In Excel, data types, also known as number formats, determine how a value is displayed and how it can be used in calculations. While all numerical values are stored as numbers in the background, their formatting changes how they appear to the user. You can change a cell's format by right-clicking it, selecting "Format Cells," and choosing from the categories in the dialog box.
Here's documentation on the common data types in Excel:

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1. General

The **General** format is the default for all new cells. It has no specific number format, so it displays numbers exactly as they are entered. When you enter a value, Excel automatically tries to identify what data type it is (e.g., a number, a date, or text) and formats it accordingly.

- **Example:** Typing 10020 in a General format cell will display as 10020.

2. Number

The **Number** format is used for displaying numerical values with full control over the decimal places, thousand separators, and how negative numbers are shown.

- **Example:** A value of 10020 formatted as a Number with two decimal places will display as 10020.00.

3. Currency and Accounting

These two formats are used for displaying monetary values.

- **Currency:** Adds a currency symbol (like ₹ or $) and allows you to specify the number of decimal places. The currency symbol is placed directly next to the number.
- **Accounting:** Also adds a currency symbol and decimal places, but it **aligns the currency symbols and decimal points** in a column, making it ideal for financial tables. This format also displays zero values as a dash (-).
- **Example:** A value of 10020 formatted as Currency might be ₹10,020.00, while formatted as Accounting it would be ₹ 10,020.00 (with the symbol left-aligned).

4. Date and Time

Excel recognizes and stores dates and times as numbers, which allows you to perform calculations on them (e.g., finding the difference between two dates).

- **Short Date:** Displays a date in a common numerical format, like DD-MM-YYYY.
- **Long Date:** Displays the date with the full month name, such as DD Month YYYY.
- **Time:** Displays the time of day.
- **Example:** A value of 45815 (which represents the number of days since January 1, 1900) formatted as a Short Date would be 25-05-2025, and as a Long Date it would be 25 May 2025.

5. Percentage and Fraction

These formats are used for displaying numbers as percentages or fractions.

- **Percentage:** Multiplies the cell value by 100 and adds a percent symbol (%).
- **Fraction:** Displays the value as a fraction, which can be useful for values that are not whole numbers.
- **Example:** A value of 0.45 formatted as a Percentage would be 45%. A value of 3.5 formatted as a Fraction might appear as 3 1/2.

6. Text

The **Text** format treats any value as a string of text, even if it contains only numbers. This is useful for preserving leading zeros in zip codes or ID numbers, as Excel normally removes them.

- **Example:** Entering 00123 in a General cell would result in 123. However, formatting the cell as Text first would preserve the 00123.

7. Other Data Types

Excel also includes other specialized formats:

- **Scientific:** Displays numbers in exponential notation (e.g., 1.01E+04 for 10100).
- **Special:** Includes formats for common data like zip codes, phone numbers, and Social Security numbers.