On June 30, 2011, the Esquire Company sold some merchandise to s customer for $30,000. In payment, The 6% rate is appropriate in this situation.

1. Prepare journal entries to record the sale of merchandise (omit any entry that might be required for the cost of goods sold), the December 31, 2011 interest accrual, and the March 31, 2012 collection.
2. If the December 31 adjusting entry for the accrual is not prepared, by how much will income before income taxes be over- or understated in 2011 and 2012?