Solution:

(1)

Effect on Balance Sheet Equation			
Transaction	Assets =	Liabilities +	Stockholders' equity
Issuance of bonds	+$91.42 million (Increase in cash)	+$100 million (Increase in Bond Payable)	-$8.58 million (Discount on bonds)
First semi-annual payment	-$4.571 million (Decrease in cash)		-$4.571 million (Interest Expense)
Payment at maturity	-$100 million (Decrease in cash)	-$100 million (Decrease in Bond Payable)	

(2)

The journal entries are as follows (explanations are omitted)

Transaction	Particulars	Debit	Credit
Issuance of bonds	Cash	91.42	
	Bond Discounts	8.58	
	To Bonds Payable		100.00
First semi-annual payment	Interest Expense	4.57	
	To Cash		4.57
Payment at maturity	Bonds Payable	100	
	To Cash		100

(3)

2009, March 1: Balance sheet will have the accounts of bond payable as mentioned above in liabilities section.

2010, March 1: Cash section will decrease only, and stockholders' equity will be effected.