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

Year	Reported Profit (₹)	Adjustment (₹)	Normal Business Profit (₹)
2020-21	1,50,000		1,50,000
2021-22	1,80,000		1,80,000
2022-23	1,00,000	1,00,000	2,00,000
2023-24	2,60,000	(40,000)	2,20,000
2024-25	2,40,000		2,40,000
Total			**9,90,000**
Average			**1,98,000**

Average profit = ₹1,98,000

Normal Profit = Capital Employed x Normal Rate of Return = (20,00,000 -5,00,000) x 10% = ₹ 1,50,000

Super Profit = Average Profit – Normal profit

Super Profit = 1,98,000 – 1,50,000 = ₹ 48,000

Goodwill = Super Profit X Number of years purchased

Goodwill = 48,000 x 3 = ₹ 1,44,000