During June, a company sold products for $60,000, which includes a 36-month warranty for repairs. The average cost of repairs over the warranty period is 5% of the sales price.

60000\*5% = 3000

Warranty exp 3000

 Warranty liability 3000

If the year after, someone wants to fix the product, the cost of the repair is $200 on me.

Warranty liability 200

 Repair part 200