

Prepare journal entries for each of the following transactions:

On December 1, 20X5, Musaka received a 10%, 1-year, note receivable from Lambert. This note was issued in payment for a \$24,000 outstanding account receivable.

On December 31, 20X5, Musaka recorded an end-of-year adjusting entry to record accrued interest on the note receivable.

On November 30, 20X6, Lambert paid Musaka the full amount due on the note receivable.

How would the November 30 entry differ if Lambert defaulted on the payment?