

$$\text{Goodwill} = \text{Super Profit} \times \frac{100}{\text{Normal Rate of Return}}$$

Super Profit = Average Profit – Normal profit

Normal Profit = (3,00,000+2,00,000) x 20% = ₹ 1,00,000

Average Profit = Capitalised value of Average Profits x Normal Rate of Return = 7,50,000 x 20% = ₹ 1,50,000

Super Profit = 1,50,000 – 1,00,000 = ₹ 50,000

$$\text{Goodwill} = \text{Super Profit} \times \frac{100}{\text{Normal Rate of Return}} = 50,000 \times \frac{100}{20} = ₹ 2,50,000$$

