

Solution:

JOURNAL ENTRIES (in millions of \$)			
Date	Particulars	Debit	Credit
2011	Purchases To Accounts Payable (Being purchase on credit.)	140	140
	Accounts Payable To Purchase Returns & Allowance (Being returns of purchases & allowance given.)	6	6
	Cash To Cash Discounts on Purchases (Being cash discounts on purchases.)	1	1
	Freight In Expenses To Cash (Being freight in expenses paid in cash.)	14	14
	Cost of Goods Sold Ending Inventory Purchase Returns & Allowance Cash Discount on Purchases To Freight In Expenses To Purchases To Beginning Inventory (Being closing entry for COGS.)	137 35 6 1	14 140 25
	Accounts Receivable To Sales Revenue (Being sales revenue on credit.)	239	239
	Sales Returns & Allowances To Accounts Receivable (Being allowance for sales return.)	5	5
	Cash Discounts on Sales To Cash (Being offering for cash discounts on sales.)	8	8