

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

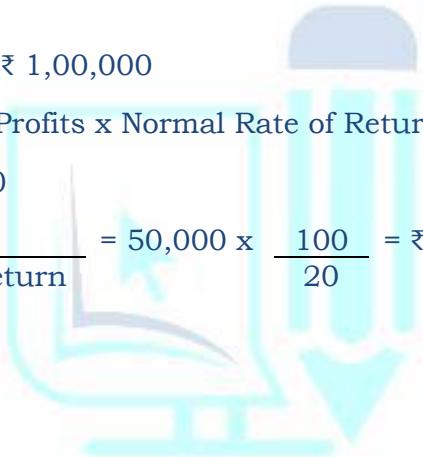
Super Profit = Average Profit – Normal profit

$$\text{Normal Profit} = (3,00,000 + 2,00,000) \times 20\% = ₹ 1,00,000$$

$$\text{Average Profit} = \text{Capitalised value of Average Profits} \times \text{Normal Rate of Return} = 7,50,000 \times 20\% = ₹ 1,50,000$$

$$\text{Super Profit} = 1,50,000 - 1,00,000 = ₹ 50,000$$

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



ACCOUNTS
APTITUDE