**Solution:**

The following are the effect of the balance sheet:

|  |  |  |
| --- | --- | --- |
| Assets = | Liabilities + | Stockholders’ Equity |
| -$500,000  (cash) | +$300,000  (liability for pension) | -$800,000  (pension expense) |

The journal entry can be written as:

|  |  |  |
| --- | --- | --- |
| Pension Expense  To Cash  To Liability for Pension  (Being pension recorded for 2010) | $800,000 | $500,000  $300,000 |