

Solution:

(1)

The gross accounts receivable is $\$3,597.7 + \$110.1 = \$3,707.8$, with $\$110.1$ being deemed as uncollectible, resulting in around 2.97% of accounts being uncollectible.

Thus, the ratio is 2.97%.

An interesting pattern is that this ratio has decreased from the previous year. This suggests that Eli Lilly has improved its ability to recover accounts from the previous year, resulting in this sharp decrease.

(2)

January 2, 2011	Allowances To Accounts Receivable	\$210,000	\$210,000
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