Making decisions is one of the basic functions of a manager. To be successful in decision making, managers must be able to perform differential analysis. Students are required to:

1. Define differential analysis.

2. Explain how the differential analysis is prepared.

3. Explain all decisions for which differential analysis can be used and give a numerical example for only one decision.

**Note:**

Embed course material concepts, principles, and theories, which require supporting citations along with at least two scholarly peer reviewed references supporting your answer. Keep in mind that these scholarly references can be found in the by conducting an advanced search specific to scholarly references.

Use academic writing standards and APA style guidelines.

Be sure to support your statements with logic and argument, citing all sources referenced. Post your initial response early, and check back often to continue the discussion. Be sure to respond to your peers’ posts as well.