Microsoft® Excel for Accounting

Chapter 10: Budgeting and Cost Analysis

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Learning Objectives

■ After studying this chapter, you will be able to:

▲ Create cost and purchases budgets

▲ Perform a cost-volume-profit (CVP) analysis

▲ Freeze rows and columns

▲ Split a worksheet window

▲ Use Goal Seek

▲ Use Solver

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Accounting Refresher: Budgeting and Cost Analysis

- Budgeting is a process that facilitates planning for future periods.

- Two common types of budgets are:
  - ▲ Cash budgets
  - ▲ Purchases budgets

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Cost-Volume-Profit (CVP) Analysis

- A CVP analysis calculates the different income levels expected based on various levels of variable costs, fixed costs, and unit sales for a period.

- The breakeven point (the sales level resulting in a net income of $0) is often sought as part of a CVP analysis.

- The contribution margin (the unit selling price minus the unit variable cost) is another key component of a CVP analysis.

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Using Flexible Worksheet Views

- Freezing rows and/or columns allows the user to keep certain data visible while scrolling through the worksheet.

- Splitting the worksheet window allows for the examination of multiple sections of a worksheet simultaneously.

- Freezing and splitting should not be used simultaneously.

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Viewing Worksheets in Multiple Windows

- Instead of splitting a worksheet, the user can instead view a worksheet in multiple windows.

- When a change is made in one window, it is reflected in both windows.
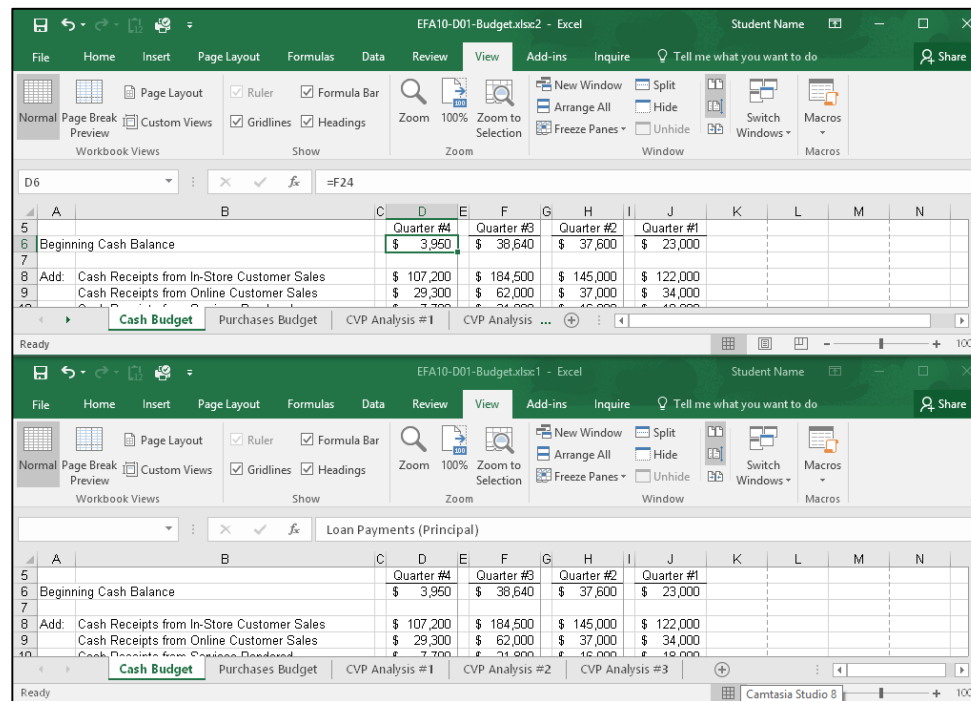
Printing Multipage Worksheets

■ A number of options can be used to improve the appearance of printed worksheets, including:

▲ Margins

▲ Orientation

▲ Size

▲ Print Area

▲ Scale to Fit

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Setting Additional Printing Options

- Title rows and columns can be designated and will print on every page.

- Other printing options include:
  - ▲ Gridlines
  - ▲ Headings

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Goal Seek

- Goal Seek allows the user to set a goal for a specific formula result.

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Solver

■ Solver can solve problems when more than one variable requires adjustment.

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