



## Winter 2022 First-Round Prompt

### Introduction

Thank you for your interest in the Northwestern University Investment Management Group. IMG exists to make investors out of young people who are willing to work hard and are eager to learn. We have no expectation of prior knowledge or experience in finance. We are looking for people who have a strong ability to conduct research and are willing to work as hard for us as we will be for you. To that end, this assignment is meant as an assessment of your research abilities and general business intuition.

We invite you to **complete this assignment by 11:59 PM CT Sunday, January 9th**. Select candidates will then advance to interviews to determine admission into the club.

### Prompt

Please conduct primary and/or secondary research contrasting sub-segments of the retail industry.

**Specifically, if you were to decide between owning an off-price retailer and owning a dollar store, what considerations would factor into your decision?** We do not expect a final answer on which type of business is more attractive, but simply an analysis of the factors that might motivate such a decision.

Some additional notes to consider:

- For reference, “off-price” refers to retailers that sell products at a discount to their original price (e.g. TJ Maxx, Marshall’s), and dollar stores refer to retailers that sell everyday goods at inexpensive prices (e.g. Dollar Tree, Dollar General).
- Please note that we do **not** simply want a summary of specific companies or publicly-traded stocks; think of this exercise more broadly in the context of researching and informing the decision to own an individual storefront.
- Assume that the company in question is already established and set aside considerations relating to starting a new business (e.g. finding a location, constructing a building, navigating permitting/zoning laws, etc.).
- Note that we are interested in the qualities of brick-and-mortar retail locations for in-person shopping. The e-commerce side of these businesses may be a consideration, but it is not the central point of this prompt.

We encourage you to be as creative as possible in your completion of 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](http://www.nuimg.org/recruitment). Please note that this assignment is not meant for teams; each applicant’s work must be entirely their own without influence from their peers. Email [northwesternimg@gmail.com](mailto:northwesternimg@gmail.com) with any questions.