Solution:

The journal entry for the transaction is as follows:

	JOURNAL ENTRIES FOR PENSION (in $)		
Name: Merinoff Company			
Date	Particulars	Debit	Credit
31 Dec, 2010	Pension Expense	800,000	
	To Cash		300,000
	To Pension Liability		500,000

The balance sheet effects are as follows:

$$Cash\ (assets) = -\$300,000\ \&\ Pension\ Liability\ (liability) = +\$500,000$$

$$\&\ Pension\ Expense\ (stockholders'equity) = -\$800,000$$