

Solution:

(1)

$$\text{Warranty Allowances} = \$24,000$$

Thus, the journal entries are as follows:

JOURNAL ENTRY FOR SALES (in \$)		
Particulars	Debit	Credit
Cash	800,000	
To Sales		800,000
Warranty Expense	24,000	
To Warranty Allowance		24,000

(2)

JOURNAL ENTRY FOR WARRANTY ALLOWANCE (in \$)		
Particulars	Debit	Credit
Warranty Allowance	4,000	
To Cash		4,000

(3)

The final is given by:

$$\text{Liability for Warranty} = 12,000 + 24,000 - 21,400 = \$14,600$$