

Solution:

(1)

The effect on the balance sheet equation is as follows:

Date	Effect on Balance Sheet		
	Assets =	Liabilities +	SE
January 27		+\$7,100 (FICA taxes payable) +\$22,000 (Income taxes payable) +\$6,000 (Union deposits payable) +\$64,900 (salary payable)	-\$100,000 (payroll expense)
January 30	-\$100,000 (cash)	-\$7,100 (FICA taxes payable) -\$22,000 (Income taxes payable) -\$6,000 (Union deposits payable) -\$64,900 (salary payable)	

(2)

The journal entries for the same are written as follows:

JOURNAL ENTRY FOR MASSENGILL COMPANY (Amount in \$)		
Particulars	Debit	Credit
Payroll Expenses	100,000	
To FICA taxes payable		7,100
To Income taxes payable		22,000
To Union deposits payable		6,000
To Salary payable		64,900
(Being actual payment of these)		
FICA taxes payable	7,100	
Income taxes payable	22,000	
Union deposits payable	6,000	
Salary payable	64,900	
To Cash		100,000
(Recording of the expenses till 27 th January)		

(3)

JOURNAL ENTRY FOR MASSENGILL COMPANY (Amount in \$)		
Particulars	Debit	Credit
Payroll Taxes Expense	9,000	
Health Insurance Expense	7,000	
Provident Fund Expense	8,000	
To Cash		24,000
(Being payment of employers' towards employee contribution.)		