

How can I use the SYD function in Excel to calculate the sum-of-years' digits depreciation for a specific asset?

Authored by
stats writer

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The SYD function in Excel is a useful tool for calculating the sum-of-years' digits depreciation of a specific asset. This function allows you to determine the amount of depreciation that an asset will undergo over its useful life. To use the SYD function, you need to input the necessary information such as the asset's initial cost, expected salvage value, and useful life. The function then uses a formula to allocate the depreciation expense over the years, with a higher depreciation amount in the earlier years and a lower amount in the later years. This method of depreciation is beneficial for assets that have a higher rate of wear and tear in the beginning years. Overall, the SYD function in Excel provides a quick and accurate way to calculate the sum-of-years' digits depreciation for any given asset.

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

Description

Returns the sum-of-years' digits depreciation of an asset for a specified period.

Syntax

SYD(cost, salvage, life, per)

The SYD 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).

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

Per Required. The period and must use the same units as life.

Remarks

SYD is calculated as follows:

