

SPECIALIST WORKBOOK

FP&A Interview & Case Workbook

Forecast the business. Explain the movement. Recommend a decision.

Original fictional cases

Worked solutions

Interview practice

Decision worksheets

How to use this workbook

A practical workbook for analyst and senior analyst candidates, including professionals moving from accounting into planning. You should already be comfortable with an income statement, a balance sheet and basic spreadsheet formulas. You do not need prior ownership of a corporate forecast.

All companies, figures and candidate examples in this book are fictional. They are teaching cases, not examples submitted by customers or questions attributed to an employer. Currency is US dollars unless stated otherwise. This is career education, not investment, accounting or legal advice. No certification or employer endorsement is implied.

Use a spreadsheet alongside the book. Attempt the prompts before reading the answers. Preserve your first answer: the gap between that answer and your corrected version is your next practice assignment.

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1. What an FP&A candidate must demonstrate

An FP&A team needs a usable explanation of what happened and a defensible view of what could happen next. A technically correct number is only part of that work. Someone must reconcile it to the source, explain the assumption, establish who can influence it and decide when to update it.

Start with the role's actual scope. A business-unit analyst may spend more time with operating managers than with capital allocation. A corporate analyst may consolidate submissions, challenge inconsistent assumptions and prepare the board reporting pack. A strategic-finance role may emphasize pricing, unit economics or investment choices. Titles overlap; use the job description and the interview to identify the work.

Read a job description as a list of deliverables

WORDING IN THE ROLE	EVIDENCE TO PREPARE	USEFUL QUESTION TO ASK
Own monthly reporting	A reconciled variance and a clear action	Which decisions use the monthly pack?
Partner with operations	A disagreement resolved with evidence	Who owns volume and staffing assumptions?
Support the forecast	An assumptions log and a scenario	What is the forecast horizon and cadence?
Improve processes	A documented control or faster handoff	Where does the current process break down?
Evaluate investments	Cash flows and a sensitivity	How are projects reviewed after approval?

Prepare four pieces of evidence: a driver model, a variance explanation, a decision memo and an honest account of your contribution. They may come from permitted work examples or clearly labeled independent practice. Never take confidential employer files into an interview. Recreate the logic using fictional data instead.

Practice prompt

A posting requests budgeting, SQL and executive presentations. You have reconciled accounts and built recurring Excel reports but have never owned a budget. Write a 90-second explanation of your fit without claiming ownership you did not have.

Suggested answer

Lead with the transferable evidence: you can reconcile a source, investigate differences and deliver a repeatable report. Then name the gap plainly: you have not owned an annual budget. Explain the forecasting exercise you completed and the assumptions you would validate with an operating owner. If SQL is only introductory, say so and distinguish queries you can write from production data pipelines you have not managed.

The answer is stronger when it includes one real decision your analysis supported. Report production by itself does not show that anyone used the report. If the result is unknown, describe the handoff rather than inventing a business benefit.

2. A model another person can review

Before modeling, establish the unit, period, scope and decision. A monthly case in thousands can be ruined by one annual salary entered as a monthly amount. A forecast that includes acquired revenue cannot be compared directly with an organic-growth target unless you reconcile the perimeter.

Keep inputs, calculations and outputs distinguishable. A small case does not need twenty tabs. It needs a clear source area, an assumptions section, a calculation flow and a short decision summary. Put units in headers. Name the comparison version: original budget, latest forecast and prior year answer different questions.

A practical build sequence

- 01 Record the question and deadline. Identify the minimum output needed to answer it.
- 02 Inventory the data. Note missing periods, duplicates, currency and account definitions.
- 03 Reconcile the starting actuals to the supplied total before forecasting.
- 04 Build a small set of operational drivers. Separate observed facts from estimates.
- 05 Add control checks: totals, roll-forwards and scenario consistency.
- 06 Write the recommendation, then identify the assumption that could overturn it.

Avoid hardcoding a number inside a formula when that number represents an assumption. A formula such as units multiplied by a price input is easier to inspect than a long expression with unexplained constants. Use a consistent sign convention. In this workbook, costs are shown as positive amounts and subtracted when calculating profit; cash outflows are identified explicitly.

A source-quality problem

The sales extract shows \$1.06 million and the general ledger shows \$1.02 million. Do not quietly choose the more convenient figure. Establish whether the extract includes orders that have not been recognized as revenue, excludes credit notes, uses a different date or includes taxes. Build a reconciliation bridge. If time runs out, identify the unexplained \$40,000 and state which total you used and why.

Exercise and answer

A report has January actuals of 210, February of 230 and March of 260, all in thousands. Its quarter total says 720. What should happen before forecasting April?

The monthly sum is 700, leaving a 20 difference. Trace whether the quarter total has an adjustment or the monthly data omits an account. A forecast using 720 as the baseline while presenting the months as 700 has an internal inconsistency. A temporary assumption is acceptable only if the unresolved amount is visible and its decision impact is discussed.

3. Worked case: a revenue beat hides a margin miss

Larch Supply sells one standardized component. You receive the following monthly results. Costs are positive dollar amounts. The task is to explain the operating-profit variance and identify the next management question.

INPUT	BUDGET	ACTUAL
Units shipped	10,000	11,000
Revenue per unit	\$50	\$48
Variable cost per unit	\$30	\$32
Fixed operating costs	\$120,000	\$125,000

Budget revenue is $10,000 \times \$50 = \$500,000$. Actual revenue is $11,000 \times \$48 = \$528,000$. Revenue beats budget by \$28,000, or 5.6%. That result is not enough to conclude that the month was strong.

Budget contribution is $10,000 \times (\$50 - \$30) = \$200,000$. After fixed costs, operating profit is \$80,000. Actual contribution is $11,000 \times (\$48 - \$32) = \$176,000$. Actual operating profit is \$51,000. Profit is \$29,000 below budget despite the revenue beat.

Build a bridge that reconciles

Hold price and unit cost at budget while measuring the volume effect. Then measure price and unit cost changes on actual volume. This convention allocates the interaction to the price and cost terms; other conventions are possible if clearly labeled.

PROFIT MOVEMENT	CALCULATION	IMPACT
Volume	$(11,000 - 10,000) \times (\$50 - \$30)$	+\$20,000
Price	$11,000 \times (\$48 - \$50)$	-\$22,000
Unit cost	$-11,000 \times (\$32 - \$30)$	-\$22,000
Fixed costs	$-(\$125,000 - \$120,000)$	-\$5,000
Total	$\$20,000 - \$22,000 - \$22,000 - \$5,000$	-\$29,000

The bridge reconciles \$80,000 of budget profit to \$51,000 of actual profit. Each line has an economic interpretation. More units contributed \$20,000 at planned economics, but discounting and cost pressure each removed \$22,000.

A management-ready explanation

“Revenue exceeded plan by \$28,000, but operating profit missed by \$29,000. Additional volume helped by \$20,000; lower realized price and higher unit cost each offset \$22,000. I would separate customer discounts from product mix and split the cost increase into purchase price, freight and production usage before resetting the forecast.”

Notice what the explanation does not claim. It does not blame the sales team without knowing who approved the discounts. It does not assume the cost increase will persist. It names the investigation needed to make the forecast useful.

Your turn

For next month, assume 10,500 units, price of \$49, unit cost of \$31 and fixed costs of \$123,000. Calculate revenue, contribution, profit and the break-even volume. Then identify one risk in this forecast.

Answer

Revenue is \$514,500. Contribution is $10,500 \times \$18 = \$189,000$. Operating profit is \$66,000. Break-even volume is $\$123,000 / \$18 = 6,833.33$ units, so at least 6,834 whole units are needed under these assumptions. A risk is that the \$49 price recovery has not been agreed with customers. A second is that

cost savings may require a purchase commitment that increases inventory. The forecast should show the owner and evidence for each assumption.

4. Price, volume and mix without double counting

The single-product bridge becomes more subtle when the product mix changes. Average price can rise because each product becomes more expensive or because customers buy more of the expensive product. Those are different commercial stories.

Start at the product level. For each product, calculate a volume effect using budget price and a price effect using actual quantity. The sum reconciles total revenue. You can then divide the volume effect into total-volume and mix effects if the decision requires it. State the convention before presenting the bridge.

Two-product example

PRODUCT	BUDGET UNITS	BUDGET PRICE	ACTUAL UNITS	ACTUAL PRICE
Standard	800	\$40	600	\$42
Premium	200	\$80	400	\$78
Total units	1,000		1,000	

Budget revenue is \$48,000. Actual revenue is \$25,200 + \$31,200 = \$56,400. Total volume is unchanged, but revenue increases by \$8,400.

The Standard quantity effect is $-200 \times \$40 = -\$8,000$; the Premium quantity effect is $+200 \times \$80 = +\$16,000$. Together these produce an \$8,000 mix benefit because total units did not change. Actual-quantity price effects are +\$1,200 for Standard and -\$800 for Premium, a net \$400 benefit. Total movement is \$8,400.

Do not call the full \$8,400 a pricing win. Most of it comes from mix. If Premium has lower contribution per dollar of revenue, the profit implication could be less attractive than the revenue implication. Repeat the analysis on contribution when the decision is about profitability.

Exercise

Assume actual quantities instead become 660 Standard and 440 Premium, with the same actual prices. Use budget mix of 80% Standard and 20% Premium to decompose the revenue change.