

Week 5: Toolbox

Excel Terminology



SUMPRODUCT

An Excel function which multiplies ranges or arrays together and then takes the sum of the product.

Variable Cell

This is a cell with a value that you are allowing to change at the outset of your data analysis.

Target Cell

This is the cell that you set to a particular value (or maximise/minimise) by changing the variable cells.

What-If Analysis

This refers to a group of data analysis tools. It allows you to experiment with different values in your Excel formulae and investigate the results.

Constraint

A limit on the value of a particular cell.

Add-in

A feature which can be added to Excel to complement existing features. For example, Solver is an add-in.

Data Table

A What-If Analysis tool which allows you to quickly try different values for a given Excel formula.

Scenario

A particular set of values given to the variable cells. You can name each scenario that you create and use Scenario Manager to compare the different scenarios that you have created.

Base Case Scenario

This is the scenario where all the variable cells have the values you expect them to at the outset of your data analysis.

Best (Worst) Case Scenario

This is the scenario where all the variable cells have the most (least) favourable values from your perspective.

Ninja Tip of the Week



Goal Seek and Solver are similar data analysis tools. However, Goal Seek is simpler and best used for quick computations, while Solver is a more powerful tool which allows you to perform more complex computations.

While Scenario Manager gives you the flexibility to choose the number of scenarios, a common technique in scenario analysis is to have a best (optimistic) case, worst (pessimistic) case and base (likely) case.