

# . “How can I use the DB function in Excel?”

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The DB function in Excel is a financial function that calculates the depreciation of an asset over a specific period of time using the fixed-declining balance method. This function takes into account the initial cost, salvage value, and useful life of the asset to calculate the depreciation amount for a given period. By using the DB function, users can easily track the depreciation of assets and accurately report their financial data. This function is commonly used in accounting and financial analysis to determine the value of assets and their impact on a company's overall financial performance."

This article describes the formula syntax and usage of the **DDB** function in Microsoft Excel.

## Description

Returns the depreciation of an asset for a specified period using the double-declining balance method or some other method you specify.

## Syntax

DDB(cost, salvage, life, period, )

The DDB function syntax has the following arguments:

**Cost** Required. The initial cost of the asset.

**Salvage** Required. The value at the end of the depreciation (sometimes called the salvage value of the asset). This value can be 0.

**Life** Required. The number of periods over which the asset is being depreciated (sometimes called the useful life of the asset).

**Period** Required. The period for which you want to calculate the depreciation. Period must use the same units as life.

**Factor** Optional. The rate at which the balance declines. If factor is omitted, it is assumed to be 2 (the double-declining balance method).

**Important:** All five arguments must be positive numbers.

## Remarks

The double-declining balance method computes depreciation at an accelerated rate. Depreciation is highest in the first period and decreases in successive periods. DDB uses the following formula

to calculate depreciation for a period:

$\text{Min}(\text{cost} - \text{total depreciation from prior periods}) * (\text{factor}/\text{life}), (\text{cost} - \text{salvage} - \text{total depreciation from prior periods})$

Change factor if you do not want to use the double-declining balance method.

Use the VDB function if you want to switch to the straight-line depreciation method when depreciation is greater than the declining balance calculation.

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