(1)

(a)

Using the gross method, we assume full payable unless stated otherwise. Thus, the journal entries are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Particulars | Debit | Credit |
| June 1 2010 | Accounts Receivables  To Sales  (Being sales of goods on credit to Alvarez Co.) | 10,000 | 10,000 |
| June 14  2010 | Cash  Discount A/c  To Accounts Receivables  (Being payment of goods before due date for sale) | 9,800  200 | 10,000 |

(b)

Using the gross method, we assume full payable unless stated otherwise. Thus, the journal entries are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Particulars | Debit | Credit |
| June 1 2010 | Accounts Receivables  To Sales  (Being sales of goods on credit to Alvarez Co.) | 9,800 | 9,800 |
| June 14  2010 | Cash  To Accounts Receivables  (Being payment of goods before due date for sale) | 9,800 | 9,800 |

(2)

(a)

Using the gross method, we assume full payable unless stated otherwise. Thus, the journal entries are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Particulars | Debit | Credit |
| June 1 2010 | Accounts Receivables  To Sales  (Being sales of goods on credit to Alvarez Co.) | 10,000 | 10,000 |
| June 14  2010 | Cash  To Accounts Receivables  (Being payment of goods after due date for sale) | 10,000 | 10,000 |

(b)

Using the gross method, we assume full payable unless stated otherwise. Thus, the journal entries are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Particulars | Debit | Credit |
| June 1 2010 | Accounts Receivables  To Sales  (Being sales of goods on credit to Alvarez Co.) | 9,800 | 9,800 |
| June 14  2010 | Cash  To Accounts Receivables  To Discount A/c  (Being payment of goods before due date for sale) | 10,000 | 9,800  200 |