

ADVANCED DIPLOMA IN ACCOUNTING

SPREADSHEETS FOR ACCOUNTANTS

STUDY TEXT

Qualifications and Credit Framework

AQ2016

This Study Text supports study for the following AAT qualifications:

AAT Advanced Diploma in Accounting – Level 3

AAT Advanced Certificate in Bookkeeping – Level 3

AAT Advanced Diploma in Accounting at SCQF – Level 6

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INTRODUCTION

HOW TO USE THESE MATERIALS

These Kaplan Publishing learning materials have been carefully designed to make your learning experience as easy as possible and to give you the best chance of success in your AAT assessments.

They contain a number of features to help you in the study process.

The sections on the Unit Guide, the Assessment and Study Skills should be read before you commence your studies.

They are designed to familiarise you with the nature and content of the assessment and to give you tips on how best to approach your studies.

STUDY TEXT

This study text has been specially prepared for the revised AAT qualification introduced in September 2016.

It is written in a practical and interactive style:

- key terms and concepts are clearly defined
- all topics are illustrated with practical examples with clearly worked solutions based on sample tasks provided by the AAT in the new examining style
- frequent activities throughout the chapters ensure that what you have learnt is regularly reinforced
- 'pitfalls' and 'examination tips' help you avoid commonly made mistakes and help you focus on what is required to perform well in your examination.

SPREADSHEETS CHAPTERS

The spreadsheet chapters in this text use a slightly different format to other chapters and Kaplan study texts at this level due to the nature of the syllabus content.

The screen shots for this text are based around Excel 2010. However, the techniques explained should also be applicable to other versions of spreadsheet software, although the screens will look slightly different.

UNIT GUIDE FOR SPREADSHEETS

Introduction

This Advanced level unit is about using spreadsheets to accurately enter, analyse and present information so that informed accountancy judgements can be made. The skills and knowledge from this unit integrate spreadsheet use within the other Advanced level accountancy subjects.

Accounting technicians need to use spreadsheets as it is important that financial information is accurately analysed and presented in an unambiguous way. Spreadsheets are widely used within industry, commerce and practice, and a variety of spreadsheet packages are available specifically to assist with accounting roles (routine and one-off): Features of spreadsheet packages allow calculations, manipulation of data, analysis, budgeting, preparing financial statements, reporting, forecasting and decision making.

The student will add value to their organisation if they are familiar with the underlying principles of such software and can use it competently within their workplace. Completing this unit will allow the student to apply these important skills to Advanced Bookkeeping, Final Accounts Preparation and Management Accounting: Costing and Indirect Tax.

The student will be able to analyse data using their spreadsheet skills and then communicate the most important information to enable appropriate judgements to be made. This means that the information presented needs to be accurate and easily understood by the recipient.

The objective of this unit is to equip students with sufficient skills and knowledge to enable them to select the correct information and then accurately input raw data into a spreadsheet. The student may need to use spreadsheets developed by others or to produce their own. The student will then be able to demonstrate their use of a range of skills to analyse this data in line with accountancy conventions. Skills such as the use of formulas, functions, data analysis tools, sorting and filtering will be vital within accountancy to enable students to perform complex calculations quickly and accurately. After analysis, the data needs to be comprehensively checked and then presented using a range of methods, for example as a structured spreadsheet with pivot tables and charts. The responsibility for checking accuracy of information at Advanced level remains with the student.

Introduction to spreadsheet basics

1

Introduction

This chapter will guide you through how to open and close spreadsheets, guide you how to change names of workbooks/worksheets, and also how to save your work.

ASSESSMENT CRITERIA

Organise data in a timely manner (1.1)
Securely store and retrieve relevant information (1.2)
Select relevant data (2.1)
Edit and update data (3.4)
Assess that new data has been accurately added (4.2)

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- 3 Workbooks and worksheets
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- 5 Test your understanding

1 Different spreadsheet software applications

1.1 Introduction

There are many different spreadsheet applications available. Microsoft Excel is by far the most commonly used, and this guide is written specifically for Microsoft Excel 2010. There are 3 other versions of Excel in common use – the key differences between these and Excel 2010 are explained below, along with Open Office, a spreadsheet application which is freely available online:

Excel 2003

This looks very different to 2010 – a major overhaul to the menu system was introduced in 2007. As a result, many of the explanations for methods in this text will not apply. However, all of the formulas and techniques are the same.

Conditional Formatting has also been updated since 2003, although the basics required for this course are the same in 2003.

Excel 2007

This version, as mentioned earlier, underwent a huge cosmetic change from Excel 2003. Many features were improved in terms of functionality, although the underlying basics remained the same.

The number of rows and columns available were greatly increased, however from a practical point of view this will make no difference to your studies – no spreadsheet example would ever be big enough to fill up all the space on either version!

There are actually very few differences between Excel 2007 and 2010 – the only important one is that 2007 has the 'Office button' in the top-left of the spreadsheet, which is the equivalent of the 'File tab' in 2010. The File tab is discussed later.



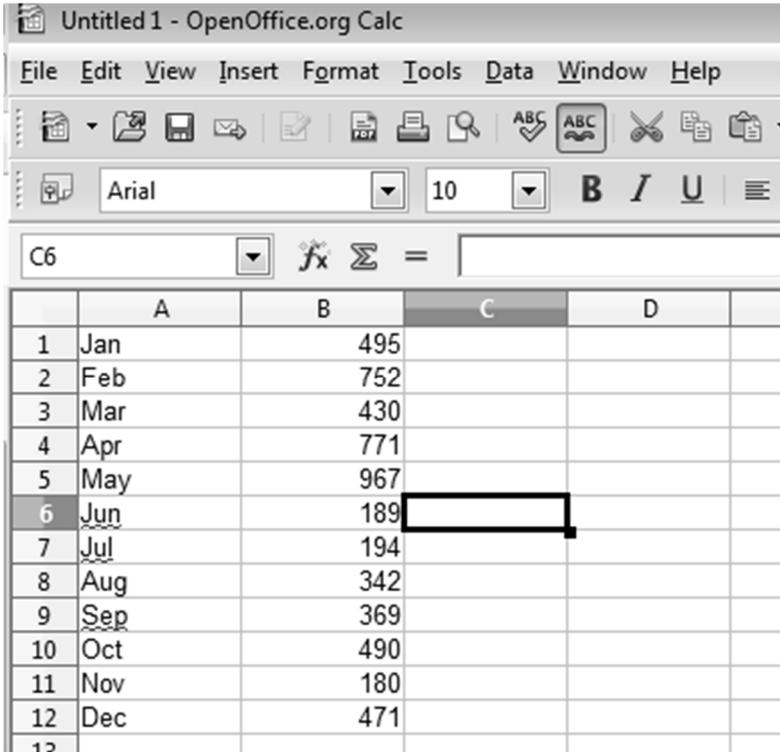
The Excel 2007 'Office button'.

Excel 2013

The newest version of Excel. Again, some cosmetic changes have been made, meaning that the menu layout may not be the same as the examples shown. However, the functionality has not changed significantly enough for this to pose too much of a problem.

Open Office

As mentioned earlier, this software has the enormous advantage of being free. Its appearance is closer to Excel 2003, with a less visual menu system. The formulas are largely the same, although there are slight differences in the way some formulas are entered.



Most of the features are the same, although the appearance is different.

If you are having any problems with any spreadsheet software other than Excel 2010, the internet contains vast resources on all available software, and a quick search should be able to find the correct method.