Average profit = Simple Average of pure profit of last few years = ₹1,80,000

Normal Profit = Capital Employed x Normal Rate of Return = 14,00,000 x 10% = ₹ 1,40,000

Super Profit = Average Profit – Normal profit

Super Profit = 1,80,000 – 1,40,000 = ₹ 40,000

Goodwill = Super Profit X Number of years purchased

Goodwill = 40,000 x 5 = ₹ 2,00,000