

PE 11–7A

a.

Apr. 30	Product Warranty Expense	36,000	
	Product Warranty Payable		36,000
	To record warranty expense for April, 6.0% × \$600,000.		

b.

Aug. 4	Product Warranty Payable	220	
	Supplies		140
	Wages Payable		80

PE 11–7B

a.

May 31	Product Warranty Expense	10,500	
	Product Warranty Payable		10,500
	To record warranty expense for May, 3% × \$350,000.		

b.

July 16	Product Warranty Payable	140	
	Cash.....		140