

Solution:

(1)

The entries are as follows:

JOURNAL ENTRIES (in millions of \$)		
Particulars	Debit	Credit
Unearned Revenue To Sales Revenue (Being delivery of magazines)	30	30
Cash To Unearned Revenue (Being subscription of magazines by readers.)	35	35

(2)

As shown from the above, there is a net increase of \$5 million in the Unearned Revenue account. Since there was \$340.4 million already, the final value will be \$345.4 million.