

Excel - Basics

Excel Basics

The ability to use Excel is a skill required for all business majors today. Accountants use Excel almost every day! In this video you will learn some basic skills that you will be required to use in your accounting class. All demonstrations in this video will be using Microsoft Excel 2007.

In this video you will learn how to format words and numbers in an excel workbook. You will also learn how to insert worksheet. Then you will learn how to create formulas and use the AutoSum button. The last thing that we will cover is how to print and include headings.

Let's look at how to format words and numbers in Excel and also how to insert worksheets.

Here's an example of an income statement. It doesn't look very readable now – so let's learn how to change the formatting so that this income statement will look professional.

Most of the formatting tools are located on the home tab. Let's briefly review the home tab. In the font area, this is where you can change the color, size, and type of the text. The alignment area allows you to center, right align, or left align the text. And the number area provides tools for formatting numbers.

To begin, we will first move the columns so that all text is readable. Move the mouse to the right side of the column you wish to adjust. Do you see the line with the two arrows? Now hold down the left mouse button and drag the column to where you want it. You can also perform a short-cut to adjust column size by double-clicking rapidly the line and arrow.

Some students are alarmed by the number signs that are shown here. This just means that the column is not big enough. So simply adjust the size of the column and the number signs will go away.

Now let's learn how to indent the words, or accounts on the income statement. We can indent by using the space key, like this. But this can take a long time. There is a short cut button for indents and it's this key. Found in the alignment area. You can click as many times as needed to increase the indent.

Now we will address how to format numbers. Again there are several ways to format numbers. I think the easiest way is to use the number format area. Click on the cell you want to format. This cell should have a dollar sign – so simply click the dollar sign button in the number format area. If you want to decrease the number of decimals, click on this button. Clicking it twice will remove all decimals.

To add only commas to a number, we will use the comma button. Click the cell you want to adjust and then click the comma button.

We can also format a cell by right clicking on your mouse and then clicking format cells. There are number of options here and you can select as appropriate.

Another way to modify a workbook is to insert a worksheet. Inserting a worksheet is easy. Simply move your mouse to the sheet, right click, and click insert. Select worksheet and ok. You can move the sheet by clicking and holding down the mouse and dragging it to the area you want to move it to.

Now we will learn how to use AutoSum and also how to create formulas.

The income statement is now ready to be calculated. One of the benefits of Excel is the power of Excel when using formulas. Formulas allow the user to change numbers without having to re-add. Excel will do all the work for you!

Let's learn how to create formulas in Excel. All formulas start with an equal sign. So if we wanted to add selling expenses, we would start the formula with an equal. Then we would type in the cells we wanted to add. For instance: equal B9 plus B10 plus B11. We now need to hit the enter key on our keyboard. All formulas are created this way. They start with an equal sign and then you reference the cells you would like to use in the formula.

A shortcut to summing is provided by the AutoSum button. The AutoSum button will sum adjacent cells. Let's use the AutoSum button to add general and administrative expenses. Begin by clicking the cell where you want the sum to be, and then click the AutoSum button. Highlight, by holding down your mouse, the numbers you want to add, then hit enter on your keyboard.

Sometimes we want to be able to copy and paste formulas so we don't have to reenter them. Let's use this formula as an example. If I wanted to copy this formula to the next cell, I would right-click on my mouse, select copy, click in the cell I wish to copy it to, right click again, and then click paste. However, this takes a long time. I could also copy this formula by using the drag method. To do this, I would click on the cell I want to copy, move my mouse to the lower right corner until I see the black crosshairs (or plus sign), hold the right mouse button down, and drag. Release the mouse button when complete.

Now let's talk briefly about cell referencing. In this cell I'm calculating the tax due by multiplying cell B6 times B1. Notice what happens if I copy this cell. The cell reference is not correct! When you copy, Excel moves the cell reference to correspond with where you pasted to. But I can change this by using a dollar sign (\$). Placing a dollar sign in front of a cell reference tells Excel not to change the reference when copying and pasting. So for instance, in this formula, I want the cell B1 to remain the same. I will place a dollar sign in front of the B so that the column won't change and also a dollar sign in front of the 1 so that the row won't change. Notice what happens now when I copy. The cell reference is correct. Remember, placing a dollar sign in front of a column or row reference tells excel not to change the reference.

When you have completed your workbook, you are now ready to print.

We have almost completed the income statement. We still need to add a header. There are a couple of ways to add a header. I'll show you one way using the print preview tool. To access print preview, click on the office button, move your mouse to print, and then over to print preview. Click on page set-up. Click on Header/Footer and then custom header. Enter your header and then click ok. And OK again. Our header has now been added.

Notice also that our income statement is on multiple pages. We can set the page setup so that it will print to one page only. In the print preview area, click page setup, make sure you are on the page tab, and then click fit to one page wide by one tall. Click OK.

I hope that this video has helped you get started in Excel. Excel is an excellent software to learn and I recommend that you continue to use and learn Excel – it will be a benefit to your future or current career.