IMG INVESTMENT MANAGEMENT

Fall 2025 First-Round Prompt

Introduction

Thank you for your interest in the Northwestern University Investment Management Group (IMG). The mission of IMG is to make investors of our members. We have no expectations of prior knowledge or experience in finance. We are looking for candidates with a strong ability to conduct research and a willingness to work as hard for us as we will for you. To that end, this assignment is meant as an assessment of your research abilities and general business intuition.

IMG has a strong preference for recruiting freshmen; students in other grades are welcome to apply but will be evaluated against a much higher standard.

We invite you to complete this assignment by **11:59 PM CT on Sunday, September 21st**. Select candidates will then advance to interviews to determine admission into the club. Due to the quick turnaround of our recruitment process, we are unable to accept late applications.

Prompt

Please conduct research (primary and/or secondary) to compare/contrast commercial airlines and rail transport companies. **Specifically, if you were to own either an airline or a rail transport company, what factors would you consider in your decision?**

We do not expect a final answer on which type of business is more attractive, but simply an analysis of the most important factors that might motivate such a decision.

Please consider the following as you construct your analysis:

- Commercial airlines primarily transport passengers, and exclude air cargo shipping companies. Rail transport companies primarily transport cargo, and exclude passenger rail such as Amtrak.
- While there are many dimensions that inform decisions in owning and operating businesses, please focus your research on these business models in an economic sense (i.e., in terms of profitability), rather than non-economic individual preferences or social/environmental considerations. This allows us to appropriately compare different candidates' responses.

- You are free to consider the relative performance of the categories in different macroeconomic environments, but we are not asking you to develop an opinion on how macroeconomic conditions may affect these industries.
- Do not focus your conclusions on specific companies (publicly-traded or private); think of this exercise more broadly in the context of the factors differentiating the different business models. Feel free, however, to use examples from such companies where appropriate.
- Set aside logistical obstacles related to starting a new business in general. Assume you have all the resources that you need (i.e. land, permits, etc.).
- Appropriately cite any sources. You may include a second page solely for works cited. Note that your submission should include and emphasize your original analysis and not simply be a "book report" summarizing others' thoughts.

We encourage you to be as creative in your thinking as possible as you complete this assignment. There is no single correct answer to this prompt, and you will be evaluated based on your work's depth, quality, and nuance.

Summarize your findings in a single, typed page with no less than 10-pt. font and 1-in. margins. Please submit your findings through the Google form linked on our website, www.nuimg.org/recruitment.

Remember that we're looking for concise and logical analysis, not flowery prose. There are no bonus points for using big words or crafting complex sentences.

Please note that this assignment is not meant for teams; **each applicant's work must be entirely their own without influence from peers or mentors, including members of IMG**. Applications wholly or partially written by AI will be discarded. Violation of this policy will result in disqualification from IMG's application process.

Email northwesternimg@gmail.com with any further questions. Best of luck with your research!