An Introduction to Excel Materials for
Managerial Economics: Theory, Applications, and Cases, Eighth Edition
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Why *Excel?*

Managerial economics teaches you how to use economic tools to make decisions. Those decisions often will be based on at least some empirical information and that information is no longer typically stored on pieces of paper. Instead it is typically stored in some sort of spreadsheet, the most common of which is *Excel*. Since you will almost certainly be confronted with data in this format in a business setting, it makes sense to learn managerial economics using this same format.

This is not an endorsement of *Excel* as the best tool for data analysis, it is simply an acknowledgement of *Excel* as the most common tool for data analysis. Indeed, as you delve deeper into the empirical analysis that is at the core of managerial economics, it will become clear that there are other, more sophisticated and specialized software programs available for empirical and statistical analyses that are better than *Excel*. The *Excel* files that comprise this spreadsheet supplement examine an array of topics covered in the text in a hands-on, interactive, fashion.

Excel Basics

The Chapter 1 files teach *Excel* basics. If you have already used *Excel*, these may be skipped, however, unless you have extensive experience with *Excel* it will be worthwhile to at least skim through the material as strategies for using *Excel* to build economic models are discussed that may not have been part of your prior *Excel* training. Please note that as software versions of Excel change, some of the commands used may become obsolete and need to be replaced by "newer" commands.

It is worth noting that a significant amount of information in these files is embedded in comment boxes. Comment boxes are pop-up boxes that appear when the mouse is placed over a cell. Cells with comments are denoted by the small red triangular tab in upper right corner of a cell. It is also worth noting that to master *Excel*, you MUST understand the difference between absolute and relative cell referencing. This is initially discussed in the first file (**1.1 Introduction to Excel**) and it is examined at length in the second file (see the **Referencing** worksheet in **1.2 Appendix A Intro to Excel 2**).

Color Coding

Cells within each file are color coded (the file **PV using Excel** in Chapter 1 has examples of all four colors):

Light green cells are unprotected cells where students can change numbers, or do calculations (see **PV tutorial** worksheet in **PV using Excel**).

Light yellow cells on **Q&A** worksheets are where students should enter their answers to questions posed.

Light blue cells on **Q&A** worksheets are instructions to students.

Rose colored cells allow students to see specific concepts that have been set up for them to explore, an example of this is the **Referencing** worksheet in **PV using Excel**.

Write-protection

Some worksheets are write-protected to preserve the equations, etc. If you ever find you wish to experiment with a protected worksheet, you can unprotect that worksheet. You may want to make a copy of the file, before you unprotect the worksheet. The universal password is "dave" in all lower case. Do not worry that you will not be able to return to the file as it was originally laid out, you can always download another copy of the file from the website.