Goodwill = Super Profits X Number of Years purchased

Super Profit = Average Profits – Normal Profit

Average Profits = $\frac{(30{,}000+36{,}000+42{,}000)}{3}$

Average Profits = $\frac{108{,}000}{3}$ = 36,000

Normal Profits = Average Capital employed X Normal rate of return

Normal Profits = 1,00,000 X 15% = 15,000

Super Profits = 36,000 – 15,000 = 21,000

Goodwill = 21,000 X 2 = Rs. 42,000

ACCOUNTS APTITUDE