

Solution-14

Average profit = Simple Average of pure profit of last few years = $36,000 - 6,000 = ₹ 30,000$

Normal Profit = Capital Employed x Normal Rate of Return = $2,00,000 \times 10\% = ₹ 20,000$

Super Profit = Average Profit – Normal profit

Super Profit = $30,000 - 20,000 = ₹ 10,000$

Goodwill = Super Profit X Number of years purchased

Goodwill = $10,000 \times 2 = ₹ 20,000$

