From ArcMap GIS 9.0 Help:
Procedure for importing point locations defined by latitude/longitude pairs in an Excel spreadsheet into an ArcMap GIS Point Shape File
(Creating point features from coordinate values using ESRI ArcCatalog)

1) Right-click a table in the ArcCatalog tree that has columns containing x,y   (or x,y,z) coordinates.
2) Point to Create Feature Class and click From XY Table.
3) Click the X Field dropdown arrow; click name of column that contains the x coordinates.
4) Click the Y Field dropdown arrow; click name of column that contains the y coordinates.
5) If appropriate, click the Z Field dropdown arrow and click the name of the column that contains the z coordinates.
6) Click Spatial Reference of Input Coordinates to define the coordinate system for the input values.
7) Click the shapefile whose coordinate system you want to define.
8) Click the File menu and click Properties.
9) Click the Fields tab.
10) Click the Shape column in the column list.
11) In the Properties list below, click the ellipses button (...) next to the Spatial Reference property.
12) In the Spatial Reference Properties dialog box, click Select and choose a predefined coordinate system.
13) Or click Import and choose the data source whose coordinate system parameters you want to copy. Or click New, click Geographic
   or Projected, then define a new, custom coordinate system.
14) Click OK in the Spatial Reference Properties dialog box.
15) In the Shapefile Properties dialog box, the name of the coordinate system appears next to the Spatial Reference property in the Field Properties list.
16) Click OK in the Shapefile Properties dialog box.
17) Click the Browse button.
18) Click the Save as type dropdown arrow and click the format in which to create the new point features. For example, click Shapefile.
19) Navigate to the folder or geodatabase in which you want to store the new features.
20) Type a name for the new data source.
21) Click Save.
22) If the output features should have a different coordinate system from the input values, click Advanced Geometry Options.
   If the coordinate system is the same, skip to step 23.
23) Click the Browse button and define the spatial reference of the output features.
24) Click OK, then click OK in the Define Output Geometry dialog box.
25) Click OK. A new point data source is created in the appropriate location.

Tip: For more information on defining a shapefile's coordinate system, see "Defining a shapefile's coordinate system" in ArcMAP GIS help.