

Solution:

The entry written by Good Samaritan Hospital relates the bad debts expense directly to the accounts receivables, which is an example of the specific write-off method.

However, since we have been told that they use allowance method for writing off bad debts, it means that this entry is incorrect.

The corrected entry is obtained by increasing the 'allowance for bad debt', a contra account to the accounts receivables for handling bad debts. Thus, the correct entry is:

Allowance for Bad Debt To Accounts Receivables	\$16,205	\$16,205
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