

Union Bank of Switzerland (UBS) Interview 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

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- 1. After the company uses 100 million from proceeds to pay dividends to shareholders, what happens to Equity Value and Enterprise Value?**
 - A. Equity Value increases by 100m; EV increases.**
 - B. Equity Value increases by 100m; EV stays the same.**
 - C. Equity Value decreases by 100m; EV decreases.**
 - D. Equity Value stays the same; EV increases.**

- 2. In a 100% stock deal where Buyer has a 25x P/E and Seller has a 15x P/E, is the deal accretive or dilutive and why?**
 - A. Accretive because the Seller's yield is higher than the Cost of Acquisition.**
 - B. Dilutive because it uses stock.**
 - C. Neutral.**
 - D. Accretive because the Buyer issues more shares.**

- 3. Which statement is a pro of using precedent transactions?**
 - A. Multiples reflect actual payments**
 - B. Data based on past transactions that may not reflect current market conditions**
 - C. Rarely perfectly comparable**
 - D. Data is not publicly available**

- 4. Which CIM component focuses on market research and growth platform?**
 - A. Market Research & Growth Platform**
 - B. Financial Analysis and Projections**
 - C. Executive Summary**
 - D. Appendix**

- 5. In the private equity example, what event occurs after the debt is paid off?**
 - A. IPO**
 - B. Acquisition**
 - C. Dividend**
 - D. Merger**

- 6. In the described deal, what are the Combined Equity Value and the Combined Enterprise Value?**
- A. 350; 350**
 - B. 300; 450**
 - C. 400; 400**
 - D. 450; 300**
- 7. What European strategic goal for UBS is stated?**
- A. Plan to relocate all operations to the United States**
 - B. Strong European presence with a goal to work in Europe when I get older**
 - C. Exiting Europe entirely**
 - D. Focusing only on the Asian market**
- 8. Key Assumptions in an LBO**
- A. EV / LTM EBITDA at exit**
 - B. Debt on BS**
 - C. Cash on BS**
 - D. EBITDA at Exit**
- 9. For a capital lease, which statement describes the initial accounting and subsequent periods?**
- A. I/S: depreciation is recorded immediately; B/S: asset increases; CFS: CFO increases.**
 - B. I/S: no change initially; B/S: asset and liability increase by the PV of payments; CFS: no change initially.**
 - C. I/S: no change initially; B/S: asset and liability increase by PV; CFS: no change initially; later, depreciation and interest reduce NI and CFO is affected by interest payments with depreciation added back.**
 - D. I/S: rent expense recognized upfront; B/S: no change; CFS: CFO decreases.**
- 10. Which of the following is NOT listed as a typical source of capital for financial sponsors?**
- A. Corporate venture funds**
 - B. Insurance companies**
 - C. Pension funds**
 - D. Endowments**

Answers

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

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Explanations

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1. After the company uses 100 million from proceeds to pay dividends to shareholders, what happens to Equity Value and Enterprise Value?

A. Equity Value increases by 100m; EV increases.

B. Equity Value increases by 100m; EV stays the same.

C. Equity Value decreases by 100m; EV decreases.

D. Equity Value stays the same; EV increases.

The main idea here is how dividends affect the math of value, not the amount of cash that actually leaves shareholders. Enterprise Value is designed to reflect the total value of the firm to all providers of capital and, in its common form, $EV = \text{Equity Value} + \text{Debt} - \text{Cash}$. When the company uses cash to pay a dividend, cash decreases by the dividend amount and, at the same time, shareholders' equity decreases by the same amount (retained earnings or paid-in capital used to fund the payout). These two moves cancel each other out in the EV calculation, so Enterprise Value stays unchanged. In practice, the equity value (the market value of all outstanding equity) typically falls by roughly the dividend amount on the ex-dividend date, since the stock price adjusts downward by the amount of the payout. The key takeaway is that a cash dividend funded from the company's proceeds transfers value to shareholders without changing the enterprise value.

2. In a 100% stock deal where Buyer has a 25x P/E and Seller has a 15x P/E, is the deal accretive or dilutive and why?

A. Accretive because the Seller's yield is higher than the Cost of Acquisition.

B. Dilutive because it uses stock.

C. Neutral.

D. Accretive because the Buyer issues more shares.

Accretion or dilution in a stock-for-stock deal hinges on the relative P/E multiples of the buyer and the target. If the buyer's multiple is higher, the deal tends to be accretive to the buyer's earnings per share because the high-valued stock used to pay for the lower-valued earnings of the target adds more earnings per share than it dilutes. Think of a simple illustration: the buyer earns 10 million with 2 million shares ($EPS = 5$) and its stock trades at 25x earnings (price = 125). The seller earns 3 million with 1 million shares ($EPS = 3$) and trades at 15x earnings (price = 45). The purchase price equals seller value: $3 \text{ million} \times 15 = 45 \text{ million}$, which requires issuing $45 \text{ million} / 125 = 360,000$ new buyer shares. Post-merger shares = 2,360,000; combined earnings = 13 million, so post-merger $EPS \approx 5.51$, higher than the pre-merger 5.0. Hence the deal is accretive. In short, paying with higher-multiple stock to acquire a lower-multiple target boosts the combined earnings per share, making the transaction accretive.

3. Which statement is a pro of using precedent transactions?

- A. Multiples reflect actual payments**
- B. Data based on past transactions that may not reflect current market conditions**
- C. Rarely perfectly comparable**
- D. Data is not publicly available**

Using precedent transactions draws on the actual prices paid in past deals. The key strength here is that those multiples reflect real market behavior, including the control premium buyers were willing to pay and the specific deal dynamics that drove value at the time. That grounding in real transactions provides a practical benchmark for valuing a comparable target, making the multiples seem more credible and actionable than purely theoretical estimates. While past deals can be influenced by market conditions at the time and may not line up perfectly with current circumstances, and while data availability can vary, the central benefit remains: you're looking at prices that were actually accepted in the market, which helps anchor valuation in reality.

4. Which CIM component focuses on market research and growth platform?

- A. Market Research & Growth Platform**
- B. Financial Analysis and Projections**
- C. Executive Summary**
- D. Appendix**

Market research and growth planning is the part of a CIM that gathers and analyzes market data to identify opportunities and map out how the business intends to grow. The Market Research & Growth Platform is the best fit because it directly centers on market context, customer needs, market size, growth opportunities, competitive landscape, and go-to-market strategy. Other components focus on different areas: financial analysis and projections covers numbers and forecasts, the executive summary provides a concise overview, and the appendix collects supplementary documents. Together, this component clearly captures the market-focused research and growth planning the item emphasizes.

5. In the private equity example, what event occurs after the debt is paid off?

- A. IPO**
- B. Acquisition**
- C. Dividend**
- D. Merger**

The main idea is how a private equity firm exits an investment after paying down the debt used to finance the buyout. Once the debt is paid off, the equity stake has more value and the firm looks to monetize that value. A common way to do this is through an initial public offering, taking the company public so the PE sponsor can sell its shares to public investors and realize returns. The other options are less typical as exit events in this specific post-debt context: a dividend is a cash distribution during ownership and doesn't liquidate the investment, while an acquisition or merger would involve selling the company to another buyer rather than listing it on the public market.

6. In the described deal, what are the Combined Equity Value and the Combined Enterprise Value?

- A. 350; 350
- B. 300; 450
- C. 400; 400**
- D. 450; 300

The main idea here is the relationship between equity value and enterprise value. Enterprise value shows what the entire business is worth to all capital providers, while equity value is what the shareholders own. The two are linked by net debt: EV equals Equity Value plus Net Debt (where Net Debt is total debt minus cash and cash equivalents, plus any other adjustments like minority interests or preferred stock if applicable). In the described deal, both values come out to 400. That means the net debt is zero, so there are no debt or cash adjustments changing the number. When net debt is zero, enterprise value and equity value are the same, hence both are 400. If there were positive net debt, enterprise value would be higher than equity value; if there were net cash (negative net debt), enterprise value would be lower than equity value.

7. What European strategic goal for UBS is stated?

- A. Plan to relocate all operations to the United States
- B. Strong European presence with a goal to work in Europe when I get older**
- C. Exiting Europe entirely
- D. Focusing only on the Asian market

The key idea here is recognizing UBS's geographic focus as part of its strategy. The stated goal emphasizes building a strong presence in Europe and operating there as a core part of the business. That reflects a Europe-centered strategy, aiming to deepen relationships with European clients, navigate the regulatory landscape, and grow revenue across European markets. Relocating all operations to the United States, exiting Europe, or focusing only on Asia would all away from that Europe-first approach. Those options contradict the plan to strengthen and sustain European operations and influence.

8. Key Assumptions in an LBO

- A. EV / LTM EBITDA at exit
- B. Debt on BS
- C. Cash on BS
- D. EBITDA at Exit**

In an LBO, the value you realize at exit hinges on how much EBITDA the business is generating when you plan to exit. The exit enterprise value is the EBITDA at exit multiplied by the assumed exit multiple, so forecasting the EBITDA you'll have at that point directly drives the expected equity value. The exit multiple is important, but you can't compute the exit value without a projected EBITDA at exit, making this assumption the most influential lever in the model. Debt and cash on the balance sheet are outcomes of the financing plan and operating results, not the primary driver of the exit value. A higher EBITDA at exit directly inflates the exit value and thus the returns.

9. For a capital lease, which statement describes the initial accounting and subsequent periods?

- A. I/S: depreciation is recorded immediately; B/S: asset increases; CFS: CFO increases.**
- B. I/S: no change initially; B/S: asset and liability increase by the PV of payments; CFS: no change initially.**
- C. I/S: no change initially; B/S: asset and liability increase by PV; CFS: no change initially; later, depreciation and interest reduce NI and CFO is affected by interest payments with depreciation added back.**
- D. I/S: rent expense recognized upfront; B/S: no change; CFS: CFO decreases.**

The idea being tested is how a capital (finance) lease is reflected in financial statements over time. When a lease is treated as a capital lease, you set up both an asset and a liability on the balance sheet at the present value of the lease payments right at inception. There isn't a rent expense recognized right away on the income statement because the cost is financed—instead, the period's expenses come from depreciation on the leased asset and interest on the lease liability in subsequent periods. So, in the initial moment you don't record income statement activity for the lease, and the balance sheet shows an asset and a corresponding liability increased by the present value of the payments. The cash flow statement typically shows no immediate cash flow at inception for the lease. Later, as time passes, you recognize depreciation on the asset and interest on the lease liability, which both reduce net income. In the cash flow statement, the principal portion of lease payments is a financing cash outflow, while the interest portion is an operating cash outflow; when using the indirect method, the non-cash depreciation is added back to net income in computing cash flow from operations, so the period's cash flow from operations is affected by the interest payments, with depreciation treated as a non-cash adjustment. That alignment is why this description fits a capital lease: no initial I/S impact, assets and liabilities rise by the PV of payments, no initial CFS impact, and later periods show depreciation and interest affecting NI, with CFO reflecting the interest outflow and depreciation being added back in the indirect computation.

10. Which of the following is NOT listed as a typical source of capital for financial sponsors?

- A. Corporate venture funds**
- B. Insurance companies**
- C. Pension funds**
- D. Endowments**

The main idea is identifying who commonly funds private equity sponsors. Pension funds, insurance companies, and endowments are classic, long-horizon investors that routinely commit capital to private equity funds because of their size, stability, and diversification needs. Corporate venture funds, however, are the venture capital arms of corporations focused on strategic investments in startups, not typically the standard backers for a PE sponsor's funds. They may invest in PE funds in some cases, but this isn't their typical role or the usual source of capital for financial sponsors. That's why corporate venture funds are the best answer for the item that isn't a typical source of capital.

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.

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

<https://gradnursebehavioralint.examzify.com>

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

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