

**Solution:**

(Note: All amounts are in thousands of \$, unless stated otherwise.)

(1)

The ledgers are prepared as follows & the values for 2011 are posted as well:

Allowance for Uncollectible Accounts	
	21

Bad Debts Expense	
21	

(Ferrara)	
5	

Accounts Receivable	
840	760

(Cerruti)	
7	5

(Others)	
828	755

Statement of ending balances is as follows:

STATEMENT OF RECONCILIATION (in thousands of \$)			
Subsidiary Ledger(s)		General Ledger	
Ferrara	5	Debit	840
Cerruti	2	Credit	(760)
Other	73		
<b>Total</b>	<b>80</b>	<b>Total</b>	<b>80</b>

(2)

The journal entry is as follows:

March 24, 2012	Allowance for Uncollectible Accounts To Accounts Receivable, Ferrara  (Being write-off of their account.)	5	5
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