

Microsoft® **Excel for Accounting**

Chapter 6: Depreciation Schedule



LABYRINTH
LEARNING™

Learning Objectives

- After studying this chapter, you will be able to:
 - ▲ Create a depreciation schedule
 - ▲ Create a table
 - ▲ Convert a range to a table, and vice versa
 - ▲ Use the SLN, SYD, and DDB functions
 - ▲ Sort, filter, and analyze table data

Accounting Refresher: Depreciation Expense

- Depreciation represents the loss in value that a fixed asset experiences over time.
- Depreciation methods include:
 - ▲ Straight-line depreciation
 - ▲ Sum of the years' digits depreciation
 - ▲ Double-declining balance depreciation
- To calculate a depreciation expense, a business must estimate the asset's salvage value and useful life.



Straight-Line Depreciation

- The straight-line depreciation method results in the same depreciation expense for every year of the asset's useful life.
- This is the most widely used depreciation method.

Sum of the Years' Digits Depreciation

- The sum of the years' digits depreciation method is an accelerated depreciation method.
 - ▲ Accelerated depreciation methods result in more depreciation during the early years of an asset's useful life.

Double-Declining Balance Depreciation

- The double-declining balance depreciation method is also an accelerated depreciation method.
- Other declining balance methods include triple-declining balance and 1.5-declining balance.

Working with Tables

- Tables allow for the efficient management of data.
- Tables include a variety of features such as:
 - ▲ Automatic expansion
 - ▲ Calculated columns
 - ▲ Table styles
 - ▲ Filtering
 - ▲ Functions

Populating and Formatting a Table

- The user can convert a range of cells to a table or can first create a table and then populate it.
- Table columns follow a number of rules including:
 - ▲ One item per column
 - ▲ Unique headings must be used
 - ▲ Special Characters are not permitted
- When formatting a table, a number of features can be chosen from the Ribbon, such as:
 - ▲ Header row or header column
 - ▲ Banded rows or banded columns

Applying Depreciation Functions with Structured References

- Excel includes a number of depreciation functions, such as:
 - ▲ SLN (straight-line depreciation)
 - ▲ SYD (sum of the years' digits depreciation)
 - ▲ DDB (double-declining balance depreciation)

Structured References

- Structured references are used in tables to facilitate formula updates.
- As rows and columns are added to or deleted from the table, structured references update automatically.
- The formula displayed here includes structured references instead of standard cell references:

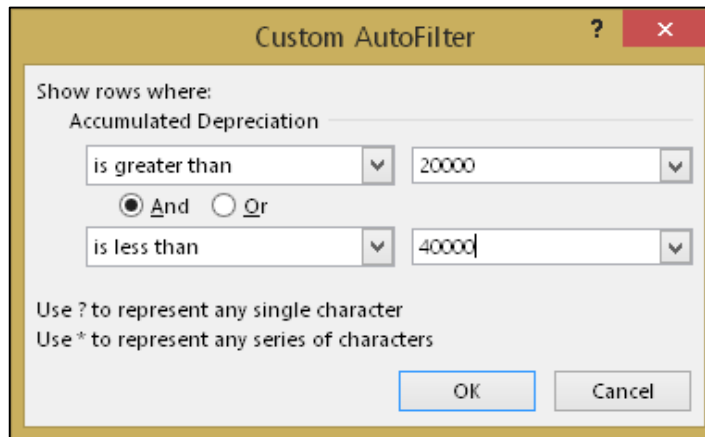
Cost	Salvage Value	Useful Life (years)	Accumulated Depreciation	Depreciation Expense	Year-End Book Value			
\$ 12,400	\$ 2,400	10	\$ 9,000	\$ 1,000	=[@Cost]-[@Accumulated Depreciation]			

Sorts

- AutoFilter buttons can be displayed within the header row of a table.
- When a column is sorted, the image within the AutoFilter button for that column is altered.
- Multiple sorts can be applied via the Sort dialog box.

Filters

- AutoFilter buttons can be used to filter table columns.
- When a column is filtered, the image within the AutoFilter button for that column is altered.
- Filtered records are not displayed--they remain part of the table and can be restored later.
- Custom filters can also be created.



The screenshot shows a dialog box titled "Custom AutoFilter" with a yellow border and a red close button. Inside, the text "Show rows where:" is followed by a dropdown menu showing "Accumulated Depreciation". Below this, there are two filter conditions: "is greater than" with a value of "20000" and "is less than" with a value of "40000". The "And" radio button is selected. At the bottom, there are instructions: "Use ? to represent any single character" and "Use * to represent any series of characters", along with "OK" and "Cancel" buttons.

Using Quick Analysis

- The Quick Analysis menu appears for both tables and standard worksheet ranges.
- Many options also available from the Ribbon can be more easily selected from the Quick Analysis menu.
- The impact of options accessible within the Quick Analysis menu can be previewed by holding the mouse pointer over the desired option.

