**Video Project 40: Excel 2013 Basics 22:Excel’s Golden Rule**

1. If a formula input can change, put it into a cell and refer to it in the formula with a cell reference. If it will not change, you can type it into a formula. ALWAYS LABEL YOUR FORMULA INPUTS!
   1. Examples of formula inputs that can change:
      1. Tax Rates
      2. Commission Percentages
      3. Criteria for counting or adding
2. If the formula input is a number and it will not change: type the number into the formula.
   1. Examples of formula inputs that will NOT change:
      1. Number of months in a year: 12
      2. Number of hours in a day: 24
      3. Answers to a question like: “Yes” or “No”
3. The Golden Rule not only applies to Formula Inputs, but the rule applies to dialog boxes also.
   1. Some examples:
      1. PivotTable dialog box
      2. Chart Source Data dialog box
      3. Conditional formatting dialog box
      4. Data Validation dialog box

Why Excel’s Golden Rule?

1. It is easy to understand how the spreadsheet is constructed if the formula inputs are visible on the face of the spreadsheet.
2. The labels for the formula inputs indicate exactly what the formula input represents.
3. It is easy to change the formula inputs when they are listed on the face of the spreadsheet.
4. It is very hard to accurately and consistently change formula inputs if there are typed directly into formula, known as “hard coding” formula inputs into formulas.
5. Research has shown that one of the main causes of faulty spreadsheets is hard coding formula inputs into formulas:  
   http://www.strategy-at-risk.com/2009/03/03/the-risk-of-spreadsheet-errors/
6. Because the inventors of the spreadsheet, Dan Bricklin and Bob Frankston, intended the spreadsheet to follow Excel’s Golden Rule.