ICAEW Excel 05 If

In this video, I'm going to talk to you about the If function in Excel, which will return different values dependent upon the outcome of a particular test or statement.

This is best illustrated with an example. And we can see a simple example here on the screen. If you look at column B, you can see we've got a number of contracts, contract one down to contract 20 each with different contract values, which you can see in column C. In column D, currently empty, we want to calculate the commission that would be earned on each of these contracts. Now you can see if you look top right, that the can the commission rate varies depending on whether the value of the contract is below 6000 or above or equal to 6000. So, five percent commission if the value is below 6000, otherwise it's a 10 percent commission. So, we're going to calculate the commission dependent upon the value of the contract, and we're going to do that with an IF statement. If you look bottom right. You can see how it works. Equals, IF, open brackets. What is the test? Comma. What do you want to see if the output of the test is true? Comma, what do you want to see if the output of the test is false?

So, let's have a go. I'll do this slowly so you can see clearly what's happening. Equals, IF, open brackets. So, the test here we're going to be saying is the value of the contract below six thousand. So, let's go equals, IF, open brackets, value of the contract, which is cell C3, is below less than the six thousand. Now, I'm going to put dollars on that cell reference there is an additional video talking about the dollar functionality. I'm not going to talk about it now. I'm going to apply the dollars to that cell reference. So, saying if the value of the contract is less than 6000, comma, what do we want to see happening? We will want to see the commission, which will be five percent of the contract value. So, five percent, of, multiplied by, so that's the asterisk multiplied by the contract value, which is the eight nine four nine. Well, otherwise then the value of the contract will be greater than or equal to six thousand, so we'll want to see a commission rate 10 percent, otherwise we'll want to see 10 percent of, multiplied by, that's the asterisk again, the value of the contract. And I'm going to close my brackets and hit enter. So, it gives me the answer. Eight, nine, five, which looks right doesn't it, because clearly the value of that contract is greater than 6000. So we would want a commission rate of 10 percent and 10 percent of eight nine four nine is eight nine five with a little bit of rounding. So I'm going to paste this down by double clicking on the little square there to paste that down. And then I've got the commission for all of the different contracts. You can see, I've specifically set a few contract values to certain numbers to make it very clear that this is working. So, if you look at contract number two, the value is 1000, which is below 6000. So, we would expect the five percent commission, five percent of a thousand is fifty. And equally, if you look at number six, you can see that's greater than 6000, so you would see 10 percent commission. So, just to repeat, this is the formula and it works like this. Equals, IF, open bracket, what's the test? In this case, is the value of the contract below 6000? Comma, what do we want to see if that's true then it's a simple calculation, which is five percent of the contract value, otherwise, which is another comma, another calculation, which is 10 percent of the contract value.