**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  To FICA taxes payable  To Income taxes payable  To Union deposits payable  To Salary payable  (Being actual payment of these) | 100,000 | 7,100  22,000  6,000  64,900 |
| FICA taxes payable  Income taxes payable  Union deposits payable  Salary payable  To Cash  (Recording of the expenses till 27th January) | 7,100  22,000  6,000  64,900 | 100,000 |

(3)

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