

Average profit = Simple Average of pure profit of last few years = 7,50,000 - 30,000 = ₹ 7,20,000

Normal Profit = Capital Employed x Normal Rate of Return = 42,00,000 x 15% = ₹ 6,30,000

Super Profit = Average Profit – Normal profit

Super Profit = 7,20,000 – 6,30,000 = ₹ 90,000

Goodwill = Super Profit X Number of years purchased

Goodwill = 90,000 x 3 = ₹ 2,70,000

