Solution:

(1)

The journal entries for Prentice Hall, based on the above transactions, are as follows:

JOURNAL ENTRIES (in $) Name: Prentice Hall			
Date	Particulars	Debit	Credit
Aug 12 2010	Accounts Receivable To Sales (Being request of money for sales)	90,000	 90,000
Sep 10 2010	Cash Discount on Sales To Accounts Receivable (Being payment before due)	88,200 1,800	 90,000
Dec 18 2010	Sales Return Allowance To Cash (Being return of books for full refund.)	5,400	 5,400

An interesting thing to note is that we did not record any entry for July 17 since there is no monetary exchange on that date.

(2)

The revenue section for Prentice Hall's income statement will be prepared as follows:

INCOME STATEMENT (in $) **Name: Prentice Hall** **For: 2010**	
Particulars	**Amount**
Sales of Books Less: 2% discount applied	90,000 (1,800)
Gross Revenue Less: Sales Return Allowance	**88,200** (5,400)
Net Revenue	**82,800**