

Solution:

(1)

(a) The revenue section for 2010 income statement is as follows:

Particulars	Amount ¹
Sales	680
Less: Cash Discount on Sales	(20)
Net Revenue on Sales	660
¹ The amount is in thousands of \$	

(b) The journal entry for the same is as follows:

Description	Particulars	Debit	Credit
Initial recognition	Accounts Receivables To Sales Revenue	680	680
Collection time	Cash Cash Discount on Sales To Accounts Receivables	660 20	680

(2)

(a) The revenue section for 2010 income statement is as follows:

Particulars	Amount ¹
Sales	660
Add: Interest Revenue	0
Net Revenue on Sales	660
¹ The amount is in thousands of \$	

(b) The journal entry for the same is as follows:

Description	Particulars	Debit	Credit
Initial recognition	Accounts Receivables To Sales Revenue	660	660
Collection time	Cash To Accounts Receivables	660	660

(c) The journal entry for the same is as follows:

Description	Particulars	Debit	Credit
Collection of full	Cash To Interest Revenue	20	20