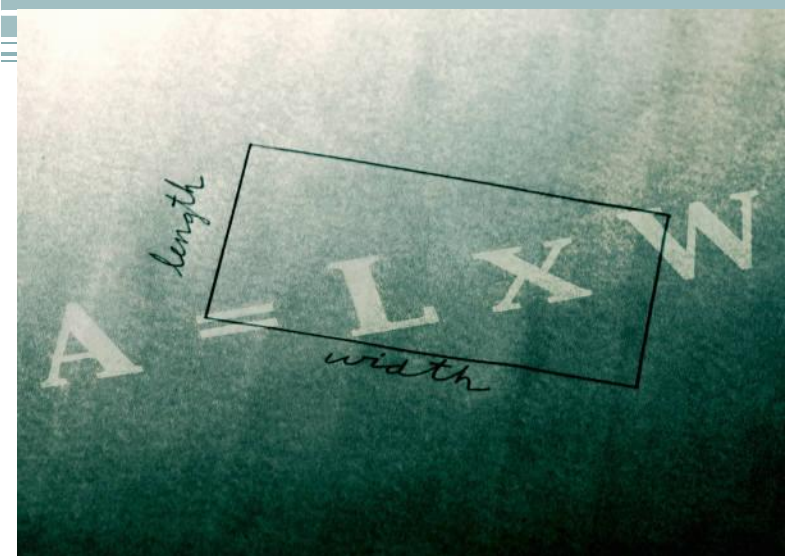


7 Formulas Every Bookkeeper Should Know



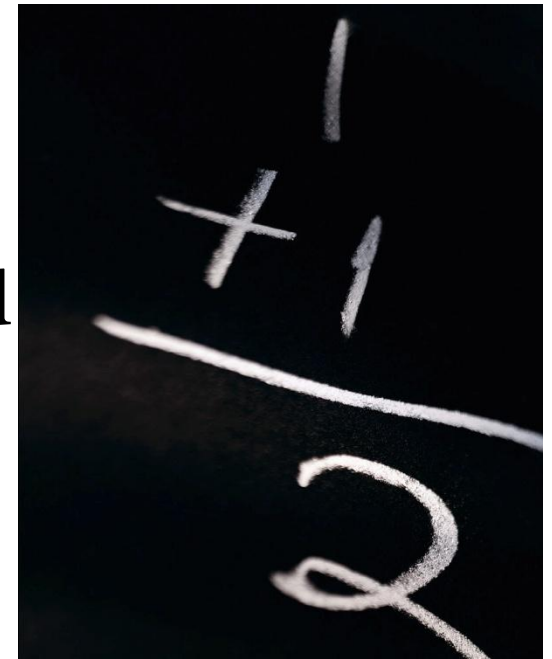
THE BOOKKEEPING CENTER
Building The Workforce One Bookkeeper at a Time

EXCELLENT¹S
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Sum - Sample Applications

- Powerful formula
- Just like grade school
- Check if journal entry is balanced



Sum Σ

- =Sum(number 1, number 2) or
- =Sum(Range) – ex. Sum(A1:B5)



Average - Sample Applications

- Common statistical representation
- Excel minimizes need
- Average cash balance
- Average charge to account

$$\bar{X} = \frac{\sum X}{N}$$

Average Formula

- =Average(number1, number2)
- =Average (Range) ex. Average (A1:A20)

$$\bar{X} = \frac{\sum X}{N}$$

Quick Questions

- What are some other possible applications for the Average formula?

PMT - Payment - Sample Applications

- Calculate payment for loan
- Constant payments
- Constant interest rate
- Adjustable rates not handled

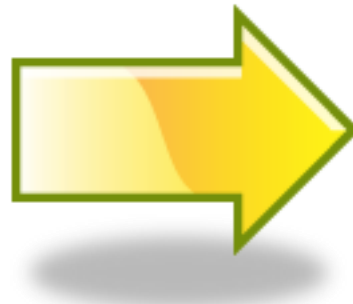


PMT - Payment

- =PMT (rate, nper, pv, fv, type)
 - Rate – interest rate
 - Nper – total number of payments
 - PV – present value
 - FV – future value
 - Type – payment due
-
- =PMT (8%/12, 10, 10000,0,1)

Round - Sample Applications

- Accounting an exact science, most of time
- When exact numbers are not needed

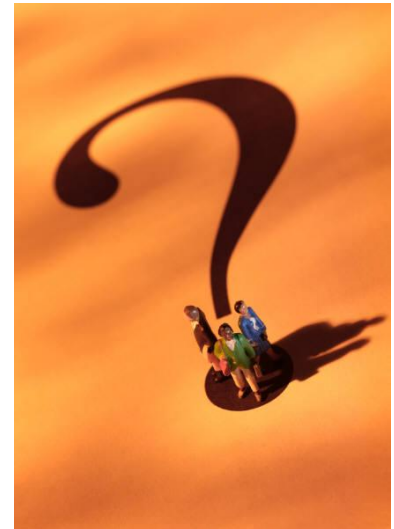


Round Formula

- =Round(Number, Num_digits)
- =Round(A1, 2)

IF - Sample Applications

- Little known dynamic formula
- Logical test on data point
- True & False outcomes
- Error Checking
- Status Alert



IF Formula

- =IF(logical_test, value_If_true, value_If_false)

SumIF - Sample Applications

- Reconciliations (bank etc.)
- Group and summarize data



SumIF Formula

- =SumIF(Range, Criteria, Sum_Range)
- Ex. SumIF(A1:A20, "Chocolate",C1:D20)

Vlookup - Sample Applications

- Array formula
- Returns matching values



Vlookup Formula

- =Vlookup(Lookup_value, Table_array, Col_index_num, Range_lookup)

Quick Questions

- Which of these formulas do you think would be most helpful?

General Tips

- Quickly reverse entries use “-” not “=”
- Sort & subtotal for quick analysis
- Pivot Tables for advanced analysis



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