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FICO Interview Questions & Notes
FI
ARAP
FI-SL
Asset Accounting
CO
LIV
General
T.Codes
Non-technical

FI Area Questions

1. **What are the organizational units in FI?**
    a. Company
    b. Company Code
    c. Business Area
    d. Functional Area

2. **How will you maintain Periods for a Calendar-year specific Fiscal Year Variant?**
    Periods cannot be maintained for Calendar-year specific FYV.

3. **What are the various account types in SAP?**
    A - Assets
    D - Customers
    K - Vendors
    M - Material
    S - G/L
    V – Contract Accounts

4. **In the G/L a/c master data which fields are mandated for entry, ie., REQUIRED fields?**
    (a)   Account Currency
    (b)   Field Status Group

5. **How many currencies could be used in a company code for maintaining accounts?**
    A company code can have only one currency as its local currency. However, two additional local currencies could be specified. Each currency is varied by the following specifications:
    1. Currency Type (eg. 10, 20, 30, etc.)
    2. Valuation type (Legal, Group, Profit Center)
    3. Exchange Rate Type (M, B, G, P, etc.)
    4. Source or Base Currency for translation (Transaction currency or local currency)
    5. Translation date (Doc date, Posting date, Translation date)

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6.   What is Global currency? Where is it specified?
Global currency is the currency used for internal trading partner. It is defined when defining a 'Company'.

7.   What are the standard exchange rate types used?
G – Standard Translation at Bank Buying Rate
B – Standard Translation at Bank Selling Rate
M – Average rate

8.   An account has a balance of Rs.1,00,000/- to its credit. You now want to enable Open Item Management for this account. How will you do this?
Open Item Management can be activated only if the account has 'Zero' balance.

9.   If you activate Open Item Management sometime in middle of the year when balance is Zero, does this be applicable for the past entries also?
No. The setting applies to entries made after that date only. Past entries cannot be managed on OI basis.

10.   What are the methods available for creating Bank master data?
a. In Customer / Vendor master record
b. Customizing > Bank Accounts > Define House Banks
c. Accounts Receivable / Accounts Payable > Master Records > Bank > Create
d. Import from disk / tape using RFBVALL_0
e. Customers using lockbox function – by creating a batch input session for updating bank info.

> **Commented [G2]:** T.Code = FI12

11.   A customer has more than one bank account configured. However, he specifies that all purchases of stationery should be paid through a particular bank account only. How can this arrangement be made?
The 'Bank Type' field in the customer master data can be specified against the particular bank account. This value has to be supplied in the line item when entering stationery purchases.

12.   What are the steps involved in configuring Electronic Bank Statement Processing in Bank Accounting?
a. Define Account Symbols
b. Assign Accounts to Account Symbols
c. Create Keys for Posting Rules
d. Define Posting Rules
e. Create transaction types
    You group together all banks that use the same external transaction code for certain business transactions under the same transaction type.
f. Assign transaction type to posting rules
g. Assign banks to transaction types.

> **Commented [G3]:** IMG > FA > Bank Accounting > Business Transactions > Electronic Bank Statement > Make Global Settings for EBS

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13. **When processing electronic bank statement, you want interest entries to be posted to different G/L accounts depending on whether they bear a '+' or '-' sign, i.e., debit or credit interest. How can this be configured?**
You use Account modifier in the Account Assignment screen to specify different accounts depending on the signs or other characters. Similarly, you can determine different G/L a/c for different currencies in the same screen.

14. **What additional step to Steps 1 to 4 of previous question, needs to be configured for Manual Bank Statements?**
IMG > Financial Accounting > Bank Accounting > Business Transactions > Manual Bank Statements > **Create & Assign Business Transactions**

15. **List the field status in order of priority. (from highest to lowest)**
Suppress
Display
Required
Optional

16. **What is account group all about and where all do you use them?**
Account groups are used to group G/L account master data according to their type. Separate number ranges and field status groups could be assigned to each group. Similarly, account groups are used to group Customer and Vendor master records also.

17. **What are the steps involved in setting up a Cash Journal?**
- Create G/L account for cash journal
- Define Document Types for CJ documents
- Define No. Range intervals
- Set up cash journal
- Create Business Transactions

18. **Is it possible to set up several cash journals in one G/L account?**
No. It is not possible to set up several cash journals in one G/L account <u>for the same currency.</u> However, if the cash journals used different currencies, they can be set up in one G/L account. If several cash journals of the same currency are required, a separate G/L account has to be created for each of them.

19. **What are business transactions in Cash Journal (what are the fields) and examples of Business Transactions?**

Business transactions represent any transaction that could be posted in a cash journal. They can be of any of the following types:

E = Expense
R = Revenue
B = Cash transfer to bank
C = Cash transfer from bank
D = Customers Incoming / Outgoing payments

> K = Vendors Incoming / Outgoing payments

Examples of business transactions are Cash Sales, Purchase of office materials, etc. When defining a business transaction, you specify the G/L account and tax code to be used for posting.

20. **What is 'Document Split' in Cash Journal?**
Sometimes, a voucher may contain different items of transactions; say for example, conveyance expenses, conference registration fee, books purchased, etc. Instead of posting a separate line item for each of these, a single line item could be split using the Split button. Each of the split items could have different account assignments, tax codes or business areas. This way document entry is made convenient.

21. **Which date is used by the system to determine the rate of tax on purchase or sales?**
By default, the system uses the posting date. However, this default could be changed in configuration and set to Document date.

22. **What is a business area?**
Business Area is an organizational unit in FI which represents a separate area of operations or responsibilities within an organization and to which value changes recorded in FI could be allocated.

23. **Can you directly assign 'Business Area' to 'Company Code'?**
No. Business Area can not be directly assigned to Company Code.

24. **When do you use 'year-dependent' Fiscal Year?**
Year-dependent fiscal year is defined in the following cases:
1. If the start and end dates of posting periods differ from year to year.
2. If one fiscal year has lesser number of posting periods than others (shortened fiscal year)

25. **What are the most important control functions of 'Document Type'?**
a. Document Header
b. Account Type
c. Doc. Number Range

26. **What are the most important control functions of 'Posting Key'?**
a. Account type
b. Debit / Credit
c. Field Status

27. **What are the points in a document where you can call validation procedure?**
a. Document Header
b. Line Item
c. Complete Document

28. **If a particular field status is set 'Required' in Posting Key but 'Hidden' in Field Status Group, what status will be adopted by the field?**
The system will display an Error message.

29. **What specifications are made when creating a Chart of Accounts?**
a. Maintenance language
b. Length of G/L account number
c. Whether Cost Elements are to be created manually or automatically
d. Group chart of accounts

30. **What key fields do you specify in the CoA segment of GL master record?**
Account group, P&L Account or Balance Sheet Account, Short text, Long text, Trading Partner, Group Account Number.

31. **What are the various COA?**
Operational CoA
Group CoA and
Country CoA

32. **A G/L account has local currency as its account currency. Can you post to this G/L account in a foreign currency? In which currency does the system maintain transaction figures?**
If the account currency is local currency, you can post to the account in 'any' currency. When you post an item in foreign currency, the system translates them into local currency. Apart from this, transaction figures are maintained for each foreign currency also. So when you post in foreign currencies, the system maintains the following transaction figures (a) in local currency and (b) in foreign currency.

33. **What does "Only balances in Local currency" mean? Where do you come across?**
'Only balances in local currency' is an indicator in the 'Control' tab of the G/L master record. This indicator controls whether transaction figures for an account are maintained in foreign currency also. If the indicator is set, transaction figures are only managed for amounts translated into local currency. That is to say, transaction figures (total figures) are not maintained in foreign currencies.
Note: This indicator must be set for cash discount and GR/IR Clearing a/cs.
Don't set this indicator for Customer / Vendor Reconciliation a/cs.

34. **What key fields do you specify in the Co.Code segment of GL master record?**
Control data - Currency, Tax Category, Recon Account, OI management, Line Item display, etc.
Create / Bank Interest – Field Status Group, Automatic Posting Indicator, Planning details, Interest calculation information

35. **What are the two radio buttons in the CoA segment of G/L master?**
Indicator: Profit & Loss Account or Balance Sheet Account.

36. **Give some examples of accounts which need to be managed on Open Item basis.**
GR/IR Clearing A/c, Cash Discount Charges a/c, Bank Clearing A/c

37. **What are the options for Clearing?**
   a. Full payment clearing
   b. Partial payment clearing
   c. Residual clearing

38. **What transactions could be blocked in G/L master records?**
   - Blocked for Creation
   - Blocked for Posting
   - Blocked for Planning
   - Blocked for Posting (in Co.Code)

39. **The company desires that the opening and closing of posting periods for a specified group of customers / vendors be controlled in a different manner, how will you configure this?**
A separate reconciliation account could be defined for the specific group of customers / vendors. A posting period variant could be defined for account type 'D/K' with the G/L a/c range containing the above recon. Accounts. Thus posting periods of the sub-ledger postings could be treated individually through the G/L account posting period.

40. **What are the pre-defined conditions for document change (changing fields)?**
   a. The posting period is still open
   b. The line item is not yet cleared
   c. The line item is either a debit in a customer account or a credit in a vendor account.
   d. The document is not a credit memo for an invoice
   e. The document is not a credit memo from a down payment.

41. **What are the pre-requisites for 'negative postings'?**
   a. Negative posting should be 'allowed' in the co.code
   b. Reversal reason has been defined for negative posting.

42. **Distinguish between the 'Gross' and 'Net' procedures of posting cash discounts.**
Gross procedure: The transaction value is entered 'gross', i.e., without reducing the discount amount. The CD is posted as an expenses or revenue to Cash Discount Expense A/c or Cash Discount Revenue A/c as the case may be.
Net Procedure: The transaction value is entered 'net', i.e., after reducing the discount amount, at the time of posting the invoice. Simultaneously, the Cash Discount Clearing A/c is posted with the discount amount.

Eg.:   Purchase of Outside Services Rs.5,000/- from vendor A on terms that 10% cash discount is available on payment within 15 days.

Outside Services Expense A/c	Debit	Rs. 4,500
Cash Discount Clearing A/c	Debit	Rs. 500
Vendor A A/c	Credit	Rs. 5,000

Case I: At the time of payment, assuming full cash discount is availed, the following will be the entry:

Vendor A A/c	Debit	Rs. 5,000
Cash Discount Clearing A/c	Credit	Rs. 500
Bank / Cash	Credit	Rs. 4,500

Case II: Cash discount is availed only to the extent of Rs.300 due to delayed payment

Vendor A A/c	Debit	Rs. 5,000
Cash Discount LOST A/c	Debit	Rs. 200
Cash Discount Clearing A/c	Credit	Rs. 500
Bank / Cash A/c	Credit	Rs. 4,700

43.   Which fields uniquely identify a document in SAP R/3?
a. Document Number
b. Company Code
c. Fiscal Year

44.   What are the options available for storing a document in R/3?
a. **Post:** Updates balances; Debit = Credits
b. **Hold:** Doc. Need not be complete – A/c balance not updated – Doc. No. not assigned – data is not available for evaluation
c. **Park:** Need not be complete – A/c balance is not updated – Doc. No. IS Assigned – Data could be used for evaluation – used when account assignment is pending.

45.   How many line items can a document have? Or: What is the maximum number of line items that can be posted in a single transaction in SAP?
From 2 to 999

46.   What are the important steps involved in configuring Withholding Tax?
I. Check withholding tax countries
II. Define Withholding Tax Key:- Official WHT key for reporting purposes
III. Define WHT Type for invoice posting and payment posting
IV. Define WHT Codes
V. Define minimum / maximum amounts
VI. Assign WHT Type to Co.Code
VII. Create and assign G/L accounts for posting taxes
VIII. Maintain and assign number ranges / groups for forms
IX. Maintain WHT information in Vendor / Customer master records

Commented [G6]: IMG > FA > FAGS > WHT > Extended WHT

47. **What is the function of WHT Type and WHT Code?**
WHT Type determines the method of computation of tax whereas WHT Code determines the percentage rate to be applied.

48. **Describe the steps involved in 'month-end closing'.**
The following pre-closing procedures will take place in the OLD month:
- <u>Technical:</u> Open new accounting period in FI
- <u>FI:</u>   Enter Accruals / Deferrals - Recurring entries - bad debt expenses in AR
- <u>FI-AA:</u>   Post depreciation and interest
- <u>MM:</u>   Maintain GR/IR Clearing account - post material revaluations
- <u>HR:</u>   Post payroll expenses
- <u>SD:</u>   Record goods issues for deliveries and invoice customers
- <u>Technical:</u> Close old month (MM) - Sub-ledgers (FI) - Preliminary close of G/L (FI)
- <u>CO:</u>   Allocations and reposting – lock old accounting period – re-open G/L for adjustment postings

Closing activities for external purposes:
- <u>FI:</u>   Foreign currency valuations – financial statement adjustments
- <u>CO:</u>   Reconciliation postings to FI (cross-organizational unit CO postings)
- <u>Technical:</u> Final closing of the old period.

Finally, the internal and external reports are created.

49. **Describe the steps involved in 'year-end closing'.**
In addition to month-end-closing activities, the following activities are performed:
- <u>Technical:</u> Open the first accounting period of the new fiscal year (FI)
- <u>MM:</u>   Physical inventory count
- <u>PP/CO:</u> Update product cost estimates
- <u>MM:</u>   Lowest value determination and FIFO / LIFO valuation
- <u>FI-AA:</u>   Asset valuations and investment support
- <u>FI:</u>   Balance confirmations
- <u>Technical:</u> Fiscal year change (AA) – Balance carry forward (FI)

Closing activities for external purposes:
- <u>FI:</u>   GR/IR clearing account analysis - Receivables/Payables Regrouping – Reconciliation of prior year to new year – other adjustment postings
- <u>Technical:</u> Final closing of the old period
- <u>FI/CO:</u>   Creation of external and internal reports.

50. **How many levels of hierarchy can a financial statement version have?**
Maximum of Ten levels.

51. **What are the steps involved in configuring and posting *recurring entries*?**

    i.   Create number ranges for RD (FBN1)
    ii.   Create recurring document template (FBD1)
    iii.   Execute recurring entries (F.14) – creates a batch input session
    iv.   Execute batch input session (SM35)

52. **What are tolerance groups? What are the different groups relevant in FI?**
Tolerance groups are used to limit authorization on the transactions that could be posted. Tolerance groups could be defined for:
1. Employees
2. G/L Accounts
3. Customers / Vendors

53. **What limits can you impose through Employee tolerance groups?**
a. Upper limit for posting procedures
b. Permitted payment differences

54. **What limit can you impose through G/L account tolerance groups?**
You can limit permitted payment differences (for eg., at the time of automatic clearing)

55. **What is a noted item? Give an example.**
Noted item is a special G/L transaction, which stores information attached to the Customer / Vendor accounts. These entries do not update transaction figures.
E.g.: Goods are delivered in containers. You can use noted item to store information regarding the location of the container presently.

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ARAP

56. **What are the different levels at which the field status of Customer / Vendor master data could be configured?**
   a. Account Group
   b. Company Code
   c. Activity (display, create, change)

57. **What are the segments in Customer and Vendor?**
General data
Company code data
Sales Org. (for customers) and Purchase Org. (for vendors) data

58. **What are the two important fields in Customer a/c which affects the accounting entries?**
   a. Reconciliation Account
   b. Head Office (all entries posted in branch are automatically transferred to HO a/c)

59. **How do you delete Customer / Vendor master records?**
Customer/Vendor master records can be deleted using T.Code: **OBR2**.
However, this can be only done in test phase and not in a productive Co.Code. No transaction should have been entered for the master record. The general customer master data which are created in SD (Purchasing in case of Vendors) cannot be deleted.

60. **Can you enter terms of payment for a non-invoice related credit memo? Is there any way this could be done?**
You cannot enter terms of payment for a non-invoice related credit memo normally. However, this could be done by typing 'V' in the Invoice Reference field of the credit memo.

61. **What dates could be defaulted as baseline date in Terms of Payment definition?**
   a. Document date
   b. Entry date
   c. Posting date
   d. No default

62. **What are the steps involved in configuring the Automatic Payment Program?**
   - Set up All Company Codes for payment transactions
   - Set up Paying Company Codes for payment transactions
   - Set up Payment Methods per Country
   - Set up Payment Methods per Company Code
   - Set up Bank Determination

63. **What are the steps involved in running the Automatic Payment Program?**
   i. Maintain Parameters

Commented [G7]:
What is to be paid?
What payment methods will be used?
When will the payment be made?
Which company codes will be considered?
How are they going to be paid?

ii.   Start Proposal Run
iii.   Edit Proposal Run
iv.   Start Payment Run
v.   Schedule Print

64.   What are the settings made for 'All Company Codes' in an APP?
-   Which is the sending company code?
-   Which is the paying company code?
-   What is the number of Tolerance Days for each Co.Code?
-   What SGL transactions are to be covered?
-   Whether to use payment method supplement?

65.   What are the settings made for 'Paying Co.Codes' in APP?
-   Minimum amounts for incoming and outgoing payments
-   Forms for Payment Advice, EDI
-   Bill of Exchange specifications

66.   What are the important country-specific settings configured in a 'Payment Method'?
-   Master record requirements
-   Document types for posting and clearing
-   Payment media and print data set
-   Currencies which can be used for the method

67.   What are the parameters you enter in payment program run?
a.   Due date up to which payment are to be processed
b.   Company codes
c.   Payment methods per Co.Code
d.   Next date of payment run
e.   Customer / Vendor accounts to be processed
f.   Exchange rate types to be covered

68.   What are the major steps in setting up automatic dunning run?
-   Maintain parameters
-   Proposal run
-   Editing the proposal
-   Print dunning notices

69.   What is a dunning area?
Dunning areas could be defined if several organizational units are responsible for carrying out dunning within one company code. For eg., each profit center or each sales organization is responsible for executing their dunning. Each dunning area could be set up with different procedures.

70.   What is a dunning key?
Dunning keys are defined to limit the level of dunning to an item.

71.   How many dunning levels are there?
A maximum of 9 levels

72.   If a customer does not pay even after dunning, what is the next step?
If a customer does not pay even after dunning, the account can be transferred to *legal dunning procedure.* You note the start date of legal dunning procedure in the customer master record. Under legal dunning, the system does not send any notices to the customer. An internal note is printed on a special form and sent to the legal department. This happens only if there is any transaction in the customer account. If there is no transaction, no notice is printed.
[If it is desired that a note to legal department to be printed even in the absence of any movement in the account, you have to set the 'Always Dun in Legal Dunning Procedure' indicator in the dunning procedure.]

73.   Where do you make specifications for limiting payment differences for customers / vendors?
Specifications regarding payment differences are done through defining Tolerance Groups for Customers / Vendors. Here you make specifications for:
1. Clearing transactions
2. Permitted payment differences
3. Posting residual items from payment differences
4. Tolerances for payment advice notes.

> **Commented [G8]:** IMG > FA > ARAP > Business Transactions > Open Item Clearing > Clearing Differences > Define Tolerances for Customers / Vendors

74.   How is payment difference treated?
Payment differences if immaterial may be processed automatically by adjusting the difference as cash discount or to some special account. However, if the difference is material, then the difference will have to be processed manually. The payment may be posted as:
- Partial payment
- Difference may be treated as a residual item
- Difference can be posted to an account assigned to reason code or written off by manually entering a new posting item
- Posted as 'payment on account'.

75.   You want to analyze the partial payments from customers based on certain reasons. How will you make the system store this information?
This could be achieved by assigning reason codes while entering partial payments. These reason codes are defined per company code in customizing.

76.   How are partial payment and residual payments posted in the system?
When a payment difference is posted as a partial payment, then the original entries remain in the system as 'open items' without being cleared.

In case of residual items, the original items are cleared and a separate line item is posted for the remaining amount.

> **Commented [G9]:** T.Code **FBKP**
> Maintain Accounting Config. Spl. GL

77.   In Vendor master there is a field for House bank, what is it used for and what is the relation between the ranking order of banks in APP?

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The key for the house bank is used if the customer/vendor is always to be paid by the same house bank. The bank selection of the payment program is cancelled with this entry.

78. **What are 'payment block reasons'? How are they defined?**
Payment block reasons are used to differentiate invoices as to why the payment was blocked. When defining a payment block reason, we specify whether the payment block reason could be changed in a Payment Proposal and also if the documents defined with the block key could be cleared during manual payment. Payment blocks are defined at client level.

> **Commented [G10]:** IMG > FA > ARAP > Business Transactions > Outgoing Payments > Outgoing Payments Global Settings > Payment Block Reasons > Define Payment Block Reasons

79. **Where do you configure regrouping of receivables and payables?**
Regrouping of receivables and payables (reclassification as per aging) is configured at IMG > FA > G/L Accounting > Business Transactions > Closing > Reclassify > Transfer and sort Receivables and Payables
T. Code **OBBU**
Here you specify the period intervals by which the accounts should be reclassified. For each classification, you specify whether customer postings and vendor postings are to be transferred. For each group you specify an adjustment account and also an alternative recon. account to which the regrouped figures are to be posted.

> **Commented [G11]:** An adjustment account has to be used because the reclassification posting cannot be directly posted from the Reconciliation Account.

80. **How do you configure interest calculation?**
    a. Define interest calculation types – whether account balance or item interest calculation.
    b. Prepare item interest calculation / account balance interest calculation where you specify parameters for interest calculation.
    c. Specify time-based terms by which interest rate valid for the period is determined.
    d. Specify account determination for interest postings.

81. **How does the indicator defined under steps 'Prepare Interest on Arrears' and 'Prepare Item Interest Calculation' differ?**
When setting up the indicator under 'Prepare Item Interest Calculation' you make the same settings as in 'Prepare Interest on Arrears'. The changes you make there have an effect here.

The exception is that in item interest calculation, cleared items are NOT considered.

82. **What are the types of interest calculation that could be set?**
Interest calculation could be any of the following types:
    1. Item interest calculation
    2. Interest on account balance
    3. Penal interest.

83. **Sometimes, the interest calculation results in interest becoming payable to customers. This case arises when a customer has paid in advance or before the due date. How will you prevent the system from calculating this interest payable?**

Set the indicator 'No interest payment' in the Interest Calculation Indicator definition for interest on arrears.

84. **What settings are made in Time-based Terms of interest calculation?**
Under time-based terms, you specify how the system determines the rate of interest for each interest indicator. The rates could be determined based on a validity date and currency.

85. **An invoice posting was made to an incorrect vendor account. The accountant wants to correct this by using T.Code F-51 (Internal Transfer Posting with Clearing). Profit Center Accounting is active in this company. Is the action of the accountant correct?**
No. When PCA is active, it is not advisable to use T.Code F-51 as the posting to new vendor is transferred to dummy profit center. The incorrect invoice may be reversed and a fresh posting made.

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86. **What are Special Purpose Ledgers? How are they useful?**
Special purpose ledgers are user-defined ledgers designed to meet specific business reporting requirements according to the dimensions specified.
For example, you want to prepare financial statements for the period from April to March for tax purposes. Your company uses calendar year. This purpose can be achieved through a Special Purpose Ledger. Similarly, SL can be maintained with different Chart of Accounts.

87. **Can you send data from SL to other SAP components?**
No. SL can only be a receiver system and not sender.

88. **What are the standard ledgers delivered by SAP?**
a.   General Ledger (FI-GL)
b.   Consolidation (EC-CS)
c.   Profit Center Accounting (EC-PCA)
d.   Reconciliation Ledger (CO-OM-CEL)

89. **What tables are created by default when a table group is created in FI-SL?**
Object Table1, Object Table2,
Actual Line Items Table, Plan Line Items Table,
Summary Table

90. **What cautions you have to take when installing/deleting tables in FI-SL?**
Installing/deleting should never be done in a currently productive system. Neither should they be done in a test client, when the test client and production client are operating in the same system and postings have already been made in the productive system. This is because the installation affects all clients on the system.

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91.   What is asset class in Asset Accounting?
An asset class is defined at the client level. It is a classification of assets according to legal and accounting policy requirements. Asset classes specify important characteristics of assets like depreciation key, G/L account determination, etc.

92.   What is a depreciation area in AA?
Depreciation areas are used to calculate depreciation and asset values for various purposes like legal, costing, book, etc., in parallel. They are identified by a two digit numeric key.

93.   How is asset accounting linked to financial accounting?
Asset accounting is linked to financial accounting through the account determination specified in Asset Class.

94.   Describe how account determination works in AA.
G/L account determination can be set up in AA in the following ways:
1) A/c Determination Key in Asset Class:- key specifies the Recon. a/c to be posted for assets belonging to the class.
2) Through Depreciation Area:- Specification as to whether and how the area posts to G/l is made. The G/L accounts are also specified.
3) Through Transaction Types:- Transaction types identify business transactions based on which postings could be made.

95.   Describe how additional account assignments (to CO, PCA, etc.) are carried out in AA.
Additional a/c assignments could be made to
1) Business Area   ⎫ specified in Asset Master Record
2) Cost Center / Internal Order ⎭
3) Profit Center – determined through Cost Center / IO
4) Fund Center / Financial Budget item
Note that the depreciation posting rules must allow Addl. a/c assignment to CO objects.

96.   What happens if additional a/c assignment has been made to Cost Center and IO simultaneously?
One of the postings should be 'statistical'. The system however does not check if one of them statistical. However, in this case, IO takes precedence to receive real postings. If the IO is specified as a statistical object, then the IO is posted statistically and cost center receives real postings.

97.   How many Charts of Depreciation could you assign to an asset class?
There is no limit.

98.   How many depreciation areas could be assigned to a Chart of Depreciation?

A Chart of Depreciation could contain upto 99 depreciation areas. A Depreciation Area is always assigned to only one Chart of Depreciation.

99. What options are available for configuring how a depreciation area posts to G/L?
0 – No values are posted
1 – Posts in Real-time
2 – Posts periodically
3 – Only Depreciation is posted

> **Commented [G12]:** Only ONE area could be posted in Real-time.

100. What additional settings have to be made to make Company Code data usable in Asset Accounting?
- Chart of Depreciation has to be assigned to Company Code
- Number range assignment has to be made
- Fiscal Year Variant, if different from that defined in FI, has to be assigned
- Depreciation area for Tax has to be defined
- Document Type for posting depreciation has to be defined and assigned.

101. Do you need to specify a fiscal year separately in AA?
It is generally not required as the system defaults the FYV specified in FI. If for some cases there is a need to specify a different FVY in Asset Accounting, it can be done. However, the start and end dates of both the variants should be the same (not taking into account the special periods).

FYV can be specified (i) at Co.Code level and/or (ii) at Depreciation Area level.

> **Commented [G13]:** Example
> In FI, the FYV has 14 posting periods.
> This may not be useful in AA, as depreciation calculations only work with full periods. In this case, a different FYV say with 12 PPs may need to be assigned in AA.

102. What are the various types of assets?
a. Assets under Construction
b. Low Value Assets
c. Leased Assets
d. Intangible Assets
e. Financial Assets
f. Technical Assets
g. Real Estate

103. Is it possible for you to assign an Asset to more than one Cost Center?
No. An asset can be assigned to only one cost center.

104. How do you manage additional currencies (parallel currencies) in asset accounting?
Values posted in AA can be updated in additional currencies. For this you need to manage a depreciation area for each such currency with identical currency and currency type as in FI. The depreciation area must also manage depreciation terms and acquisition values identical to the book depreciation area.

When specifying the Currency Type for these depreciation areas, we need to enter the sum of Currency type and Valuation type defined in FI.

> **Commented [G14]:** IMG
> Asset Accounting > Valuation > Currencies > Specify use of parallel currencies

105. What are the Depreciation Types used in SAP?
        a. Ordinary depreciation – for write off of normal wear and tear.
        b. Special depreciation – represents depreciation for taxation purposes.
        c. Unplanned depreciation (manual)
        d. Depreciation from write-off reserves (manual)
        e. Interest

> **Commented [G15]:** Treatment and calculation same as Depreciation.

106. What are 'depreciation keys'?
Depreciation keys control automatic calculation of depreciation by the system. You assign Calculation Methods to depreciation keys. You also assign scrap value key, change over method and other control indicators in the key. All these parameters control the calculation of depreciation by the system.

107. What are the calculation methods used in depreciation key?
        a. Base methods
        b. Declining balance methods
        c. Maximum amount methods
        d. Multi-level methods
        e. Period control methods

108. What are the specifications made in defining 'Base method' depreciation?
Depreciation Type, Calculation method and treatment of terminal depreciation are specified.

109. How does 'Catch-up' method of providing depreciation work?
When asset acquisition is entered in the middle of the year and depreciation is planned for the full year, the depreciation relating to the prior period is provided **fully** in the depreciation posting run. Balance is spread equally to the rest of the period. This is 'Catch-up' method.

110. How does 'Smoothing' method of providing depreciation work?
In the case of Q.62, in this method, all the depreciation for the full period that remains to be posted is spread equally over the rest of the period. This is 'Smoothing' method.

111. How are asset numbers assigned?
Asset master data are assigned from the number ranges specified in the asset class. Both internal and external numbering are possible.
Asset Main Number – is a 12 digit alpha-numeric number, controlled by number range assignment in asset class.
Asset Sub-Number – is a 4 digit numeric code assigned automatically by the system where the first digit is same as the first digit of the main asset number.

112. Can you post asset acquisition through a purchase order?
Yes. It is possible to post to an asset directly from a PO. Account assignment can be made to an asset in the PO. It is also possible to create an asset from the PO. Asset classes can be assigned to Material Groups so that the account determination and other characteristics are defaulted.

113. **What are transaction types?**

Transaction types in AA identify various business transactions and controls various aspects like account assignment, etc. Transaction types are assigned to Transaction Type Groups.

> **Commented [G16]:** Transaction Type Groups are predefined in the system. They control a number of characteristics of each transaction. Std. system provides all necessary transaction types which cannot be altered. Fresh ones can be copied and altered.

114. **How is depreciation posted in the system?**

Depreciation can be posted manually or automatically. Manual depreciation is posted using T.Code **ABMA.** Document posted by depreciation run (manual or automatic) does not automatically update G/L accounts. A periodic run of the Depreciation process (T.Code **AFAB**) will make the postings.

> **Commented [G17]:** Customizing settings for Depreciation Postings:
> **IMG > FA > AA > Integration with G/L > Post Depreciation to G/L Accounts.**

115. **What are the various options available for posting asset acquisition?**

You can post the acquisition of a purchased asset in several different ways, using different components of the R/3 System:

1. *In Asset Accounting (FI-AA) in integration with Accounts Payable (FI-AP), but without reference to a purchase order.*
2. In Asset *Accounting*, without reference to a purchase order, without integration with Accounts Payable (posting to a clearing account - with or without clearing).
3. In Materials *Management* (MM) at goods receipt or invoice receipt (refer to Processing Asset Acquisitions in Purchasing (FI-AA/MM) and Goods Receipt and Invoice Receipt with Reference to Asset).

116. **How will you prevent an asset class being used inadvertently in a chart of depreciation for which it is not intended?**

You can lock asset classes for a particular chart of depreciation through the following menu:

IMG > Financial Accounting > Asset Accounting > Valuation > Deactivate Asset Class for Chart of Depreciation

117. **How will you configure the system to check whether an asset to be posted is a low value asset or in other words a higher value asset is not posted as a LVA?**

The system can be configured to check the maximum amount that could be posted to a LVA asset class. The amount is specified per Co.Code / Depreciation Area. Three options are available:

1. No maximum amount check
2. Value-based maximum amount check
3. Quantity-based maximum amount check (where systems computes the average value of assets)

The above check can be triggered at the time of posting acquisition or at the time of posting a PO.

> **Commented [G18]:** IMG >
> FA > AA > Valuation > Amount Specifications (Co.Code/Depn. Area) > Specify Max. Amount for LVA + Asset Classes

118. **What is 'memo value' specification for assets?**

In order to maintain a record of asset which has been fully depreciated, a memo value is specified. This value is reduced from the depreciation computed in the year of acquisition. This value is not depreciated.

> **Commented [G19]:** IMG >
> FA > AA > Valuation > Amount Specifications (Co.Code / Depn. Area) > Specify Max. Amount for LVA + Asset Classes

119.   What is 'group asset'?
A 'group asset' is a combination of a number of assets for the purpose of common, summarized calculation of depreciation. For eg., under Indian Income-tax, depreciation is to be computed at the asset block level. This can be set up as a group asset. A group asset is represented by a separate master record.

120.   How do you define a WDV method of computing depreciation?
For defining a WDV method, you specify the Base Value = Net Book Value (24) in the Multilevel methods.

121.   How is 'internal order' used in Asset Accounting?

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122. What are the organizational units in CO?
   a. Controlling area
   b. Cost Center Group & Cost Center
   c. Profit Center Group & Profit Center

123. What is a 'Controlling Area'?
   A Controlling Area is an organizational unit within a company delimiting the organization's independent cost accounting operations.

124. What do you mean by 'Version' in Controlling Area?
   Versions in controlling area refer to a collection of fiscal-year dependent indicators for plan and actual data for one controlling area.

125. What are the various options available for activity price calculation?
   a. **Periodic Price:-** determined by dividing cost of the period by activity output for the period. Price is skewed by fixed costs in case of wide fluctuation in output.
   b. **Average Price:-** Total costs of **all** periods divided by total activity output for **all** periods.
   c. **Cumulative Price:-** (only for 'Actual') Total costs incurred until the period under consideration is divided by the activity output until that date. The senders are credited in full during revaluation. This method is possible only if all activity receivers in all periods could be posted to (period lock is not active).
   The above option is set while configuring the fiscal year specific controlling area settings in 'Maintain Versions'.

> **Commented [G20]:** IMG
> Controlling > Basic Settings > Maintain Versions > Controlling Area Settings > Settings for each fiscal year

126. What is the distinction between 'primary cost elements' and 'secondary cost elements'?
   Primary CE > External costs
   Secondary CE > Internal costs

127. How do you generate primary and secondary cost elements automatically?
   - Make default settings for automatic creation of cost elements – here you specify the cost elements individually or as intervals and the corresponding CE Category.
   - Create and run batch input sessions. When the batch session is executed the CE are created.

> **Commented [G21]:** IMG
> Controlling > Cost Element Accounting > Master Data > Cost Elements > Automatic creation of primary and secondary cost elements

128. Is it possible to create primary cost elements automatically? If so, how?
   Yes. It is possible to configure creation of primary CE automatically. There is an option in the Chart of Accounts master for mode of creation of CE. It can be set 'manually' or 'automatically'.

129. Can you change assignment of company code / business area / profit center in cost center in the course of the year?
   Yes, if the following conditions are fulfilled:

1. The currency of the new Co.code is the same that of the old Co.code.
2. You post 'plan data' only in the given fiscal year.
3. The cost center is not assigned to a fixed asset, a work center or a HR master record.

130. **Which currency is assigned to a cost object where the Co.Code > CO assignment is (a) one-to-one (b) one-to-many.**
   a. Any currency could be assigned to the object
   b. The system automatically assigns the Co.Code currency to the object.

131. **When do you use 'manual allocations' for allocating costs? How is it different from 'periodic reposting'?**
   Manual allocation means posting primary and secondary costs manually. They are useful in making simple allocations. They are also handy in correcting secondary postings.
   Unlike reposting, a separate credit line is written to the sender.

132. **What is the difference between 'distribution' and 'assessment'?**
   You can used distribution to allocate primary costs only, whereas both primary and secondary costs could be allocated using 'assessment'. Distribution is useful when you want to trace the source cost elements from the receivers. In assessment, you do not have information about the cost elements contained in the sending cost center. You may not be interested in the cost break-up in all cases, say in case of company canteen costs. On a receiving department, you may not be interested in breaking up the costs of the canteen. In these cases, assessment is useful. Distribution is more expensive in terms of system resources.

133. **How is 'assessment' made?**
   Use T.Code KSU5. Here, specify the period and fiscal year to be covered by the assessment run. Cycle Segments are used to specify the sender and receiver and the allocation rules.
   Create a cycle segment. Menu > Extras > Cycles > Create
   Create at least one segment where you specify the
      (i)   Assessment CE (Cat. 43)
      (ii)   Sender Values – how much cost (%) is to be allocated
      (iii)   Receiver Tracing Factors:-
         i. Variable portions
         ii. Fixed amounts
         iii. Fixed percentages
         iv. Fixed portions

134. **What are the three entries required to complete the 'overhead structure' definition?**
   a. Base Cost Element
   b. Overhead Rate
   c. Credit Object

135. **What are the three 'planning areas' in cost center accounting?**

a. Cost Element / Activity Input
b. Activity Output / Prices
c. Statistical Key Figures

136. What are planning layouts?

Through planning layout, we define the characteristics (cost center, cost element, etc.) for which we want to enter plan values. We also set up the appropriate value columns through layouts.

137. Explain how 'planner profiles' are defined.

Planner profile controls the planning process. In a profile, you assign the planning layouts to the planning areas. Any number of layouts could be assigned to a planning area. You can define 'default parameters' for each planning layout. You also assign the 'authorization group' to the profile to control planning authorizations.

138. What is the typical sequence for planning activities?

- Plan Statistical Key Figures
- Plan Activity Output / Prices
- Plan Primary Costs
  - Cost Element Planning (Value planning)
  - Resource planning (Quantity planning)
  - Dependency planning
- Automatic Cost Planning
  - Plan Accrual Calculation
  - Plan Periodic Reposting
  - Plan Distribution
  - Plan Assessment
- Period Lock

> **Commented [G22]:** Goods and services provided to the enterprise from OUTSIDE (External)

139. What is the function of 'Distribution Key' in planning layout? Is it possible to change the default keys?

Distribution keys are used by R/3 system to distribute period-wise, the total values for the period of time entered in the initial screen for planning. The default keys are not modifiable. But users can create custom distribution keys.

140. Explain with example 'dependency planning'.

Dependency planning is used for planning Primary Costs (activity dependent or activity independent. When you need to plan resource costs that depend on resource quantity that again depend on a statistical key figure or activity type.

Dependency planning can be 'Value-based': Here you plan costs for each unit of SKF / Activity Type. For eg., Rs. 500/- for Annual Maintenance Cost for each computer in the say, Administration Cost Center. Total Computer maintenance cost will depend on the number of computers (SKF).

Dependency planning can be 'Quantity-based': Here you plan <u>resource usage</u> per unit of statistical key figure. For example, network connectivity cost is Rs.1.00 per MB transferred. You plan number of MBs of data transferred for each computer (SKF). Then the total resource cost = No. of computers X No. of MBs planned for each computer X Resource Cost per unit

141. How would you enable cross-company code or cross-business area data to be posted to an internal order?

If cross-company code / cross-business area data have to be posted to an internal order, these assignments should <u>not</u> be made in the master record of the order.

142. How are internal orders useful?

Internal orders represent the most detailed operational level of cost and activity accounting. It enables us to analyze costs to be analyzed differently than in Cost Center Accounting. It is possible to compare in-house production or external procurement costs for decision making.

143. List the types of internal orders.

a. Overhead orders
b. Investment orders
c. Accrual orders
d. Orders with revenue

144. What features are controlled by order type?

Order type determines

1. Whether commitment management is active
2. Whether revenue postings are allowed
3. Order status management
4. Characteristics of master record fields
5. Internal or external numbering and Number range
6. General parameters for settlement, planning and budgeting
7. Order layout

145. What are the four status settings for internal orders? How could they control business transactions?

a. Created
b. Released
c. Technically Complete
d. Closed

These are the four standard status settings. Further user-defined settings could be created. Theses settings determine whether to:

- Allow a business transaction
- Allow With Warning
- Prohibit a business transaction

146. Which business transactions could result in a commitment on an internal order?

a. Purchase Requisition (MM)

     b.   Purchase Order (MM)
     c.   Funds Reservation (CO)

147. **Which business transactions could lead to an actual posting on an overhead cost order?**
     a.   Invoices and G/L account postings (FI)
     b.   Goods Movement (MM)
     c.   Internal Activity Allocation and Reposting (CO)

148. **What is 'revaluation' function is periodic cost posting?**
When you allocate activity to overhead cost orders, the system calculates the costs using the *plan* price. Revaluation allows you to update the cost posting based on the *actual price*.

149. **What are the two procedures available for defining order settlement?**
     a.   Basic Settlement – allows you to settle 100% of costs to ONE cost center or ONE G/L account.
     b.   Extended Settlement – allows you to create settlement rules in the order master record.

150. **What are the parameters contained in a 'settlement rule'?**
A settlement rule specifies:
-     Receivers
-     Distribution Rules i.e., how the cost are to be split
-     Cost elements used for settlements

151. **What are the parameters that control the settlement process in an Extended Settlement?**
In an extended settlement, the settlement process is controlled by the Settlement Profile specified in the Order Type master record.

152. **How does the settlement profile control the settlement process?**
- It determines if settlement is necessary
- It flags allowed receiver categories (13 of them)
- It sets settlement indicators including allowed distribution rules
- It defines the document type and doc residence duration
- It supplies default values for Allocation Structure, PA Transfer Structure and Source Structure to the order master record.

153. **What is an Allocation Structure?**
Allocation structure is a parameter in settlement profile which controls the assignment of source cost elements to settlement cost elements. Here, primary and secondary costs are combined into groups. For each group, it is specified if the settlement is to be made using the original cost element or by using a settlement cost element.

154. **Why do we use Settlement Cost Elements to settle orders?**
Settlement cost elements are used;

- So that the nature of costs could be identified; say Repairs and Maintenance Costs.
- So that the data volumes could be reduced (you do not need to write one line for each cost element)

155. **What do you mean by internal and external settlement? What is the Cost Element type used for each.**
When costs are settled to an Asset or a G/L account, it is referred to as External Settlement – CE type 22
Settlement to all other objects is referred to as Internal Settlement – CE type 21.

156. **What are the two settlement types defined by the standard system?**
a. PER – settles costs for the period you specify
b. FUL – settles all costs on a sender that are not yet settled for all periods up to the settlement period.

157. **Explain how and why you use 'Source Structures' in order settlement.**
Source structure is a customizing setting where you group cost elements into groups say, Material Costs, Labour Costs, etc. In a Source Structure you combine the primary and secondary cost elements (used for debit postings to the order). Source structures are useful if you want to apply different settlement rules to different types of costs. The Source Structure is assigned in the Order Master record. This enables the SS to be entered in the *Origin Settlement* column for each settlement rule.

158. **What documents are created by a settlement run?**
a. Settlement document
b. FI document
c. CO document

159. **Can you process a reversal and a reposting of a previous period settlement once the current period settlement has been posted?**
No. You need to make the correction settlement before you settle the posting period. The system does not allow you to enter a posting period that has already been settled. If a correction settlement for the previous period is required after the posting period has been settled, then you need to reverse all settlements that were made in the posting period first.

160. **Distinguish between 'Planning' and 'Budgeting'.**
Planning is 'Cost' oriented whereas Budgeting is 'Funds' oriented. Plan figures could be changed at any time depending on information. Budget figures are binding values. Funds requirement resulting from planning becomes budgeted when approved.
A line item is created for each change in budget figures whereas it is optional for plan values.

161. **What currencies could be used to store transactions in PCA?**
a. Local currency (20)

b. Group currency (30)
c. Profit Center currency (90)
d. Transaction currency

162. **What are the two approaches / methods for profitability management?**
Cost-of-sale Accounting based and Period Accounting based are the two broad methods in profitability management.

163. **Can Profit centers be used as alternative for Business Areas?**
Yes. They provide much more functional reports than business area.

164. **How do you enable transfer pricing to be used in an enterprise?**
Use of transfer pricing is enabled by defining and assigning a valuation profile to the controlling area. You also need to activate the valuation profile using T.Code 8KEP.

165. **What does the 'Valuation View' imply in profit center accounting?**
Or: What are the valuation options available when using transfer pricing?
Valuation view defines the valuation approach used to value (transfer prices) material inventories and goods movement between profit centers. There are three valuation views:
a. Legal valuation
b. Group valuation
c. Profit center valuation

166. **In which of the above three approaches to transfer pricing, do internal/inter-company profits not arise?**
In Group Valuation, where internal transfers are charged at group production costs, internal/inter-company profit does not arise.

167. **What valuation view would you choose if you had opted for transfer prices in PCA?**
Profit Center Valuation

168. **What do you mean by a 'valuation approach'?**
A valuation approach describes the values that are stored in Accounting as a combination of a currency type (such as the group currency) and a valuation view (such as the profit center valuation view).

169. **What is a 'Currency & Valuation Profile'? Which profile is mandated for use?**
C&V Profile is a combination of valuation approaches. Use of 'legal valuation in company code currency' is mandatory.

170. **How many valuation approaches can you have for a CO Area?**
You can use upto **three** valuation approaches in a controlling area. That is, apart from the mandatory legal valuation approach, you can use two other valuations in parallel.

**171.** **What is a 'Standard Hierarchy'?**
Standard hierarchy is a tree structure for grouping all profit centers which belong to a controlling area.

172. **How is material masters assigned to profit centers? What choices are available?**
Materials are assigned to profit centers always at the 'plant' level. The following are some options available:
- A PC that represents a material, crossing all plants
- A PC that represents a plant, including all material for the plant
- A PC that represents a material for a specific plant.

PC is entered in the Sales: *General / Plant Data* view or *Storage 2* view in General Plant Parameters tab of material master (MM01).
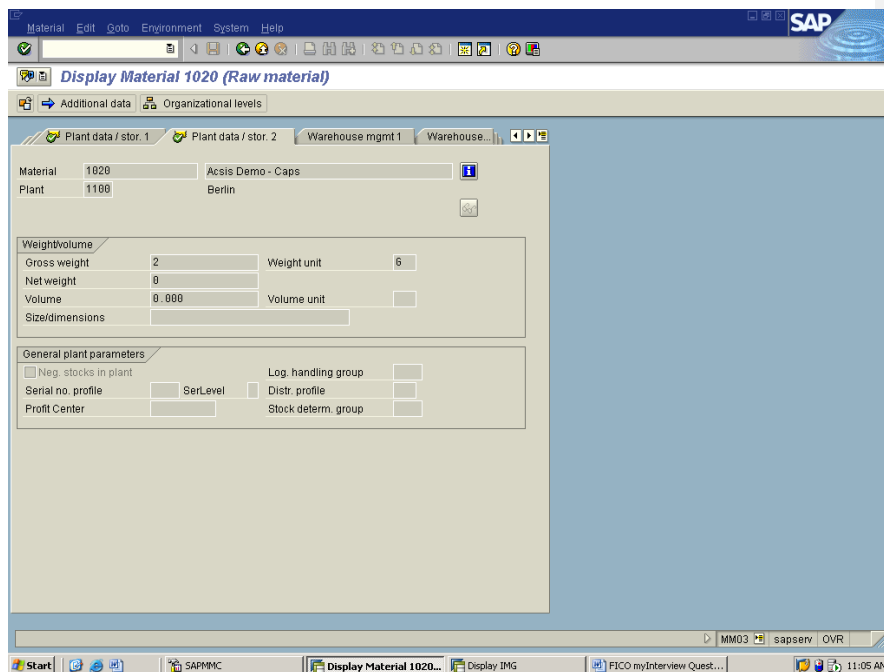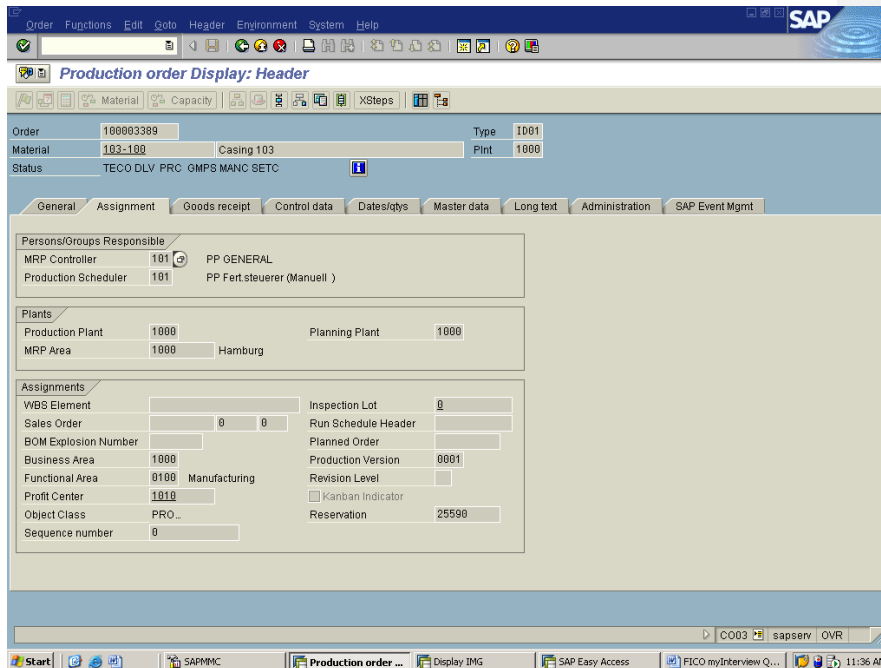
173. **How is profit center assigned in a Production / Process Order?**
In a production order, the profit center assignment is found in the *Assignments* tab of the Order Master Record (CO03).
In a process order, the profit center assignment is found in the *Assignments* tab of the Process Master Record (COR3).

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The profit center assignments in the above cases are defaulted from the master data of the material being produced. Normally, no manual entry is required.

174. **How is profit center assigned in a Sales Order?**
The assignment of profit center is defaulted from the item master. A separate assignment is made for each item in a sales order.

175. **Explain how profit center is determined dynamically in the document.**
The system assigns the profit center dynamically on the basis of certain characteristics in the document. The profit center *currently* assigned to the characteristics is always used.
The system checks the following in the same order:
1. **Substitutions** - PC determined using substitution is always used.
2. **CO Master Record** - if the data to be transferred is cost element.
3. **BS & PL accounts** – if the data is transferred from these accounts and <u>no</u> assignment is made in the corresponding document.
4. **Dummy –** if data comes from P&L accounts which affects logistical processes and <u>no</u> assignment is made in the corresponding documents.
5. **User-defined –** where the user has changed the PC field in the corresponding document using SAP customer enhancement PCA00001.

176. **How are profit centers assigned to Balance Sheet and P&L accounts?**
Directly – using T.Code 3KEH
Using Derivation – T.Code 3KEI

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177. Explain how PC is assigned indirectly.

PC is assigned indirectly on the basis of certain characteristics in the **preceding document.** The system does not take into account any changes to assignments occurring after the date of the preceding document. E.g., when GR is posted, the PC assignment is inherited from the corresponding PO.

178. What effect does checking the 'Elimination of Internal Business Volume' has?

When a posting is made to actual account assignment objects of the same origin object type (e.g., cost centers), the same profit center is assigned to these transactions. This results in internal business. If the above option is checked, then this posting is not reflected in PCA.

E.g.: Say, there are two cost centers 'Assembly' and 'Maintenance'. They both have profit center 'Pumps' assigned to them. There is a transfer of material from Assembly to Maintenance. Now, this transaction will result in both debit and credit entries in the Pumps profit center. Reflecting this transaction in profit center may not be useful. Choosing Elimination option will hide these internal transactions.

179. How will you check the assignments to profit centers?

All assignments could be easily verified and changed using Assignments Monitor (1KE4).

180. Can Balance Sheet accounts be analyzed in PCA? How are they transferred?

Yes. Certain balance sheet accounts could be analyzed in PCA. They could be transferred either at the end of the period or on real-time. However, payable / receivable accounts **cannot** be transferred in real-time.

Note: When a periodic transfer is run, the system over-writes the data that was already transferred in real-time.

181. How is profit center determined for Fixed Assets?

PC of an asset is determined indirectly from the cost center or internal order assigned to the asset master record.

182. How do you set up the real-time transfer to PCA?

First, enter the accounts you want to transfer in real-time (3KEH)
Secondly, transfer the opening balances (one-time process)

183. How do you access CO and PCA documents created at the time of posting an FI document?

Through the *menu*
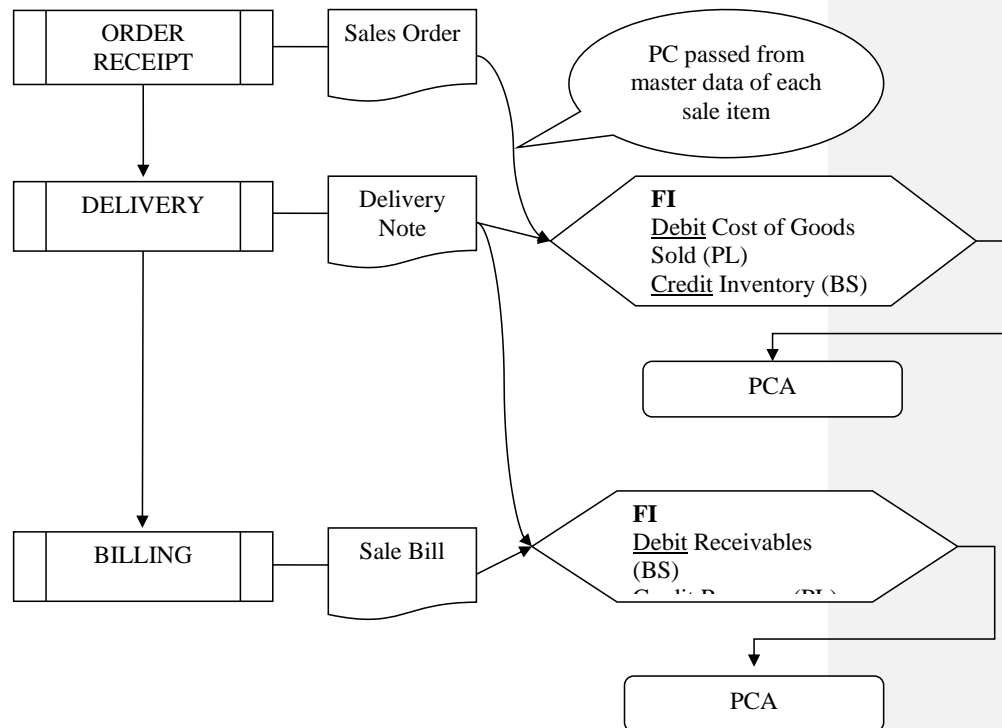 Environment > Document Environment > Accounting Documents

Commented [G24]: OB Transfer Programs:	
Material	1KEH
Assets	1KEI
WIP	1KEJ
AR/AP	1KEK

184. **Explain the Sales and Distribution business process flow and also the accounting treatment involved.**

NOTES

Steps in Sales Order Processing (SD)

1. SALES ORDER:- On creation, system determines price, costs, discounts, etc., based on SD configuration. On saving the order, the system assigns an Order Number.
2. DELIVERY NOTE:- Materials ordered are picked
3. TRANSFER ORDER:- Logistical details are checked and physical delivery of goods takes place.
4. GOODS ISSUE DELIVERY:- Goods issue is posted. FI document posted.
5. BILLING:- Sale Bill/Invoice is created. Accounting documents posted. This marks the end of SD process.

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185. **What is the use of 'Functional Area'?**
Functional area is a characteristic used to produce reports using Cost-of-sales approach.

186. **Distinguish between 'Period Accounting' and 'Cost-of-sales' approaches.**
Under Period Accounting, the system breaks down the operating results by cost and revenue elements. It is possible to recognize the factors of production which resulted in the cost.
Under Cost-of-sales Accounting, costs are compared with the corresponding quantity structure of the revenues. This approach is market-oriented. Costs are divided according to functions like production, sales, administration, etc. You need to assign Functional Area characteristic in order to use CoS approach.
A Special-purpose Ledger is used to maintain FI transactions by functional area.

187. **How is the Functional Area determined / derived?**
Functional area is derived from:
d.   CO Object Master Record
e.   P&L Account Master Record
f.   Substitution
g.   Manual Entry

188. **Is functional area determined for Balance Sheet accounts and statistical postings?**
NO.

189. **How do you configure transfer of SKF to PCA?**
Using T.Code: **3KEG**
You could configure which SKF could be transferred to PCA for each object type.

190. **What are the Period-end Closing activities in PCA?**
a.   Allocation of costs / revenue (Distribution, Assessment)
b.   Transfer of AR/AP balances
c.   Balance carry forward

191. **Explain Allocations in PCA.**
Allocation of costs using distribution and assessment are usually done in CO. Sometimes, it may be necessary to allocate costs in PCA also. For e.g., there is a Services Profit Center, which you want to allocate to Motor Cycle PC and Cars PC. In this case, allocation is carried out in PCA. The methods work in the same way as in CO.
Allocation of revenues and sales deductions may also be done in PCA.
Before carrying out allocations, it is necessary that all period closing activities in other applications which supply information to PCA are completed.

192. **What FI documents are created when transferring AR/AP balances to PCA?**

No FI documents are created. Postings are made through reconciliation accounts.

193. **Why and how do you post documents in PCA?**
PCA postings may be needed to import external data or to enter opening balances for additional balance sheet items in PCA. You can enter documents in PCA using T.Code: **9KEO.** However, no postings are made in FI or SL.

194. **How do you carry-forward balances in PCA from one period to another?**
Balances are to be carried forward in PCA if we want to post material stocks, assets, WIP, additional BS items **by transaction** (in real-time). Otherwise, this step is only optional.
You can activate automatic carry forward in customizing. Use T.Code **2KES** for balance carry forward.

195. **What is Average Balance Ledger?**
All transactions in a period are stored with a date-weighting in the Average Balance Ledger (8Z). Weight = No. of days from transaction date to end of the period / Total No. of days in the period.

196. **What is 'transfer pricing'?**
Transfer pricing is used in 'Profit Center' valuation view. This is the price tagged on the internal movement of goods between profit centers. These prices could be defined as negotiated fixed prices or as a mark-up on costs. Transfer prices are defined using the Pricing function of the SD component.

197. **What partial plans are generally composed in a short-term plan?**
a. Sales Plan
b. Revenue Plan
c. Production Plan
d. Cost Plan

198. **What are the various methods or tools of planning available in PCA?**
a. COPYING existing plan or actual data to plan
b. POSTING plan data by period or simultaneously by transaction from other applications.
c. MANUAL planning
d. Distribution and Assessment between PC
e. Various Plan Reports for comparison of different plan versions.

199. **What do line items represent in a plan document in PCA?**
Line items represent every change made to plan figures. Line items are created for changes if the same is enabled in customizing.

200. **What is a 'planning profile'?**
Planning profile is used to control the planning process. A profile contains a hierarchical structure specifying which planning layout is to be used for which planning area. It contains a number of defaults (parameters) for manual planning.

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201. **What is formula planning? How is it useful in planning?**
Formula planning is a tool that supports manual planning. You can define mathematical relationships in the form of formula in Formula Templates. These templates are then assigned to Profit Center Master Records.

> **Commented [G25]:** Indicators Tab > Formula Planning Section

202. **In PCA, can you use Assessment and Distribution to allocate data between two company codes?**
No. You can only allocate data within one Co.Code in PCA.

203. **How do you enable line items to be posted for changes in plan figures?**
Posting of line items for each change in plan figures could be enabled by activating the Line Items indicator when maintaining the year-specific parameter of the plan version.

> **Commented [G26]:** IMG
> Controlling > PCA > Basic Settings > Controlling Area settings > Activate Direct Postings > Plan Versions > Maintain Plan Versions

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<mark>Logistics Invoice Verification</mark>

204. When posting an invoice in LIV (MIRO), what are the options available for treating exchange rate differences?
There are three options available:
a) Exchange rate difference = Difference between exchange rate at the time of goods receipt and the rate at the time of invoice receipt.
b) Exchange rate difference = Difference between exchange rate at the time of invoice receipt and an Assumed rate.
c) No Exchange rate difference. Exchange rate difference will be treated as Price Difference.

205. In case of option (c) above, what is the implication on stock valuation and pricing?
If stock exists at the time of invoice verification, then the price difference will be adjusted to the value of stock, thereby adjusting the Moving Average price. In case there is no stock available at the time of invoice verification, then the entire difference is posted to the Price Difference Account.

206. In LIV, what are the options available for posting Unplanned Delivery Costs?
Two options are available:
a) Unplanned delivery cost could be distributed to the individual items in proportion to the amounts invoiced.
b) Unplanned delivery cost is posted as a separate line item.

207. Sometimes you need to make some adjustment postings to material and G/L accounts directly. Is this possible? If so, how will you make it possible?
Yes. Direct postings to material and G/L accounts could be enabled in IMG. IMG > MM > LIV > Incoming Invoice > Activate direct postings to…

208. The finance department wants to avoid making payment for duplicate invoices. Can you make the system do this check?
You can set check for duplicate invoices in LIV at IMG > MM > LIV > Incoming Invoices > Set check for duplicate invoices.
The check could be based on the following criteria:
a) Co. Code
b) Reference
c) Invoice date
[However, this check affects system performance]

209. What is a 'Stochastic Block'?
Stochastic block setting chooses invoices at random for second checking. You can set a threshold value and probability percentage for selection of invoices.

210. What is 'Item Amount Check'?
When this check is activated, the system blocks payment to an invoice item if the item amount exceeds a specified amount.

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211. **The Company wants that small difference in invoice amount should be treated as expense / income and payment should not be blocked for these differences. How can this be configured?**
This can be configured in the tolerance key 'BD – Form small differences automatically' in the 'Set Tolerance Limits' menu. Here you can specify the threshold amount below which differences will be treated as small. The difference is automatically posted to an expense/income account.

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212. **What is ASAP methodology?**

The ASAP solution was developed to ensure the successful, on-time delivery of a project. SAP delivers the Accelerated SAP (ASAP) methodology for project management and system implementation. Developed by SAP to optimize the success of implementing the SAP Business Suite, ASAP streamlines the implementation by providing templates, methods, tools, and accelerators that have been built on the success of thousands of previous SAP implementations.

Commented [g31]: Source – SAPFICO Yahoo Group

The ASAP methodology adheres to a specific road map that addresses the following five general phases:

1. **Project Preparation**, in which the project team is identified and mobilized, the project standards are defined, and the project work environment is set up;

2. **Blueprint**, in which the business processes are defined and the business blueprint document is designed;

3. **Realization**, in which the system is configured, knowledge transfer occurs, extensive unit testing is completed, and data mappings and data requirements for migration are defined;

4. **Final Preparation**, in which final integration testing, stress testing, and conversion testing are conducted, and all end users are trained; and

5. **Go-Live and Support**, in which the data is migrated from the legacy systems, the new system is activated, and post-implementation support is provided.

ASAP incorporates standard design templates and accelerators covering every functional area within the system, as well as supporting all implementation processes. Complementing the ASAP accelerators, the project manager can create a comprehensive project plan, covering the overall project, project staffing plan, and each sub-process such as system testing, communication and data migration. Milestones are set for every work path, and progress is carefully tracked by the project management team.

213. **What are the steps involved in data migration using LSMW?**

Commented [G32]: Legacy System Migration Workbench

a. A new project, sub-project and object are created
b. A recording is made of the transaction to capture the data fields
c. Source structure is created and fields maintained
d. Fields in the source structure are mapped with target fields
e. The file containing the source data is specified and assigned to the program
f. Data is read from the source file and displayed
g. Read data is converted.
h. Batch input session is created
i. Execute the batch input session.

214. **What is a 'Cutover Plan'?**

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A cutover plan is a list of tasks to be performed in order for the project to 'go-live'. It includes tasks like transportation of settings, updating authorizations, data migration, reset G/L data, set the system to 'Productive', etc.

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T.CODE	APPLI CATI ON	FUNCTION
EC01	FI	Copy, Edit, Delete Company Code
OB29	FI	Maintain Fiscal Year Variant
OB37	FI	Assign Company Code to Fiscal Year Variant
OB13	FI	Create Chart of Accounts
OB62	FI	Assign Company Code to Chart of Accounts
OBD4	FI	Define Account Groups
OB53	FI	Define Retained Earnings Account
OBBO	FI	Define Posting Period Variant
OBBP	FI	Assign Posting Period Variant to Company Code
OB52	FI	Open & Close Posting Periods
OB41	FI	Define Posting Keys
OBA7	FI	Define Document Types
FBN1	FI	Maintain Document Number Range Intervals
OBC4	FI	Define Field Status Variant
OBC5	FI	Assign Company Code to Field Status Variant
OBY6	FI	Enter Global Parameters
FS00	FI	Individual processing of G/L master records Centrally
FSSO	FI	Individual processing of G/L master records in Co.Code
OBAO	FI	Define Tolerance Groups for G/L accounts
OBA4	FI	Define Tolerance Groups for Employees
FB50	FI	Enter G/L Account Document
F-02	FI	G/L Document General Posting
F-03	FI	G/L account Clearing

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F-04	FI	Posting with Clearing
FBL3N	FI	Display / Change G/L account line items
FS04	FI	Display 'changes' to G/L master records
FB60	FI	Vendor Invoice
FB70	FI	Customer Invoice
F.14		Post recurring document
OB07	FI-GL	Check Exchange Rate Types
OB08	FI-GL	Enter Exchange Rates
FD01	FI-ARAP	Create Customer Master Record
XD01	FI-GL	Create Customer Master Record Centrally
FK01	FI-	Create Vendor Master Record
XK01	FI-ARAP	Create Vendor Master Record Centrally
F110	FI-ARAP	Automatic payment run
FI12	FI-GL	Create House Bank
FI01	FI	Create Bank Master Record
FCHI		Create Check Lots
FCHN		Check register
FSE2	FI-GL	Change Financial Statement Version
FBKP	FI	Maintain Accounting Configuration
OB40	FI-GL	Define Tax Accounts
AS01	FI-AA	Create Asset
OKEON	FI-CO	Change Standard Hierarchy for Cost Centers
KS01		Create Cost Center
KSH1		Create Cost Center Group

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KCH4	PCA	Maintain Profit Center Hierarchy
KE51	PCA	Create Profit Center
AS91	FI-AA	Create Legacy Asset
AS01	FI-AA	Create Asset
AS11	FI-AA	Create Asset Sub-number
AW01N	FI-AA	Asset Explorer
F-90	FI-AA	Asset Acquisition
AFAB	FI-AA	Depreciation Run
SM35		Execute Batch Input Session
SA38		ABAP: Execute Program
F-53		Manual outgoing payments
MIRO	MM	Enter invoice
FBL1N	FI-GL	Vendor Line Item Display
FK10N		Display Vendor Account Balances
F.13		Vendor Automatic Account Clearing
F-44		Vendor Account Clearing
F-48		Enter Vendor Down Payment
F-54		Clear Vendor Down Payment

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10 General Interview Questions:

Tell me about yourself.
* Keep your answer to one or two minutes; don't ramble.
* Use a ''positioning statement'' as a base to start. Your positioning statement is the boiled-down story of your resume -- general goals, skills and background.

What do you know about our company?
* Know products, size, income, reputation, image, goals, problems, management talent, management style, people, skills, history and philosophy.
* Project an informed interest. Ask several open-ended questions about the company's course and the department's goals so the interviewer can tell you about the company. Let her define the business in her terms.

Why do you want to work for us?
* Don't talk about what you want; first talk about their needs.
* You wish to be part of a company project.
* You would like to solve a company problem.
* You can make a definite contribution to specific company goals: identify its management talent, increase sales in the Northeast region, and so on.

What would you do for us? What can you do for us that someone else can't?
* Relate past successes in solving previous employer problems, which may be similar to those of the prospective employer.

What about our position do you find the most attractive? Least attractive?
* List three or more attractive factors and only one minor unattractive factor.

Why should we hire you?
* Because of knowledge, experience, abilities and skills. Tell what these are.

What do you look for in a job?
* An opportunity to use skills, perform and be recognized.

Please give me your definition of a ... (the job for which you are being interviewed).
* Keep it brief and action- and results-oriented

How long would it take you to make a meaningful contribution to our firm?
* Very quickly after a little orientation and a brief period of adjustment on the learning curve.

How long would you stay with us?
* As long as we both feel I'm contributing, achieving, growing and so on.

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1. **"Tell me about yourself."**

   TRAPS: Beware, about 80% of all interviews begin with this "innocent" question. Many candidates, unprepared for the question, skewer themselves by rambling, recapping their life story, delving into ancient work history or personal matters.

   BEST ANSWER: Start with the present and tell why you are well qualified for the position. Remember that the key to all successful interviewing is to match your qualifications to what the interviewer is looking for. In other words *you must sell what the buyer is buying. This is the single most important strategy in job hunting.*

   So, before you answer this or *any* question it's imperative that you try to uncover your interviewer's greatest need, want, problem or goal.

   To do so, make you take these two steps:

   1. Do all the homework you can before the interview to uncover *this person's* wants and needs (not the generalized needs of the industry or company)

   2. As early as you can in the interview, ask for a more complete description of what the position entails. You might say: "I have a number of accomplishments I'd like to tell you about, but I want to make the best use of our time together and talk directly to your needs. To help me do, that, could you tell me more about the most important priorities of this position? All I know is what I (heard from the recruiter, read in the classified ad, etc.)"

   Then, *ALWAYS follow-up with a second and possibly, third question*, to draw out his needs even more. Surprisingly, it's usually this *second* or *third* question that unearths what the interviewer is *most* looking for.

   You might ask simply, "And in addition to that?..." or, "Is there anything else you see as essential to success in this position?:

   This process will not feel easy or natural at first, because it is easier simply to answer questions, but only if you uncover the employer's wants and needs will your answers make the most sense. Practice asking these key questions before giving your answers, the process will feel more natural *and you will be light years ahead of the other job candidates you're competing with*.

   After uncovering what the employer is looking for, describe why the needs of this job bear striking parallels to tasks you've succeeded at before. Be sure to illustrate with specific examples of your responsibilities and especially your achievements, all of which are geared to present yourself as

a perfect match for the needs he has just described.

2. **"What are your greatest strengths?"**

TRAPS: This question seems like a softball lob, but be prepared. You don't want to come across as egotistical or arrogant. Neither is this a time to be humble.

BEST ANSWER: You know that your key strategy is to first uncover your interviewer's greatest wants and needs before you answer questions. And from Question 1, you know how to do this.

Prior to any interview, you should have a list mentally prepared of your greatest strengths. You should also have, a specific example or two, which illustrates each strength, an example chosen from your most recent and most impressive achievements.

You should, have this list of your greatest strengths and corresponding examples from your achievements so well committed to memory that you can recite them cold after being shaken awake at 2:30AM.

Then, once you uncover your interviewer' s greatest wants and needs, you can choose those achievements from your list that best match up.

As a general guideline, the 10 most desirable traits that all employers love to see in their employees are:

1. A proven track record as an achiever...* especially if your achievements match up with the employer's greatest wants and needs.*

2. Intelligence. ..management "savvy".

3. Honesty...integrity ...a decent human being.

4. Good fit with corporate culture...someone to feel comfortable with...a team player who meshes well with interviewer's team.

5. Likeability. ..positive attitude...sense of humor.

6. Good communication skills.

7. Dedication.. .willingness to walk the extra mile to achieve excellence.

8. Definiteness of purpose...clear goals.

9. Enthusiasm.. .high level of motivation.

10. Confident... healthy.. .a leader.

3. **"What are your greatest weaknesses?"**

TRAPS: Beware - this is an eliminator question, designed to shorten the candidate list. Any admission of a weakness or fault will earn you an "A" for honesty, but an "F" for the interview.

PASSABLE ANSWER: Disguise a strength as a weakness.

Example: "I sometimes push my people too hard. I like to work with a sense of urgency and everyone is not always on the same wavelength."

Drawback: This strategy is better than admitting a flaw, but it's so widely used, it is transparent to any experienced interviewer.

BEST ANSWER: (and another reason it's so important to get a thorough description of your interviewer' s needs *before* you answer questions): Assure the interviewer that you can think of nothing that would stand in the way of your performing in this position with excellence. Then, quickly review you strongest qualifications.

Example: "Nobody's perfect, but based on what you've told me about this position, I believe I' d make an outstanding match. I know that when I hire people, I look for two things most of all. Do they have the *qualifications* to do the job well, and the*motivation* to do it well? Everything in my background shows I have both the qualifications and a strong desire to achieve excellence in whatever I take on. So I can say in all honesty that I see nothing that would cause you even a small concern about my ability or my strong desire to perform this job with excellence."

Alternate strategy (if you don't yet know enough about the position to talk about such a perfect fit):
Instead of confessing a weakness, describe what you *like most* and *like least*, making sure that what you like most matches up with the most important qualification for success in the position, and what you like least is not essential.

Example: Let's say you're applying for a teaching position. "If given a choice, I like to spend as much time as possible in front of my prospects selling, as opposed to shuffling paperwork back at the office. Of course, I long ago learned the importance of filing paperwork properly, and I do it conscientiously. But what I really love to do is sell (if your interviewer were a sales manager, this should be music to his ears.)

4. **Tell me about something you did – or failed to do – that you now feel a little ashamed of.***

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TRAPS: There are some questions your interviewer has no business asking, and this is one. But while you may feel like answering, "*none of your business," *naturally you can't. Some interviewers ask this question on the chance you admit to something, but if not, at least they'll see how you think on your feet.

Some unprepared candidates, flustered by this question, unburden themselves of guilt from their personal life or career, perhaps expressing regrets regarding a parent, spouse, child, etc. All such answers can be disastrous.

BEST ANSWER: As with faults and weaknesses, *never confess a regret.* But don't seem as if you're stonewalling either.

Best strategy: Say you harbor no regrets, then add a principle or habit you practice regularly for healthy human relations.

Example: Pause for reflection, as if the question never occurred to you. Then say, "You know, I really can't think of anything." (Pause again, then add): "I would add that as a general management principle, I've found that the best way to avoid regrets is to avoid causing them in the first place. I practice one one habit that helps me a great deal in this regard. At the end of each day, I mentally review the day's events and conversations to take a second look at the people and developments I'm involved with and do a doublecheck of what they're likely to be feeling. Sometimes I'll see things that do need more follow-up, whether a pat on the back, or maybe a five minute chat in someone's office to make sure we're clear on things…whatever. "

"I also like to make each person feel like a member of an elite team, like the Boston Celtics or LA Lakers in their prime. I've found that if you let each team member know you expect excellence in their performance…if you work hard to set an example yourself…and if you let people know you appreciate and respect their feelings, you wind up with a highly motivated group, a team that's having fun at work because they're striving for excellence rather than brooding over slights or regrets."

5. **"Why are you leaving (or did you leave) this position?"**

TRAPS: Never badmouth your previous industry, company, board, boss, staff, employees or customers. This rule is inviolable: *<mark>never be negative</mark>.* Any mud you hurl will only soil your suit.

Especially avoid words like "personality clash", "didn't get along", or others which cast a shadow on your competence, integrity, or temperament.

BEST ANSWER:

*(If you have a job presently)
*If you're not yet 100% committed to leaving your present post, don't be afraid to say so. Since you have a job, you are in a stronger position than someone who

does not. But don't be coy either. State honestly what you'd be hoping to find in a new spot. Of course, as stated often before, you answer will all the stronger if you have already uncovered what this position is all about and you match your desires to it.

*(If you do not presently have a job.)
*Never lie about having been fired. It's unethical – and too easily checked. But do try to deflect the reason from you personally. If your firing was the result of a takeover, merger, division wide layoff, etc., so much the better.

But you should also do something totally unnatural that will demonstrate consummate professionalism. Even *if it* hurts , describe your own firing – candidly, succinctly and without a trace of bitterness – from the *company's * point-of-view, indicating that you could understand why it happened and you might have made the same decision yourself.

Your stature will rise immensely and, most important of all, you will show you are healed from the wounds inflicted by the firing. You will enhance your image as first-class management material and stand head and shoulders above the legions of firing victims who, at the slightest provocation, zip open their shirts to expose their battle scars and decry the unfairness of it all.

*For all prior positions:
*Make sure you've prepared a brief reason for leaving. *Best reasons:* more money, opportunity, responsibility or growth.

6. **The "Silent Treatment"**

TRAPS: *Beware* – if you are unprepared for this question, you will probably not handle it right and possibly blow the interview. Thank goodness most interviewers don't employ it. It's normally used by those determined to see how you respond under stress. Here's how it works:

You answer an interviewer' s question and then, instead of asking another, he just stares at you in a deafening silence.

You wait, growing a bit uneasy, and there he sits, silent as Mt. Rushmore, as if he doesn't believe what you've just said, or perhaps making you feel that you've unwittingly violated some cardinal rule of interview etiquette.

When you get this silent treatment after answering a particularly difficult question, such as "tell me about your weaknesses", its intimidating effect can be most disquieting, even to polished job hunters.

Most unprepared candidates rush in to fill the void of silence, viewing prolonged, uncomfortable silences as an invitation to clear up the previous answer which has obviously caused some problem. And that's what they do –

ramble on, sputtering more and more information, sometimes irrelevant and often damaging, because they are suddenly playing the role of someone who's goofed and is now trying to recoup. But since the candidate doesn't know where or how he goofed, he just keeps talking, showing how flustered and confused he is by the interviewer's unmovable silence.

BEST ANSWER: Like a primitive tribal mask, the Silent Treatment loses all it power to frighten you once you refuse to be intimidated. If your interviewer pulls it, keep quiet yourself for a while and then ask, with sincere politeness and not a trace of sarcasm, *"Is there anything else I can fill in on that point?"* That's all there is to it.

Whatever you do, don't let the Silent Treatment intimidate you into talking a blue streak, because you could easily talk yourself out of the position.

7. **"Why should I hire you?"**

TRAPS: Believe it or not, this is a killer question because so many candidates are unprepared for it. If you stammer or adlib you've blown it.

BEST ANSWER: By now you can see how critical it is to apply the overall strategy of uncovering the employer's needs *before* you answer questions. If you know the employer's greatest needs and desires, this question will give you a big leg up over other candidates because you will give him better reasons for hiring you than anyone else is likely to…reasons tied directly to his needs.

Whether your interviewer asks you this question *explicitly* or not, this is the most important question of your interview because he *must *answer this question favorably in is own mind before you will be hired. *So help him out!* Walk through each of the position's requirements as you understand them, and follow each with a reason why you meet that requirement so well.

Example: "As I understand your needs, you are first and foremost looking for someone who can manage the sales and marketing of your book publishing division. As you've said you need someone with a strong background in trade book sales. This is where I've spent almost all of my career, so I've chalked up 18 years of experience exactly in this area. I believe that I know the right contacts, methods, principles, and successful management techniques as well as any person can in our industry."

"You also need someone who can expand your book distribution channels. In my prior post, my innovative promotional ideas doubled, then tripled, the number of outlets selling our books. I'm confident I can do the same for you."

"You need someone to give a new shot in the arm to your mail order sales, someone who knows how to sell in space and direct mail media. Here, too, I believe I have exactly the experience you need. In the last five years,

I've increased our mail order book sales from $600,000 to $2,800,000, and now we're the country's second leading marketer of scientific and medical books by mail." *Etc., etc., etc.,*

Everyone of these selling "couplets" (his need matched by your qualifications) is a touchdown that runs up your score. IT is your best opportunity to outsell your competition.

8. "**Aren't you overqualified for this position?**"

TRAPS: The employer may be concerned that you'll grow dissatisfied and leave.

BEST ANSWER: As with any objection, don't view this as a sign of imminent defeat. It's an invitation to teach the interviewer a new way to think about this situation, seeing advantages instead of drawbacks.

*Example: *"I recognize the job market for what it is – a marketplace. Like any marketplace, it's subject to the laws of supply and demand. So 'overqualified' can be a relative term, depending on how tight the job market is. And right now, it's very tight. I understand and accept that."

"I also believe that there could be very positive benefits for both of us in this match."

"Because of my unusually strong experience in _____ ____ , I could start to contribute right away, perhaps much faster than someone who'd have to be brought along more slowly."

"There's also the value of all the training and years of experience that other companies have invested tens of thousands of dollars to give me. You'd be getting all the value of that without having to pay an extra dime for it. With someone who has yet to acquire that experience, he'd have to gain it on *your* *nickel.*"

"I could also help you in many things they don't teach at the Harvard Business School. For example…(how to hire, train, motivate, etc.) When it comes to knowing how to work well with people and getting the most out of them, there's just no substitute for what you learn over many years of front-line experience. You company would gain all this, too."

"From my side, there are strong benefits, as well. Right now, I am unemployed. I want to work, *very much*, and the position you have here is exactly what I love to do and am best at. I'll be happy doing this work and that's what matters most to me, a lot more that money or title."

"Most important, I'm looking to make a long term commitment in my career

now. I've had enough of job-hunting and want a permanent spot at this point in my career. I also know that if I perform this job with excellence, other opportunities cannot help but open up for me right here. In time, I'll find many other ways to help this company and in so doing, help myself. I really am looking to make a long-term commitment."

NOTE: The main concern behind the "overqualified" question is that you will leave your new employer as soon as something better comes your way. Anything you can say to demonstrate the sincerity of your commitment to the employer and reassure him that you're looking to stay for the long-term will help you overcome this objection.

9. "**Where do you see yourself five years from now?**"

   TRAPS: One reason interviewers ask this question is to see if you're settling for this position, using it merely as a stopover until something better comes along. Or they could be trying to gauge your level of ambition.

   If you're too specific, i.e., naming the promotions you someday hope to win, you'll sound presumptuous. If you're too vague, you'll seem rudderless.

   BEST ANSWER: Reassure your interviewer that you're looking to make a long-term commitment…that this position entails exactly what you're looking to do and what you do extremely well. As for your future, you believe that if you perform each job at hand with excellence, future opportunities will take care of themselves.

   Example: "I am definitely interested in making a long-term commitment to my next position. Judging by what you've told me about this position, it's exactly what I'm looking for and what I am very well qualified to do. In terms of my future career path, I'm confident that if I do my work with excellence, opportunities will inevitable open up for me. It's always been that way in my career, and I'm confident I'll have similar opportunities here."

10. "**Describe your ideal company, location and job.**"

    TRAPS: This is often asked by an experienced interviewer who thinks you may be overqualified, but knows better than to show his hand by posing his objection directly. So he'll use this question instead, which often gets a candidate to reveal that, indeed, he or she is looking for something other than the position at hand.

    BEST ANSWER: The only right answer is to describe what this company is offering, being sure to make your answer believable with specific reasons, stated with sincerity, why each quality represented by this opportunity is attractive to you.

Remember that if you're coming from a company that's the leader in its field or from a glamorous or much admired company, industry, city or position, your interviewer and his company may well have an "Avis" complex. That is, they may feel a bit defensive about being "second best" to the place you're coming from, worried that you may consider them bush league.

This anxiety could well be there even though you've done nothing to inspire it. You must go out of your way to assuage such anxiety, even if it's not expressed, by putting *their* virtues high on the list of exactly what you're looking for, providing credible reason for wanting these qualities.

If you do not express genuine enthusiasm for the firm, its culture, location, industry, etc., you may fail to answer this "Avis" complex objection and, as a result, leave the interviewer suspecting that a hot shot like you, coming from a Fortune 500 company in New York, just wouldn't be happy at an unknown manufacturer based in Topeka, Kansas.

11. **"Why do you want to work at our company?"**

TRAPS: This question tests whether you've done any homework about the firm. If you haven't, you lose. If you have, you win big.

BEST ANSWER: This question is your opportunity to hit the ball out of the park, thanks to the in-depth research you should do before any interview.

Best sources for researching your target company: annual reports, the corporate newsletter, contacts you know at the company or its suppliers, advertisements, articles about the company in the trade press.

12. **"What are your career options right now?"**

TRAPS: The interviewer is trying to find out, *"How desperate are you?"*

BEST ANSWER: Prepare for this question by thinking of how you can position yourself as a desired commodity. If you are still working, describe the possibilities at your present firm and why, though you're greatly appreciated there, you're looking for something more (challenge, money, responsibility, etc.). Also mention that you're seriously exploring opportunities with one or two other firms.

If you're not working, you can talk about other employment possibilities you're actually exploring. But do this with a light touch, speaking only in general terms. You don't want to seem manipulative or coy.

13. **"Why have you been out of work so long?"**

TRAPS: A tough question if you've been on the beach a long time. You don't want to seem like damaged goods.

BEST ANSWER: You want to emphasize factors which have prolonged your job search by your own choice.

Example: "After my job was terminated, I made a conscious decision not to jump on the first opportunities to come along. In my life, I've found out that you can always turn a negative into a positive IF you try hard enough. This is what I determined to do. I decided to take whatever time I needed to think through what I do best, what I most want to do, where I'd like to do it…and then identify those companies that could offer such an opportunity. "

"Also, in all honesty, you have to factor in the recession (consolidation, stabilization, etc.) in the (banking, financial services, manufacturing, advertising, etc.) industry."

"So between my being selective and the companies in our industry downsizing, the process has taken time. But in the end, I'm convinced that when I do find the right match, all that careful evaluation from both sides of the desk will have been well worthwhile for both the company that hires me and myself.

14. "**Tell me honestly about the strong points and weak points of your boss (company, management team, etc.)…**"

TRAPS: Skillful interviewers sometimes make it almost irresistible to open up and air a little dirty laundry from your previous position. DON'T

BEST ANSWER: Remember the rule: Never be negative. Stress only the good points, no matter how charmingly you're invited to be critical.

Your interviewer doesn't care a whit about your previous boss. He wants to find out how loyal and positive you are, and whether you'll criticize him behind his back if pressed to do so by someone in this own company. This question is your opportunity to demonstrate your loyalty to those you work with.

15. "**What good books have you read lately?**"

TRAPS: As in all matters of your interview, never fake familiarity you don't have. Yet you don't want to seem like a dullard who hasn't read a book since *Tom Sawyer.*

BEST ANSWER: Unless you're up for a position in academia or as book critic for *The New York Times*, you're not expected to be a literary lion. But it wouldn't hurt to have read a handful of the most recent and influential books in your profession and on management.

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Consider it part of the work of your job search to read up on a few of these leading books. But make sure they are *quality* books that reflect favorably upon you, nothing that could even remotely be considered superficial. Finally, add a recently published bestselling work of fiction by a world-class author and you'll pass this question with flying colors.

*Question 16 **Tell me about a situation when your work was criticized.***

TRAPS: This is a tough question because it's a more clever and subtle way to get you to admit to a weakness. You can't dodge it by pretending you've never been criticized. Everybody has been. Yet it can be quite damaging to start admitting potential faults and failures that you'd just as soon leave buried.

This question is also intended to probe how well you accept criticism and direction.

BEST ANSWERS: Begin by emphasizing the extremely positive feedback you've gotten throughout your career and (if it's true) that your performance reviews have been uniformly excellent.

Of course, no one is perfect and you always welcome suggestions on how to improve your performance. Then, give an example of a not-too-damaging learning experience from *early* in your career and relate the ways this lesson has since helped you. This demonstrates that you learned from the experience and the lesson is now one of the strongest breastplates in your suit of armor.

If you are pressed for a criticism from a *recent* position, choose something fairly trivial that in no way is essential to your successful performance. Add that you've learned from this, too, and over the past several years/months, it's no longer an area of concern because you now make it a regular practice to…etc.

Another way to answer this question would be to describe your intention to broaden your master of an area of growing importance in your field. For example, this might be a computer program you've been meaning to sit down and learn… a new management technique you've read about…or perhaps attending a seminar on some cutting-edge branch of your profession.

Again, the key is to focus on something *not essential* to your brilliant performance but which adds yet another dimension to your already impressive knowledge base.

*Question 17 **What are your outside interests?***

TRAPS: You want to be a well-rounded, not a drone. But your potential

employer would be even more turned off if he suspects that your heavy extracurricular load will interfere with your commitment to your work duties.

BEST ANSWERS: Try to gauge how this company's culture would look upon your favorite outside activities and be guided accordingly.

You can also use this question to shatter any stereotypes that could limit your chances. If you're over 50, for example, describe your activities that demonstrate physical stamina. If you're young, mention an activity that connotes wisdom and institutional trust, such as serving on the board of a popular charity.

But above all, remember that your employer is hiring your for what you can do *for him*, not your family, yourself or outside organizations, no matter how admirable those activities may be.

*Question 18 **The "Fatal Flaw" question**

TRAPS: If an interviewer has read your resume carefully, he may try to zero in on a "fatal flaw" of your candidacy, perhaps that you don't have a college degree…you've been out of the job market for some time…you never earned your CPA, etc.

A fatal flaw question can be deadly, but usually only if you respond by being overly defensive.

BEST ANSWERS: As every master salesperson knows, you will encounter objections (whether stated or merely thought) in *every *sale. They're part and parcel of the buyer's anxiety. The key is not to *exacerbate* the buyer's anxiety but *diminish* it. Here's how…

Whenever you come up against a fatal flaw question:

1. Be completely honest, open and straightforward about admitting the shortcoming. (Showing you have nothing to hide diminishes the buyer's anxiety.)

2. Do *not* apologize or try to explain it away. You know that this supposed flaw is nothing to be concerned about, and this is the attitude you want your interviewer to adopt as well.

3. Add that as desirable as such a qualification might be, its lack has made you work all the harder throughout your career and has not prevented you from compiling an outstanding tack record of achievements. You might even give examples of how, through a relentless commitment to excellence, you have consistently outperformed those who do have this qualification.

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Of course, the ultimate way to handle "fatal flaw" questions is to *prevent them from *arising in the first place. You will do that by following the master strategy described in Question 1, i.e., uncovering the employers needs and them matching your qualifications to those needs.

Once you've gotten the employer to start talking about his most urgently-felt wants and goals for the position, and then help him see in step-by-step fashion how perfectly your background and achievements match up with those needs, you're going to have one very enthusiastic interviewer on your hands, one who is no longer looking for "fatal flaws".

*Question 19 **How do you feel about reporting to a younger person (minority, woman, etc)?**

TRAPS: It's a shame that some interviewers feel the need to ask this question, but many understand the reality that prejudices still exist among some job candidates, and it's better to try to flush them out beforehand.

The trap here is that in today's politically sensitized environment, even a *well-intentioned* answer can result in planting your foot neatly in your mouth. Avoid anything which smacks of a patronizing or an insensitive attitude, such as "I think they make terrific bosses" or "Hey, some of my best friends are…"

Of course, since almost anyone with an IQ above room temperature will at least try to steadfastly affirm the right answer here, your interviewer will be judging your *sincerity* most of all. *"Do you really feel that way?"*is what he or she will be wondering.

So you must make your answer believable and not just automatic. If the firm is wise enough to have promoted peopled on the basis of ability alone, they're likely quite proud of it, and prefer to hire others who will wholeheartedly share their strong sense of fair play.

BEST ANSWER: You greatly admire a company that hires and promotes on merit alone and you couldn't agree more with that philosophy. The age (gender, race, etc.) of the person you report to would *certainly* make no difference to you.

Whoever has that position has obviously earned it and knows their job well. Both the person and the position are fully deserving of respect. You believe that all people in a company, from the receptionist to the Chairman, work best when their abilities, efforts and feelings are respected and rewarded fairly, and that includes you. That's the best type of work environment you can hope to find.

*Question 20 **On confidential matters…**

TRAPS: When an interviewer presses you to reveal confidential information

about a present or former employer, you may feel it's a no-win situation. If you cooperate, you could be judged untrustworthy. If you don't, you may irritate the interviewer and seem obstinate, uncooperative or overly suspicious.

*BEST ANSWER: *Your interviewer may press you for this information for two reasons.

First, many companies use interviews to research the competition. It's a perfect set-up. Here in their own lair, is an insider from the enemy camp who can reveal prized information on the competition' s plans, research, financial condition, etc.

Second, the company may be testing your integrity to see if you can be cajoled or bullied into revealing confidential data.

What to do? The answer here is easy. *Never* reveal anything truly confidential about a present or former employer. By all means, explain your reticence *diplomatically* . For example, "I certainly want to be as open as I can about that. But I also wish to respect the rights of those who have trusted me with their most sensitive information, just as you would hope to be able to trust any of your key people when talking with a competitor…"

And certainly you can allude to your finest achievements in specific ways that don't reveal the combination to the company safe.

But be guided by the golden rule. If you were the owner of your present company, would you feel it ethically wrong for the information to be given to your competitors? If so, steadfastly refuse to reveal it.

Remember that this question pits your desire to be cooperative against your integrity. Faced with any such choice, *always choose integrity.* It is a far more valuable commodity than whatever information the company may pry from you. Moreover, once you surrender the information, your stock goes down. They will surely lose respect for you.

One President we know always presses candidates unmercifully for confidential information. If he doesn't get it, he grows visibly annoyed, relentlessly inquisitive, *It's all an act.* He couldn't care less about the information. This is his way of testing the candidate's moral fiber. Only those who hold fast are hired.

*Question 21 **Would you lie for the company?*

TRAPS: This another question that pits two values against one another, in this case loyalty against integrity.

BEST ANSWER: Try to avoid choosing between two values, giving a positive statement which covers all bases instead.

*Example: *"I would never do anything to hurt the company.."

If aggressively pressed to choose between two competing values, *always choose personal integrity.* It is the most prized of all values.

*Question 22 **Looking back, what would you do differently in your life?***

TRAPS: This question is usually asked to uncover any life-influencing mistakes, regrets, disappointments or problems that may continue to affect your personality and performance.

You do not want to give the interviewer anything negative to remember you by, such as some great personal or career disappointment, even long ago, that you wish could have been avoided.

Nor do you wish to give any answer which may hint that your whole heart and soul will not be in your work.

BEST ANSWER: Indicate that you are a happy, fulfilled, optimistic person and that, in general, you wouldn't change a thing.

Example: "It's been a good life, rich in learning and experience, and the best it yet to come. Every experience in life is a lesson it its own way. I wouldn't change a thing."

*Question 23 **Could you have done better in your last job?***

TRAPS: This is no time for true confessions of major or even minor problems.

BEST ANSWER: Again *never be negative.*

Example: "I suppose with the benefit of hindsight you can always find things to do better, of course, but off the top of my head, I can't think of anything of major consequence. "

(If more explanation seems necessary)
Describer a situation that didn't suffer because of you but from external conditions beyond your control.

For example, describe the disappointment you felt with a test campaign, new product launch, merger, etc., which looked promising at first, but led to underwhelming results. "I wish we could have known at the start what we later found out (about the economy turning, the marketplace changing, etc.), but since we couldn't, we just had to go for it. And we did learn from it…"

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*Question 24 **Can you work under pressure?***

TRAPS: An easy question, but you want to make your answer *believable. *

BEST ANSWER: Absolutely…(then prove it with a vivid example or two of a goal or project accomplished under severe pressure.)

*Question 25 **What makes you angry?***

TRAPS: You don't want to come across either as a hothead or a wimp.

*BEST ANSWER: * Give an answer that's suited to both your personality and the management style of the firm. Here, the homework you've done about the company and its style can help in your choice of words.

*Examples: If you are a reserved person and/or the corporate culture is coolly professional: *

"I'm an even-tempered and positive person by nature, and I believe this helps me a great deal in keeping my department running smoothly, harmoniously and with a genuine *esprit de corps.* I believe in communicating clearly what's expected, getting people's commitment to those goals, and then following up continuously to check progress."

"If anyone or anything is going off track, I want to know about it early. If, after that kind of open communication and follow up, someone isn't getting the job done, I'll want to know why. If there's no good reason, then I'll get impatient and angry…and take appropriate steps from there. But if you hire good people, motivate them to strive for excellence and then follow up constantly, it almost never gets to that state."

If you are feisty by nature and/or the position calls for a tough straw boss.

"You know what makes me angry? People who (the fill in the blanks with the most objectionable traits for this type of position)…people who don't pull their own weight, who are negative, people who lie…etc."

*Question 26 **Why aren't you earning more money at this stage of your career?***

TRAPS: You don't want to give the impression that money is not important to you, yet you want to explain why your salary may be a little below industry standards.

BEST ANSWER: You like to make money, but other factors are even more important.

Example: "Making money is very important to me, and one reason I'm here

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is because I'm looking to make more. Throughout my career, what's been even more important to me is doing work I really like to do at the kind of company I like and respect.

(Then be prepared to be specific about what your ideal position and company would be like, matching them as closely as possible to the opportunity at hand.

*Question 27 **Who has inspired you in your life and why?*

TRAPS: The two traps here are unpreparedness and irrelevance. If you grope for an answer, it seems you've never been inspired. If you ramble about your high school basketball coach, you've wasted an opportunity to present qualities of great value to the company.

BEST ANSWER: Have a few heroes in mind, from your mental "Board of Directors" – Leaders in your industry, from history or anyone else who has been your mentor.

Be prepared to give examples of how their words, actions or teachings have helped inspire your achievements. As always, prepare an answer which highlights qualities that would be highly valuable in the position you are seeking.

*Question 28 **What was the toughest decision you ever had to make?*

TRAPS: Giving an unprepared or irrelevant answer.

BEST ANSWER: Be prepared with a good example, explaining why the decision was difficult…the process you followed in reaching it…the courageous or effective way you carried it out…and the beneficial results.

*Question 29 **Tell me about the most boring job you've ever had.*

TRAPS: You give a very memorable description of a very boring job. Result? You become associated with this boring job in the interviewer' s mind.

BEST ANSWER: You have never allowed yourself to grow bored with a job and you can't understand it when others let themselves fall into that rut.

*Example: "*Perhaps I've been fortunate, but that I've never found myself bored with any job I have ever held. I've always enjoyed hard work. As with actors who feel there are no small parts, I also believe that in every company or department there are exciting challenges and intriguing problems crying out for energetic and enthusiastic solutions. If you're bored, it's probably because you're not challenging yourself to tackle those problems right under your nose."

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*Question 30 **Have you been absent from work more than a few days in any previous position?**

TRAPS: If you've had a problem, you can't lie. You could easily be found out. Yet admitting an attendance problem could raise many flags.

BEST ANSWER: If you have had *no* problem, emphasize your excellent and consistent attendance record throughout your career.

Also describe how important you believe such consistent attendance is for a key executive…why it's up to you to set an example of dedication…and why there's just no substitute for being there with your people to keep the operation running smoothly, answer questions and handle problems and crises as they arise.

If you *do* have a past attendance problem, you want to minimize it, making it clear that it was an exceptional circumstance and that it's cause has been corrected.

To do this, give the same answer as above but preface it with something like, "Other that being out last year (or whenever) because of (your reason, which is now in the past), I have never had a problem and have enjoyed an excellent attendance record throughout my career. Furthermore, I believe, consistent attendance is important because…" (Pick up the rest of the answer as outlined above.).

*Question 31 **What changes would you make if you came on board?**

TRAPS: Watch out! This question can derail your candidacy faster than a bomb on the tracks – and *just as you are about to be hired.*

Reason: No matter how bright you are, you cannot know the right actions to take in a position before you settle in and get to know the operation's strengths, weaknesses key people, financial condition, methods of operation, etc. If you lunge at this temptingly baited question, you will probably be seen as someone who shoots from the hip.

Moreover, no matter how comfortable you may feel with your interviewer, you are still an *outsider.* No one, including your interviewer, likes to think that a know-it-all outsider is going to come in, turn the place upside down and with sweeping, grand gestures, promptly demonstrate what jerks everybody's been for years.

BEST ANSWER: You, of course, will want to take a good hard look at everything the company is doing before making any recommendations.

Example: "Well, I wouldn't be a very good doctor if I gave my diagnosis *before* the examination. Should you hire me, as I hope you will, I'd want to take a good hard look at everything you're doing and understand why it's

being done that way. I'd like to have in-depth meetings with you and the other key people to get a deeper grasp of what you feel you're doing right and what could be improved.

"From what you've told me so far, the areas of greatest concern to you are…" (name them. Then do two things. First, ask if these are in fact his major concerns. If so then reaffirm how your experience in meeting similar needs elsewhere might prove very helpful).

*Question 32 **I'm concerned that you don't have as much experience as we'd like in…**

TRAPS: This could be a make-or-break question. The interviewer *mostly*likes what he sees, but has doubts over one key area.
If you can assure him on this point, the job may be yours.

*BEST ANSWER: * This question is related to "The Fatal Flaw" (Question 18), but here the concern is not that you are *totally missing* some qualifications, such as CPA certification, but rather that your experience is *light* in one area.

Before going into any interview, try to identify the weakest aspects of your candidacy from this company's point of view. Then prepare the best answer you possible can to shore up your defenses.

To get past this question with flying colors, you are going to rely on your master strategy of *uncovering the employer's greatest wants and needs and then matching them with your strengths.* Since you already know how to do this from Question 1, you are in a much stronger position.

More specifically, when the interviewer poses as objection like this, you should…

1. Agree on the importance of this qualification.

2. Explain that your strength may be indeed be greater than your resume indicates because…

3. When this strength is added to your other strengths, it's really your *combination* of qualifications that's most important.

Then review the areas of your greatest strengths that match up most favorably with the company's most urgently-felt wants and needs.

This is powerful way to handle this question for two reasons. First, you're giving your interviewer more ammunition in the area of his concern. But more importantly, you're shifting his focus *away* from this one, isolated area and putting it on the *unique combination* of strengths you offer,

strengths which tie in perfectly with his greatest wants.

*Question 33 **How do you feel about working nights and weekends?***

*TRAPS: *Blurt out "no way, Jose" and you can kiss the job offer goodbye. But what if you have a family and want to work a reasonably normal schedule? Is there a way to get both the job and the schedule you want?

BEST ANSWER: First, if you're a confirmed workaholic, this question is a softball lob. Whack it out of the park on the first swing by saying this kind of schedule is just your style. Add that your family understands it. Indeed,
they're happy for you, as they know you get your greatest satisfaction from your work.

If however, you prefer a more balanced lifestyle, answer this question with another: "*What's the norm for your best people here?*"

If the hours still sound unrealistic for you, ask, "Do you have any top people who perform exceptionally for you, but who also have families and like to get home in time to see them at night?" Chances are this company does, and this associates you with this other
"top-performers- who-leave- not-later- than-six" group.

Depending on the answer, be honest about how you would fit into the picture. If all those extra hours make you uncomfortable, say so, but phrase your response positively.

Example: "I love my work and do it exceptionally well. I think the results speak for themselves, especially in …(mention your two or three qualifications of greater interest to the employer. Remember, this is what he wants most, not a workaholic with *weak* credentials) . Not only would I bring these qualities, but I've built my whole career on working not just hard, but *smart.* I think you'll find me one of the most
productive people here.

I *do* have a family who likes to see me after work and on weekends. They add balance and richness to my life, which in turn helps me be happy and productive at work. If I could handle some of the extra work at home in the evenings or on weekends, that would be ideal. You'd be getting a person of exceptional productivity who meets your needs with strong credentials. And I'd be able to handle some of the heavy workload at home where I can be under the same roof as my family. Everybody would win."

*Question 34 **Are you willing to relocate or travel?***

TRAPS: Answer with a flat "no" and you may slam the door shut on this opportunity. But what if you'd really prefer not to relocate or travel, yet

wouldn't want to lose the job offer over it?

BEST ANSWER: First find out where you may have to relocate and how much travel may be involved. Then respond to the question.

If there's no problem, say so enthusiastically.

If you do have a reservation, there are two schools of thought on how to handle it.

One advises you to keep your options open and your reservations to yourself in the early going, by saying, "no problem". You strategy here is to get the best offer you can, then make a judgment whether it's worth it to you to relocate or travel.

Also, by the time the offer comes through, you may have other offers and can make a more informed decision. Why kill of this opportunity before it has chance to blossom into something really special? And if you're a little more desperate three months from now, you might wish you hadn't slammed the door on relocating or traveling.

The second way to handle this question is to voice a reservation, but assert that you'd be open to relocating (or traveling) for the right opportunity.

The answering strategy you choose depends on how eager you are for the job. If you want to take no chances, choose the first approach.

If you want to play a little harder-to-get in hopes of generating a more enticing offer, choose the second.

*Question 35 **Do you have the stomach to fire people? Have you had experience firing many people?***

TRAPS: This "innocent" question could be a trap door which sends you down a chute and lands you in a heap of dust outside the front door. Why? Because its real intent is not just to see if you've got the stomach to fire, but also to uncover *poor judgment in hiring* which has caused you to fire so many. Also, if you fire so often, you could be a tyrant.

So don't rise to the bait by boasting how many you've fired, unless you've prepared to explain why it was beyond your control, and not the result of your poor hiring procedures or foul temperament.

***BEST ANSWER:** * Describe the rational and sensible management process you follow in both hiring and firing.

Example: "My whole management approach is to hire the best people I can find, train them thoroughly and well, get them excited and proud to be part of our team, and then work with them to achieve our goals together. If you

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do all of that right, especially hiring the right people, I've found you
don't have to fire very often.

"So with me, firing is a last resort. But when it's got to be done, it's
got to be done, and the faster and cleaner, the better. A poor employee can
wreak terrible damage in undermining the morale of an entire team of good
people. When there's no other way, I've found it's better for all concerned
to act decisively in getting rid of offenders who won't change their ways."
*Question 36 **Why have you had so many jobs?*

TRAPS: Your interviewer fears you may leave this position quickly, as you
have others. He's concerned you may be unstable, or a "problem person" who
can't get along with others.

BEST ANSWER: First, before you even get to the interview stage, you
should try to minimize your image as job hopper. If there are several
entries on your resume of less than one year, consider eliminating the less
important ones. Perhaps you can specify the time you spent at previous
positions in *rounded years* not in months and years.

*Example: * Instead of showing three positions this way:

6/1982 – 3/1983, Position A;
4/1983 – 12/1983, Position B;
1/1984 – 8/1987, Position C;

…it would be better to show simply:

1982 – 1983, Position A;
1984 – 1987 Position C.

In other words, you would drop Position B altogether. Notice what a
difference this makes in reducing your image as a job hopper.

Once in front of the interviewer and this question comes up, you must try to
reassure him. Describe each position as part of an overall pattern of
growth and career destination.

Be careful not to blame other people for your frequent changes. But you can
and should attribute certain changes to conditions beyond your control.

*Example: *Thanks to an upcoming merger, you wanted to avoid an ensuing
bloodbath, so you made a good, upward career move before your department
came under the axe of the new owners.

If possible, also show that your job changes were more frequent in your
younger days, while you were establishing yourself, rounding out your skills
and looking for the right career path. At this stage in your career, you're
certainly much more interested in the best *long-term* opportunity.

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You might also cite the job(s) where you stayed the longest and describe that this type of situation is what you're looking for now.
*Question 37 **What do you see as the proper role/mission of…
…a good (job title you're seeking);
…a good manager;
…an executive in serving the community;
…a leading company in our industry; etc.*

TRAPS: These and other "proper role" questions are designed to test your understanding of your place in the bigger picture of your department, company, community and profession….as well as the proper role each of these entities should play in *its* bigger picture.

The question is most frequently asked by the most *thoughtful* individuals and companies…or by those concerned that you're coming from a place with a radically different corporate culture (such as from a big government bureaucracy to an aggressive small company).

The most frequent mistake executives make in answering is simply not being prepared (seeming as if they've never giving any of this a though.)…or in phrasing an answer best suited to their *prior* organization' s culture instead of the hiring company's.

*BEST ANSWER: * Think of the most essential ingredients of success for each category above – your job title, your role as manager, your firm's role, etc.

Identify at least three but no more than six qualities you feel are most important to success in each role. Then commit your response to memory.

Here, again, the more information you've already drawn out about the greatest wants and needs of the interviewer, and the more homework you've done to identify the culture of the firm, the more on-target your answer will be.

*Question 38 **What would you say to your boss if he's crazy about an idea, but you think it stinks?*

TRAPS: This is another question that pits two values, in this case loyalty and honesty, against one another.

*BEST ANSWER: * Remember the rule stated earlier: In any conflict between values, *always choose integrity.*

Example: I believe that when evaluating anything, it's important to emphasize the positive. What do I like about this idea?"

"Then, if you have reservations, I certainly want to point them out, as

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specifically, objectively and factually as I can."

"After all, the most important thing I owe my boss is *honesty*. If he can't count on me for that, then everything else I may do or say could be questionable in his eyes."

"But I also want to express my thoughts in a constructive way. So my goal in this case would be to see if my boss and I could make his idea even stronger and more appealing, so that it effectively overcomes any initial reservation I or others may have about it."

"Of course, if he overrules me and says, 'no, let's do it my way,' then I owe him my full and enthusiastic support to make it work as best it can."

*Question 39 **How could you have improved your career progress?***

TRAPS: This is another variation on the question, "If you could, how would you live your life over?" Remember, you're not going to fall for any such invitations to rewrite person history. You can't win if you do.

BEST ANSWER: You're generally quite happy with your career progress. Maybe, if you had known something earlier in life (impossible to know at the time, such as the booming growth in a branch in your industry…or the corporate downsizing that would phase out your last job), you might have moved in a certain direction sooner.

But all things considered, you take responsibility for where you are, how you've gotten there, where you are going…and you harbor no regrets.

*Question 40 **What would you do if a fellow executive on your own corporate level wasn't pulling his/her weight…and this was hurting your department?***

TRAPS: This question and other hypothetical ones test your sense of human relations and how you might handle office politics.

BEST ANSWER: Try to gauge the political style of the firm and be guided accordingly. In general, fall back on universal principles of effective human relations – which in the end, embody the way you would like to be treated in a similar circumstance.

Example: "Good human relations would call for me to go directly to the person and explain the situation, to try to enlist his help in a constructive, positive solution. If I sensed resistance, I would be as persuasive as I know how to explain the benefits we can all gain from working together, and the problems we, the company and our customers will experience if we don't."

POSSIBLE FOLLOW-UP QUESTION: And what would you do if he still did not

change his ways?

ANSWER: "One thing I wouldn't do is let the problem slide, because it would only get worse and overlooking it would set a bad precedent. I would try again and again and again, in whatever way I could, to solve the problem, involving wider and wider circles of people, both above and below the offending executive and including my own boss if necessary, so that everyone involved can see the rewards for teamwork and the drawbacks of non-cooperation. "

"I might add that I've never yet come across a situation that couldn't be resolved by harnessing others in a determined, constructive effort."

*Question 41 **You've been with your firm a long time. Won't it be hard switching to a new company?**

TRAPS: Your interviewer is worried that this old dog will find it hard to learn new tricks.

BEST ANSWER: To overcome this objection, you must point to the many ways you have grown and adapted to changing conditions at your present firm. It has *not* been a static situation. Highlight the different responsibilities you've held, the wide array of new situations you've faced and conquered.

As a result, you've learned to adapt quickly to whatever is thrown at you, and you thrive on the stimulation of new challenges.

To further assure the interviewer, describe the similarities between the new position and your prior one. Explain that you should be quite comfortable working there, since their needs and your skills make a perfect match.

*Question 42 **May I contact your present employer for a reference?**

TRAPS: If you're trying to keep your job search private, this is the last thing you want. But if you don't cooperate, won't you seem as if you're trying to hide something?

BEST ANSWER: Express your concern that you'd like to keep your job search private, but that in time, it will be perfectly okay.

Example: "My present employer is not aware of my job search and, for obvious reasons; I'd prefer to keep it that way. I'd be most appreciative if we kept our discussion confidential right now. Of course, when we both agree the time is right, then by all means you should contact them. I'm very proud of my record there.

*Question 43 **Give me an example of your creativity (analytical skill…managing ability, etc.)**

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TRAPS: The worst offense here is simply being unprepared. Your hesitation may seem as if you're having a hard time remembering the last time you were creative, analytical, etc.

BEST ANSWER: Remember from Question 2 that you should commit to memory a list of your greatest and most recent achievements, ever ready on the tip of your tongue.

If you have such a list, it's easy to present any of your achievements in light of the quality the interviewer is asking about. For example, the smashing success you orchestrated at last year's trade show could be used as an example of creativity, or analytical ability, or your ability to manage.

*Question 44 **Where could you use some improvement? *

TRAPS: Another tricky way to get you to admit weaknesses. Don't fall for it.

BEST ANSWER: Keep this answer, like all your answers, positive. A good way to answer this question is to identify a cutting-edge branch of your profession (one that's not essential to your employer's needs) as an area you're very excited about and want to explore more fully over the next six months.

*Question 45 **What do you worry about?*

TRAPS: Admit to worrying and you could sound like a loser. Saying you never worry doesn't sound credible.

BEST ANSWER: Redefine the word 'worry' so that it does not reflect negatively on you.

Example: "I wouldn't call it worry, but I am a strongly goal-oriented person. So I keep turning over in my mind anything that seems to be keeping me from achieving those goals, until I find a solution. That's part of my tenacity, I suppose."

*Question 46 **How many hours a week do you normally work?*

TRAPS: You don't want to give a specific number. Make it to low, and you may not measure up. Too high, and you'll forever feel guilty about sneaking out the door at 5:15.

BEST ANSWER: *If you are in fact a workaholic and you sense this company would like that: *Say you are a confirmed workaholic, that you often work nights and weekends. Your family accepts this because it makes you fulfilled.

If you are not a workaholic: Say you have always worked hard and put in

long hours. It goes with the territory. It one sense, it's hard to keep track of the hours because your work is a labor of love, you enjoy nothing more than solving problems. So you're almost *always* thinking about your work, including times when you're home, while shaving in the morning, while commuting, etc.

*Question 47 **What's the most difficult part of being a (job title)?***

TRAPS: Unless you phrase your answer properly, your interviewer may conclude that whatever you identify as "difficult" is where you are weak.

BEST ANSWER: First, redefine "difficult" to be "challenging" which is more positive. Then, identify an area everyone in your profession considers challenging and in which you excel. Describe the process you follow that enables you to get splendid results…and be specific about those results.

Example: "I think every sales manager finds it challenging to motivate the troops in a recession. But that's probably the strongest test of a top sales manager. I feel this is one area where I excel."

"When I see the first sign that sales may slip or that sales force motivation is flagging because of a downturn in the economy, here's the plan I put into action immediately…" (followed by a description of each step in the process…and *most importantly,* the exceptional results you've achieved.).

*Question 48 **The "Hypothetical Problem"***

TRAPS: Sometimes an interviewer will describe a difficult situation and ask, *"How would you handle this?"* Since it is virtually impossible to have all the facts in front of you from such a short presentation, don't fall into the trap of trying to solve this problem and giving your verdict on the spot. It will make your decision-making process seem woefully inadequate.

BEST ANSWER: Instead, describe the rational, methodical process you would follow in analyzing this problem, who you would consult with, generating possible solutions, choosing the best course of action, and monitoring the results.

Remember, in all such, *"What would you do?"* questions, always describe your *process or working methods,* and you'll never go wrong.
*Question 49 **What was the toughest challenge you've ever faced?***

TRAPS: Being unprepared or citing an example from so early in your life that it doesn't score many points for you at this stage of your career.

BEST ANSWER: This is an easy question if you're prepared. Have a recent

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example ready that demonstrates either:

1. A quality most important to the job at hand; or

2. A quality that is *always* in demand, such as leadership, initiative, managerial skill, persuasiveness, courage, persistence, intelligence, etc.

*Question 50 **Have you consider starting your own business?***

TRAPS: If you say "yes" and elaborate enthusiastically, you could be perceived as a loose cannon in a larger company, too entrepreneurial to make a good team player…or someone who had to settle for the corporate life because you couldn't make a go of your own business.

Also too much enthusiasm in answering "yes" could rouse the paranoia of a small company indicating that you may plan to go out on your own soon, perhaps taking some key accounts or trade secrets with you.

On the other hand, if you answer "no, never" you could be perceived as a security-minded drone who never dreamed a big dream.

BEST ANSWER: Again it's best to:

1. Gauge this company's corporate culture before answering and…

2. Be honest (which doesn't mean you have to vividly share your fantasy of the franchise or bed-and-breakfast you someday plan to open).

In general, if the corporate culture is that of a large, formal, military-style structure, minimize any indication that you'd love to have your own business. You might say, "Oh, I may have given it a thought once or twice, but my whole career has been in larger organizations. That's where I have excelled and where I want to be."

If the corporate culture is closer to the free-wheeling, everybody's- a-deal-maker variety, then emphasize that in a firm like this, you can virtually get the best of all worlds, the excitement of seeing your own ideas and plans take shape…combined with the resources and stability of a well-established organization. Sounds like the perfect environment to you.

In any case, no matter what the corporate culture, be sure to indicate that any desires about running your own show are part of your *past*, not your present or future.

The last thing you want to project is an image of either a dreamer who failed and is now settling for the corporate cocoon…or the restless maverick who will fly out the door with key accounts, contacts and trade secrets under his arms just as soon as his bankroll has gotten rebuilt.

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Always remember: Match what you want with what the position offers. The more information you've uncovered about the position, the more believable you can make your case.

*Question 51 **What are your goals?***

TRAPS: Not having any…or having only vague generalities, not *highly specific* goals.

BEST ANSWER: Many executives in a position to hire you are strong believers in goal-setting. (It's one of the reason they've achieved so much). They like to hire in kind.

If you're vague about your career and personal goals, it could be a big turnoff to may people you will encounter in your job search.

Be ready to discuss your goals for each major area of your life: career, personal development and learning, family, physical (health), community service and (if your interviewer is clearly a religious person) you could briefly and generally allude to your spiritual goals (showing you are a well-rounded individual with your values in the right order).

Be prepared to describe each goal in terms of specific milestones you wish to accomplish along the way, time periods you're allotting for accomplishment, why the goal is important to you, and the specific steps you're taking to bring it about. But do this concisely, as you never want to talk more than two minutes straight before letting your interviewer back into the conversation.

*Question 52 **What do you for when you hire people?***

TRAPS: Being unprepared for the question.

BEST ANSWER: Speak your own thoughts here, but for the best answer weave them around the three most important qualifications for *any* position.

1. Can the person do the work (qualifications) ?

2. Will the person do the work (motivation) ?

3. Will the person fit in ("our kind of team player")?

*Question 53 **Sell me this stapler…(this pencil…this clock…or some other object on interviewer' s desk).***

TRAPS: Some interviewers, especially business owners and hard-changing executives in marketing-driven companies, feel that good salesmanship is *essential

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*for any key position and ask for an instant demonstration of your skill. Be ready.

BEST ANSWER: Of course, you already know the most important secret of all great salesmanship – "*find out what people want, then show them how to get it."*

If your interviewer picks up his stapler and asks, "sell this to me," you are going to demonstrate this proven master principle. *Here's how: *

"Well, a good salesman must know both his product and his prospect before he sells anything. If I were selling this, I'd first get to know everything I could about it, all its features and benefits."

"Then, if my goal were to sell it *you*, I would do some research on how you might use a fine stapler like this. The best way to do that is by asking some questions. May I ask you a few questions?"

Then ask a few questions such as, "Just out of curiosity, if you didn't already have a stapler like this, why would you want one? And in addition to that? Any other reason? Anything else?"

"And would you want such a stapler to be reliable?... Hold a good supply of staples?" (Ask more questions that point to the features this stapler has.)

Once you've asked these questions, make your presentation citing all the features and benefits of this stapler and why it's exactly what the interviewer just told you he's looking for.

Then close with, "Just out of curiosity, what would you consider a reasonable price for a quality stapler like this…a stapler you could have *right
now* and would (then repeat all the problems the stapler would solve for him)? Whatever he says, (unless it's zero), say, "Okay, we've got a deal."

NOTE: If your interviewer tests you by *fighting* every step of the way, denying that he even wants such an item, *don't fight him.* Take the product away from him by saying, "Mr. Prospect, I'm delighted you've told me right upfront that there's no way you'd ever want this stapler. As you well know, the first rule of the most productive salespeople in any field is to meet the needs of people who really *need and want* our products, and it just wastes everyone's time if we try to force it on those who don't. And I certainly wouldn't want to waste your time. But we sell many items. Is there *any* product on this desk you would very much like to own…just one item?" When he points something out, repeat the process above. If he knows anything about selling, he may give you a standing ovation.

*Question 54 **"The Salary Question" – How much money do you want?*

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TRAPS: May also be phrases as, *"What salary are you worth?"*…or, *"How much are you making now?" *This is your most important negotiation. Handle it wrong and you can blow the job offer or go to work at far less than you might have gotten.

BEST ANSWER: For maximum salary negotiating power, remember these five guidelines:

1. Never bring up salary. Let the interviewer do it first. Good salespeople sell their products thoroughly before talking price. *So should you.* Make the interviewer want you first, and your bargaining position will be much stronger.

2. If your interviewer raises the salary question too early, before you've had a chance to create desire for your qualifications, *postpone* the question, saying something like, "Money is important to me, but is *not *my main concern. Opportunity and growth are far more important. What I'd rather do, if you don't mind, is explore if I'm right for the position, and then talk about money. Would that be okay?"

3. The #1 rule of any negotiation is: *the side with more information wins.* After you've done a thorough job of selling the interviewer and it's time to talk salary, the secret is to get the employer talking about what he's willing to pay *before* you reveal what *you're* willing to accept. So, when asked about salary, respond by asking, "I'm sure the company has already established a salary range for this position. Could you tell me what that is?" Or, "I want an income commensurate with my ability and qualifications. I trust you'll be fair with me. What does the position pay?" Or, more simply, "What does this position pay?"

4. Know beforehand what you'd accept. To know what's reasonable, research the job market and this position for any relevant salary information. Remember that most executives look for a 20-25%$ pay boost when they switch jobs. If you're grossly underpaid, you may want more.

5. Never lie about what you currently make, but feel free to include the estimated cost of all your fringes, which could well tack on 25-50% more to your present "cash-only" salary.

*Question 55 **The Illegal Question*

TRAPS: Illegal questions include any regarding your age…number and ages of your children or other dependents…marital status…maiden name…religion… political affiliation…ancestry… national origin…birthplace… naturalization of your parents, spouse or children…diseases… disabilities… clubs…or spouse's occupation…*unless any of the above are directly related to your performance of the job.* You can't even be asked about *arrests*, though you can be asked about *convictions* .

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BEST ANSWER: Under the ever-present threat of lawsuits, most interviewers are well aware of these taboos. Yet you may encounter, usually on a second or third interview, a senior executive who doesn't interview much and forgets he can't ask such questions.

You can handle an illegal question in several ways. First, you can assert your legal right not to answer. But this will frighten or embarrass your interviewer and destroy any rapport you had.

Second, you could swallow your concerns over privacy and answer the question straight forwardly if you feel the answer could help you. For example, your interviewer, a devout Baptist, recognizes you from church and mentions it. Here, you could gain by talking about your church.

Third, if you don't want your privacy invaded, you can diplomatically answer the *concern* behind the question without answering the question itself.

Example: If you are over 50 and are asked, "*How old are you?"* you can answer with a friendly,* *smiling question of your own on whether there's a concern that your age my affect your performance. Follow this up by reassuring the interviewer that there's nothing in this job you can't do and, in fact, your age and experience are the most important *advantages* you offer the employer for the following reasons…

Another example: If asked, *"Do you plan to have children?"* you could answer, "I am wholeheartedly dedicated to my career", perhaps adding, "I have no plans regarding children." (You needn't fear you've pledged eternal childlessness. You have every right to change your plans later. Get the job first and then enjoy all your options.)

Most importantly, remember that illegal questions arise from fear that you won't perform well. The best answer of all is to get the job and perform brilliantly. All concerns and fears will then varnish, replaced by respect and appreciation for your work.

*Question 56 **The "Secret" Illegal Question*

TRAPS: Much more frequent than the Illegal question *(see Question 55) *is the* secret *illegal question. It's secret because it's asked only in the interviewer' s mind. Since it's not even expressed to you, you have no way to respond to it, and it can there be most damaging.

Example: You're physically challenged, or a single mother returning to your professional career, or over 50, or a member of an ethnic minority, or fit any of a dozen other categories that do not strictly conform to the majority in a given company.

Your interviewer wonders, "Is this person really able to handle the job?"…"Is he or she a 'good fit' at a place like ours?"…"Will the chemistry

ever be right with someone like this?" But the interviewer never raises such questions because they're illegal. So what can you do?

BEST ANSWER: Remember that just because the interviewer doesn't ask an illegal question doesn't mean he doesn't have it. More than likely, he is going to come up with his own answer. So you might as well help him out.

How? Well, you obviously can't respond to an illegal question if he hasn't even asked. This may well offend him. And there's always the chance he wasn't even concerned about the issue until you brought it up, and only then begins to wonder.

So you can't address "secret" illegal questions *head-on.* But what you can do is make sure there's enough *counterbalancing *information to more than reassure him that there's no problem in the area he *may *be doubtful about.

For example, let's say you're a sales rep who had polio as a child and you need a cane to walk. You know your condition has never impeded your performance, yet you're concerned that your interviewer may secretly be wondering about your stamina or ability to travel. Well, make sure that you hit these abilities very hard, leaving no doubt about your capacity to handle them well.

So, too, if you're in any different from what passes for "normal". Make sure, without in any way seeming *defensive* about yourself that you mention strengths, accomplishments, preferences and affiliations that strongly counterbalance any unspoken concern your interviewer may have.

*Question 57 **What was the toughest part of your last job?***

TRAPS: This is slightly different from the question raised earlier, *"What's the most difficult part of being a (job title…)"* because this asks what you *personally *have found most difficult in your last position. This question is more difficult to redefine into something positive. Your interviewer will assume that whatever you found toughest may give you a problem in your new position.

BEST ANSWER: State that there was nothing in your prior position that you found overly difficult, and let your answer go at that. If pressed to expand your answer, you could describe the aspects of the position you *enjoyed* more than others, making sure that you express maximum enjoyment for those tasks most important to the open position, and you enjoyed least those tasks that are unimportant to the position at hand.

*Question 58 **How do you define success…and how do you measure up to your own definition?***

TRAPS: Seems like an obvious enough question. Yet many executives, unprepared for it, fumble the ball.

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BEST ANSWER: Give a well-accepted definition of success that leads right into your own stellar collection of achievements.

Example: "The best definition I've come across is that success is the progressive realization of a worthy goal."

"As to how I would measure up to that definition, I would consider myself both successful and fortunate…"(Then summarize your career goals and how your achievements have indeed represented a progressive path toward realization of your goals.)

*Question 59 **"**The Opinion Question" – What do you think about …Abortion…The President…The Death Penalty…(or any other controversial subject)?***

TRAPS: Obviously, these and other "opinion" questions should never be asked. Sometimes they come up over a combination dinner/interview when the interviewer has had a drink or two, is feeling relaxed, and is spouting off about something that bugged him in today's news. If you give your opinion and it's the opposite of his, you won't change his opinions, but you could easily lose the job offer.

***BEST ANSWER:** * In all of these instances, just remember the tale about student and the wise old rabbi. The scene is a seminary, where an overly serious student is pressing the rabbi to answer the ultimate questions of suffering, life and death. But no matter how hard he presses, the wise old rabbi will only answer each difficult question with a question of his own.

In exasperation, the seminary student demands, *"Why, rabbi, do you always answer a question with another question?"* To which the rabbi responds, *"And why not?"*

If you are ever uncomfortable with *any *question, asking a question in return is the greatest escape hatch ever invented. It throws the onus back on the other person, sidetracks the discussion from going into an area of risk to you, and gives you time to think of your answer or, even better, *your next question!*

In response to any of the "opinion" questions cited above, merely responding, *"Why do you ask?"* will usually be enough to dissipate any pressure to give your opinion. But if your interviewer again presses you for an opinion, you can ask another question.

Or you could assert a generality that almost everyone would agree with. For example, if your interviewer is complaining about politicians then suddenly turns to you and asks if you're a Republican or Democrat, you could respond by saying, "Actually, I'm finding it hard to find any politicians I like these days."

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(Of course, your best question of all may be whether you want to work for someone opinionated.)

*Question 60 **If you won $10 million lottery, would you still work?**

TRAPS: Your totally honest response might be, *"Hell, no, are you serious?"* That might be so, but any answer which shows you as fleeing work if given the chance could make you seem lazy. On the other hand, if you answer, *"Oh, I'd want to keep doing exactly what I am doing, only doing it for your firm,"* you could easily inspire your interviewer to silently mutter to himself, *"Yeah, sure. Gimme a break."*

BEST ANSWER: This type of question is aimed at getting at your bedrock attitude about work and how you feel about what you do. Your best answer will focus on your positive feelings.

Example: "After I floated down from cloud nine, I think I would still hold my basic belief that achievement and purposeful work are essential to a happy, productive life. After all, if money alone bought happiness, then all rich people would be all happy, and that's not true.

"I love the work I do, and I think I'd always want to be involved in my career in some fashion. Winning the lottery would make it more fun because it would mean having more flexibility, more options...who knows?"

"Of course, since I can't count on winning, I'd just as soon create my own destiny by sticking with what's worked for me, meaning good old reliable hard work and a desire to achieve. I think those qualities have built many more fortunes that all the lotteries put together."

*Question 61 **Looking back on your last position, have you done your best work?**

TRAPS: Tricky question. Answer *"absolutely" * and it can seem like your best work is behind you. Answer, *"no, my best work is ahead of me,"* and it can seem as if you didn't give it your all.

BEST ANSWER: To cover both possible paths this question can take, your answer should state that you always try to do your best, and the best of your career is right now. Like an athlete at the top of his game, you are just hitting your career stride thanks to several factors. Then, recap those factors, highlighting your strongest qualifications.
*Question 62 **Why should I hire you from the outside when I could promote someone from within?*

TRAPS: This question isn't as aggressive as it sounds. It represents the interviewer' s own dilemma over this common problem. He's probably leaning toward you already and for reassurance, wants to hear what you have to say

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on the matter.

BEST ANSWER: Help him see the qualifications that *only* you can offer.

Example: "In general, I think it's a good policy to hire from within – to look outside probably means you're not completely comfortable choosing someone from inside.

"Naturally, you want this department to be as strong as it possibly can be, so you want the strongest candidate. I feel that I can fill that bill because…(then recap your strongest qualifications that match up with his greatest needs)."

*Question 63 **Tell me something negative you've heard about our company…*

TRAPS: This is a common fishing expedition to see what the industry grapevine may be saying about the company. But it's also a trap because as an outsider, you never want to be the bearer of unflattering news or gossip about the firm. It can only hurt your chances and sidetrack the interviewer from getting sold on you.

BEST ANSWER: Just remember the rule – never be negative – and you'll handle this one just fine.

*Question 64 **On a scale of one to ten, rate me as an interviewer. *

TRAPS: Give a perfect "10," and you'll seem too easy to please. Give anything less than a perfect 10, and he could press you as to where you're being critical, and that road leads *downhill* for you.

BEST ANSWER: Once again, *never be negative.* The interviewer will only resent criticism coming from you. This is the time to show your positivism.

However, don't give a numerical rating. Simply praise whatever interview style he's been using.

If he's been tough, say "You have been thorough and tough-minded, the very qualities needed to conduct a good interview."

If he's been methodical, say, "You have been very methodical and analytical, and I'm sure that approach results in excellent hires for your firm."

In other words, pay him a sincere compliment *that he can believe* because it's anchored in the behavior you've just seen.