

Solution:

(1)

The journal entries are as follows:

JOURNAL ENTRIES (in \$)		
Particulars	Debit	Credit
Cash To Sales Revenue (Being record of the sales)	800,000	800,000
Warranty Expense To Sales Liab to Warranty (Being record of purchase liab to warranty)	24,000	24,000

(2)

The journal entries are as follows:

JOURNAL ENTRIES (in \$)		
Particulars	Debit	Credit
Sales Liab to Warranty To Cash (Being record of the cash used for warranty)	21,400	21,400

(3)

To calculate the account, we note that the following chain of sequences occurred:

- Initial balance: \$12,000.
- During the year, \$24,000 was added to the account, leading to \$36,000 as the balance.
- The claim was that \$21,400 was used for the year, meaning that only \$14,600 was remaining.

Thus, the final account is \$14,600 for the liability for warranties.