples in the same manner as growth rates and potential. Industry competition may influence the overall dynamics but is not a primary driver of valuation multiples when solely comparing two companies with matching earnings figures.

**9. In a DCF analysis, which component is added to the unlevered free cash flow to determine total value?**

- A. Debt**
- B. Working Capital**
- C. Terminal Value**
- D. Tax Rate**

In a Discounted Cash Flow (DCF) analysis, total value is determined by adding the terminal value to the unlevered free cash flow. The unlevered free cash flow represents the cash generated by the business that is available to all capital providers, while the terminal value captures the value of the business beyond the explicit forecast period, reflecting the cash flows expected to be generated indefinitely into the future. The terminal value is typically calculated using methods such as the Gordon Growth Model or an exit multiple approach and is crucial for encapsulating the long-term growth potential of the firm. When combined with the present value of the forecasted unlevered free cash flows, it provides a more comprehensive assessment of the total value of the business, thus forming a foundational component during valuation in DCF analysis.

**10. If a company has 100 shares outstanding and 10 options at an exercise price of \$5, what are the proceeds from the options?**

- A. \$50**
- B. \$5**
- C. \$500**
- D. \$1,000**

To determine the proceeds from the options, one must calculate how the exercise of the options would contribute financially to the company. Each option allows the holder to purchase a share of the company's stock at an exercise price of \$5. In this scenario, there are 10 options available, and each option can be exercised for \$5. Therefore, the total proceeds from exercising all 10 options can be calculated by multiplying the number of options by the exercise price:  $10 \text{ options} \times \$5 \text{ per option} = \$50$ . Thus, the proceeds from exercising the options amount to \$50. This calculation reflects the total cash that the company would receive if all options were exercised at the specified price. It's crucial to focus on the multiplication of the number of options by the exercise price to arrive at the total proceeds, as this is the fundamental method for computing the proceeds from stock options.



## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://pjtsuperday.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**