

Solution:

(1)

EFFECT ON BALANCE SHEET EQUATION (Amount in \$)			
Scenario	Balance Sheet Equation		
	Assets =	Liabilities +	Stockholders' Equity
Issuance of note	+76,190.48 (cash)	+80,000.00 (note payable) -3,809.52 (discount of note payable)	
Payment of the note	-80,000.00 (cash)	-80,000.00 (note payable) +3,809.52 (discount of note payable)	-3,809.52 (interest expense)

(2)

Cash	76,190.48	
Note Discount	3,809.52	
To Note Payable		80,000.00
Note Payable	80,000.00	
Interest Expense	3,809.52	
To Cash		80,000.00
To Note Discount		3,809.52

The entries are in \$.

(3)

The real rate of interest was 5% because it was what the bank had assumed, while disbursing the amount and collecting the same at the maturity.