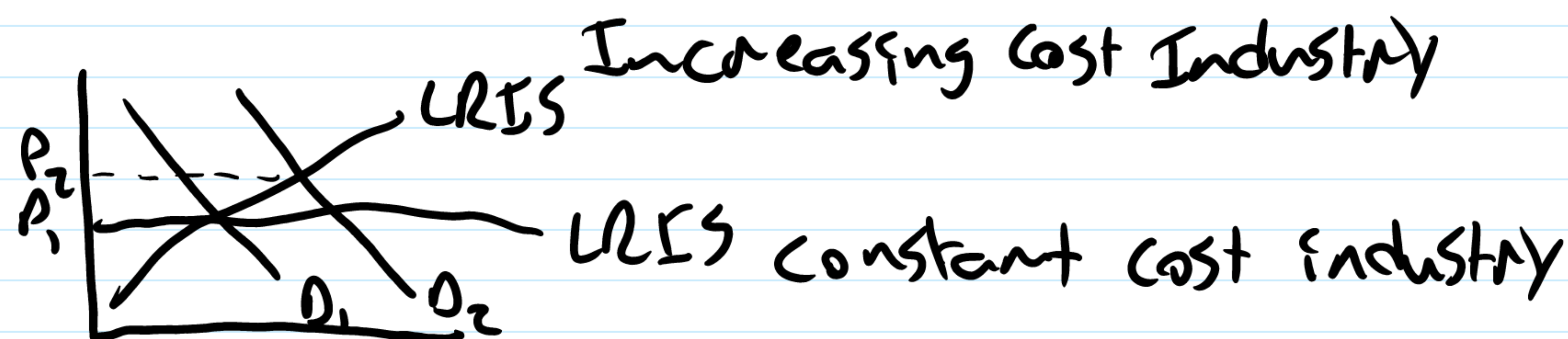
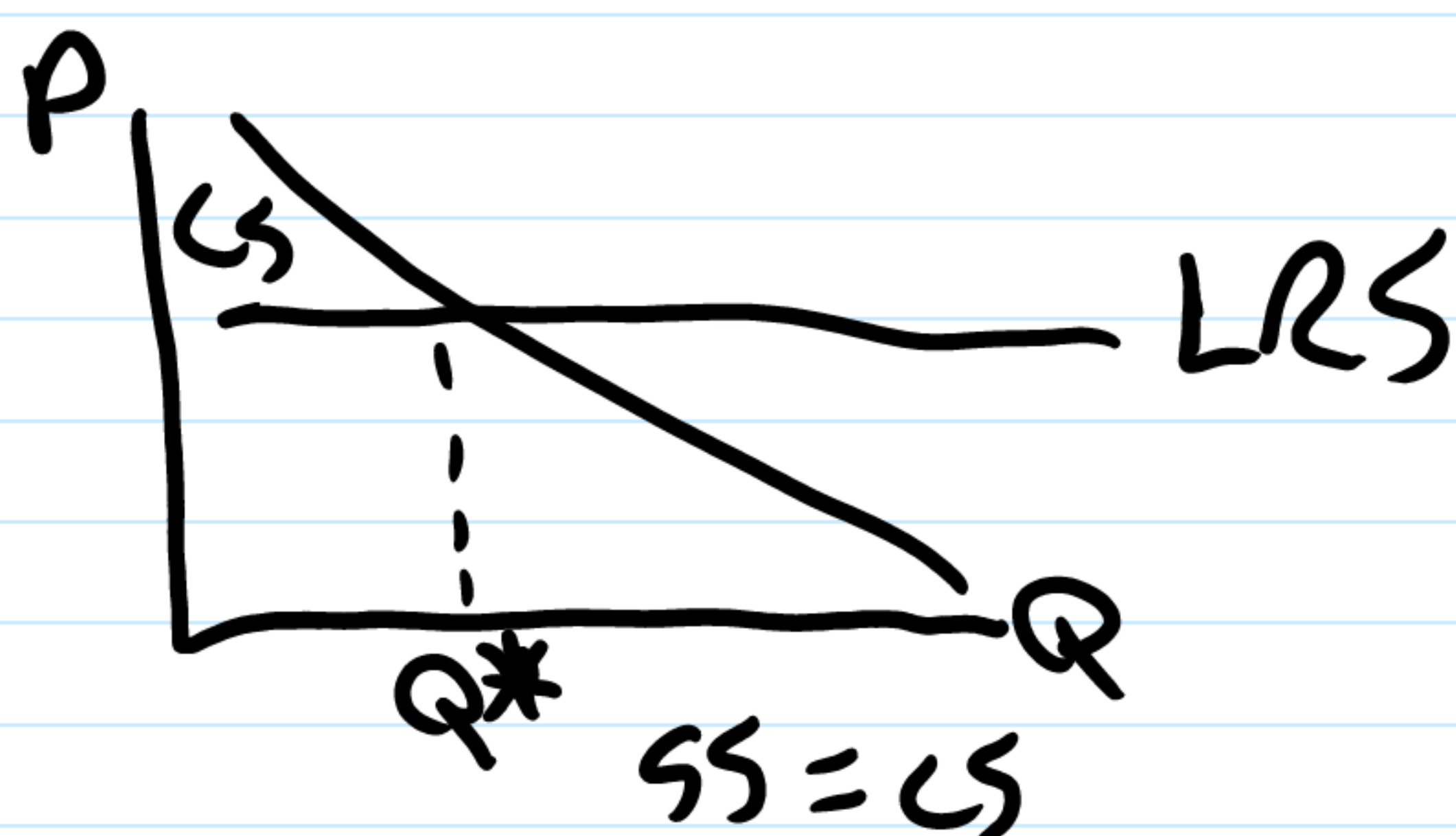
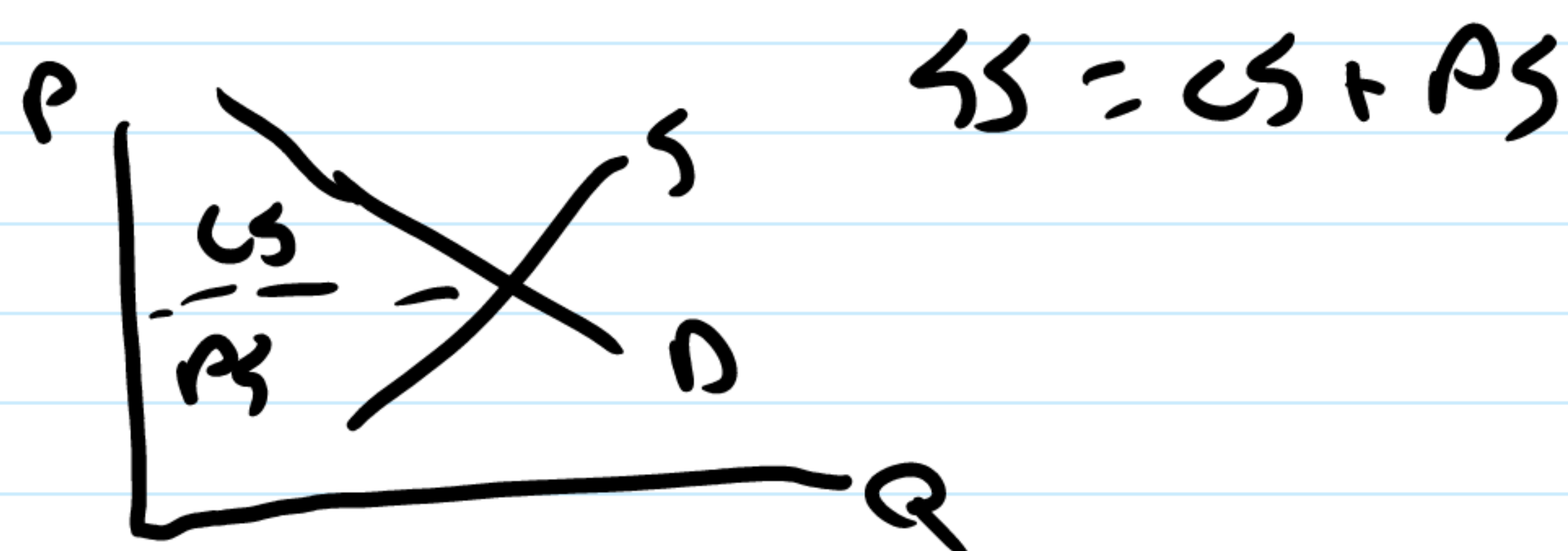


Social Surplus



Government

$$SS_1 = CS_1 + PS_1 \quad SS_2 = CS_2 + PS_2$$

$$\Delta SS = (CS_2 - CS_1) + (PS_2 - PS_1)$$

$$\Delta SS = \Delta CS + \Delta PS$$

$$\Delta SS = \Delta CS + \Delta PS + (1 + \lambda) \Delta GS \leftarrow \text{Budget Surplus}$$

↳ marginal excess burden of taxation