Solution:

Since Swahili Imports uses the periodic inventory system, they keep the track of the purchases and the allowances in separate accounts and when the accounting period ends, they merge these accounts in the cost of goods sold entry as a summarization entry.

Thus, the journal entries for them are as follows:

JOURNAL ENTRIES (in thousands of $)			
Date	Particulars	Debit	Credit
	Cash To Sales Revenue	1,200	 1,200
	Cost of Goods Sold Purchase Returns & Allowance To Purchases To Beginning Inventory	931 40	 900 71
2011	Inventory To Cost of Goods Sold	120	 120

(Note: It is assumed that all sales are cash sales, since it is not given in the question.)