

**Solution:**

(1)

JOURNAL ENTRY FOR WHIRLPOOL CORPORATION (in thousands of \$)		
Particulars	Debit	Credit
Cash To Sales Revenue  (Being record of sales)	5,000	5,000
Warranty Expense To Liability for Warranty  (Being liability for warranty on sales)	150	150
Liability for Warranty To Cash  (Being actual cash disbursement for liabilities)	144	144

(2)

JOURNAL ENTRY FOR PEPSI CO. (in thousands of \$)		
Particulars	Debit	Credit
Cash To Deposits Payable  (Being record of returnable bottles)	72	72
Deposits Payable To Cash  (Being return of bottles.)	68	68

(3)

JOURNAL ENTRY FOR CITIBANK (in thousands of \$)		
Particulars	Debit	Credit
Cash To Liabilities for Deposits  (Being record of deposit by customer.)	14	14
Interest Expense To Liabilities for Deposits  (Being interest gained on savings account.)	0.28	0.28
Liability for Deposits To Cash  (Being closing of the bank account.)	14.28	14.28

(Note: July 1 of next year is considered, so interest expense for a full year has been recorded.)

(4)

(a)

The effect on the balance sheet is as follows:

Assets =	Liabilities +	Stockholders' Equity
+\$180,000 (cash)	+\$180,000 (unearned revenue)	

The journal entry can also be written in a similar fashion.

(b)

The effect on the balance sheet is as follows:

Assets =	Liabilities +	Stockholders' Equity
	-\$30,000 (unearned revenue)	+\$30,000 (sales revenue)

The journal entry can also be written in a similar fashion.

(5)

Since there is a very high chance of getting turned over, the newspaper can choose to ignore the lawsuit as a liability. It can appear in footnotes, as per the U.S. GAAP.