

# [Preparing a home budget in microsoft excel](https://assignbuster.com/preparing-a-home-budget-in-microsoft-excel/)

[Finance](https://assignbuster.com/essay-subjects/finance/)

Budgeting is a need of every one of us. The paper explores on how to create a home budget using Microsoft Excel, formulas that could be used and charts that could help represent this data. Microsoft Excel is a spreadsheet tool which helps in storing and managing data (Koers, 2004). Making a home budget in Excel will require some basic knowledge of it. A simple home budget will have two heads of income and expenditure.

Income could have different categories of salary, wages, dividends, interest payments etc that are expected to be received monthly while expenses could feature utility bills, fees, interest payments etc. These figures will then be added up using formulas given below to calculate the expected monthly income and expected monthly expenses. The difference between the two will be either the saving for the month or a deficit for the month. In excel when a cell is selected a formula can be written in the formula field above spreadsheet.

Following formulas would come in handy in preparing a home budget. Lets suppose cell A1 and A2 have to be added, formula to be used is = Sum(A1, A2). If more than two cells have to be added in a column lets say from A1 to A6 then the formula should look like = Sum(A1: A6). Formula for subtraction is = B2-B1 for subtracting cell B2 from B1. Formula for percentage is = C2/C1\*100 for two figures of C2 and C1. (Microsoft, 2010) Once the results are computed these could be represented on a column chart, line chart, pie chart or a bar chart (some of the common ones).

A chart can be inserted by pointing to insert and then clicking on chart. Right click on inserted chart and go to select data. Now select the data to be represented by that chart (Habraken, 2002). Spreadsheet templates can also be downloaded from Microsoft office online website. (Microsoft, 2010) In these times of recession home budgets are inevitable as they help in identifying areas of expenditure control. Microsoft Excel is a user friendly spreadsheet application that can help in preparing these home budgets.