



# ECON-111 lecture-05

  
- Dhruv  
Mavani



# Intro to Economics Lecture-05:

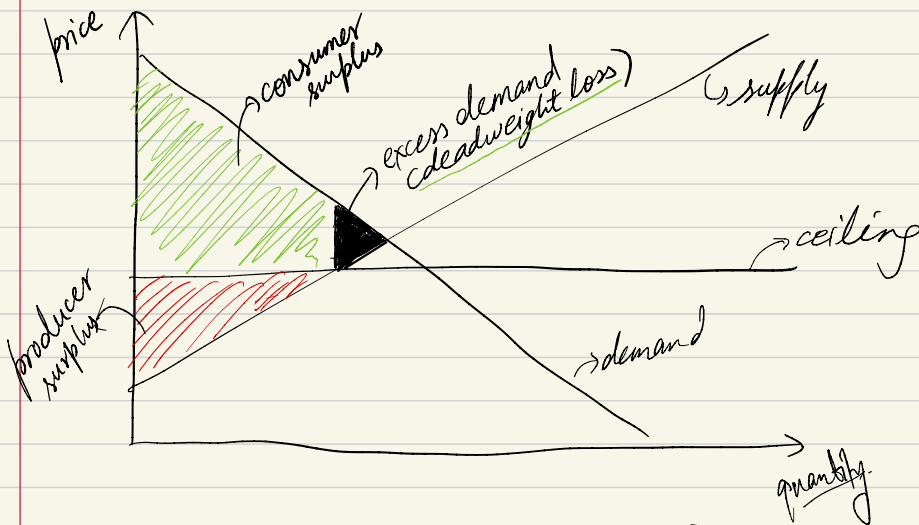
⇒ Quiz due tomorrow (12 mins) [available 4PM today to 10PM tomorrow]

① Total Surplus: difference between the consumer's willingness to pay and the producer's cost of providing the good.

⇒ Consumer Surplus: measure of net benefit for a consumer from making an exchange at a given price.  
↳ can be thought of as consumer's cut.

② Producer Surplus: difference between price and producer's cost of providing good  
↳ producer's cut  
for individual firm its their profit from transaction

③ ★ Deadweight loss: total loss in surplus resulting from an inefficient allocation as compared to the efficient benchmark.



Watch the Lecture Slides