

Solution:

The analysis of impact of these transactions on the balance sheet equation are as follows:

Transaction	Effect on Balance Sheet Equation		
	Assets =	Liabilities +	Stockholders' equity
Gross Sales	+\$850,000 (accounts receivables)		+\$850,000 (sales revenue)
Allowances	-\$50,000 (accounts receivables)		-\$50,000 (sales)
Cash Disc.	-\$800,000 (accounts receivables) +\$765,000 (cash)		-\$35,000 (cash discounts)

Using these, we can prepare the journal entries as follows:

JOURNAL ENTRIES (in \$)			
Name: Fresno Fruit Wholesalers			
Date	Particulars	Debit	Credit
Month of March	Accounts Receivables To Sales Revenue (Being sales)	850	850
	Sales Return Allowance To Accounts Receivables (Being allowance for sales)	50	50
	Cash Cash Discounts Allowed To Accounts Receivables (Being collection on discount.)	765 35	800

The revenue section is prepared as follows:

Sales Recorded	\$ 850,000
Less: Sales Returns & Allowances	(50,000)
Gross Revenue	800,000
Less: Cash Discounts Allowed	(35,000)
Net Revenue	765,000