

Solution-18

Goodwill = Super Profit X Number of years purchased

60,000 = Super Profit x 4

$$\text{Super Profit} = \frac{60,000}{4} = ₹ 15,000$$

Normal Profit = Capital Employed x Normal Rate of Return

Capital Employed = 2,00,000

Normal Rate of Return = 10%

Normal Profit = 2,00,000 x 10% = ₹ 20,000

Super Profit = Average Profit – Normal profit

15,000 = Average Profit - 20,000

Average Profit = 15,000 + 20,000 = ₹ 35,000

