

Goodwill = Super Profit X Number of years purchased

1,35,000 = Super Profit x 3

$$\text{Super Profit} = \frac{1,35,000}{3} = ₹ 45,000$$

Super Profit = Average Profit – Normal profit

45,000 = 1,20,000 – Normal Profit

Normal Profit = 1,20,000 – 45,000 = 75,000

Normal Profit = Capital Employed x Normal Rate of Return

75,000 = Capital Employed x 15%

$$\text{Capital Employed} = \frac{75,000}{15\%} = ₹ 5,00,000$$

