Average profit = Simple Average of pure profit of last few years

Simple Average profit = $\dfrac{34,000+38,000+30,000}{3} = \dfrac{1,02,000}{3} = ₹\ 34,000$

Normal Profit = Capital Employed x Normal Rate of Return = 2,00,000 x 20% = ₹ 40,000

As Average Profit < Normal profit, there is no goodwill of the firm