Impacts in efficient Input Markets
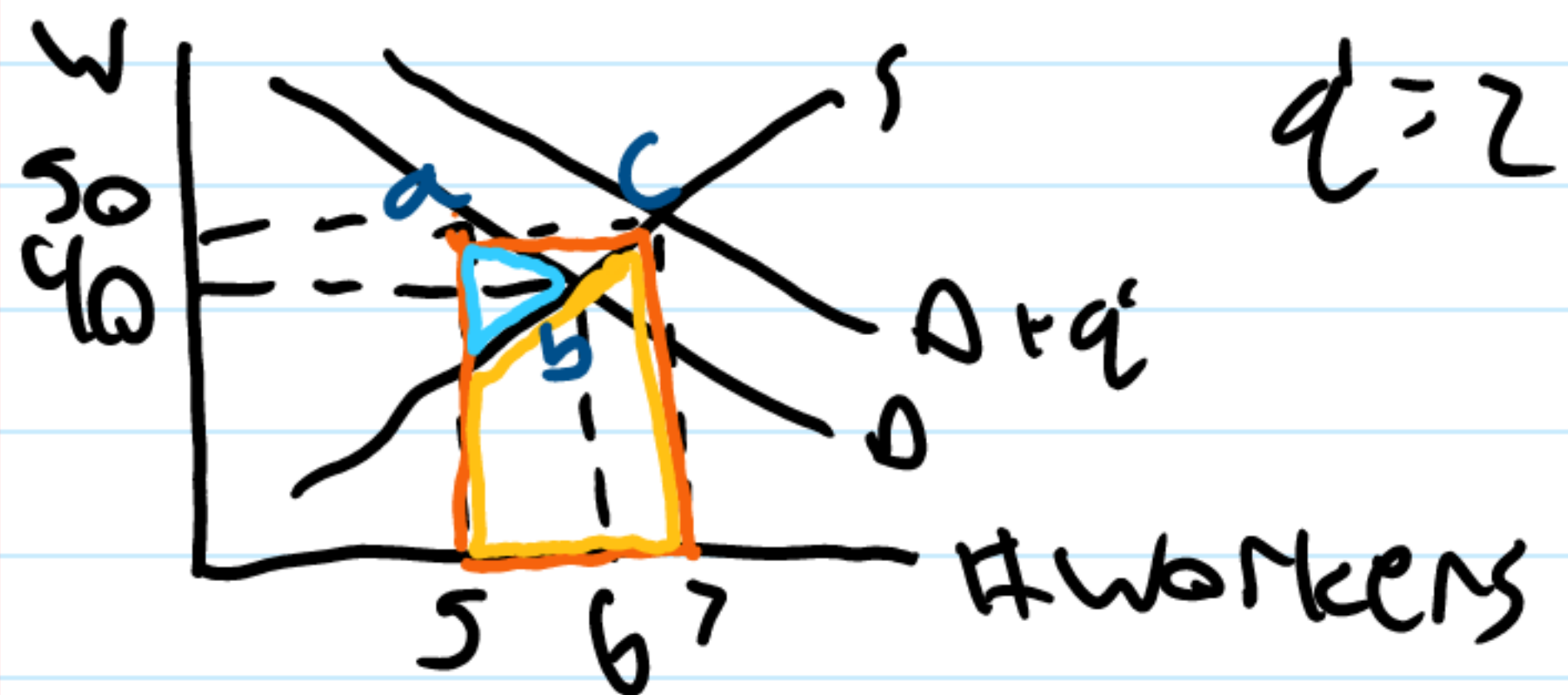
Land, labor, Capital, materials → opportunity cost?

1) No impact on price → budgetary expenditure (1+METB)
2) Drive up price

$q = 2$

$ExP = 50 \cdot (7-5) = 50 \cdot 2 = 100$

How much is cost or something else?
Part of social cost
Net value in private market

Social cost $= (7-5)(50) - abc + (METB)(7-5)(50)$
$= (1 + METB)(7-5)(50) - abc$

$\Delta CS = (50-40)(5) - \frac{1}{2}(50-40)(6-5) = -55$
$\Delta PS = (50-40)(6) + \frac{1}{2}(50-40)(7-6) = 65$
$ExP = (7-5)(50) = 100$
$METB = .25$
$\Delta SS = 65 - 55 - (1 + .25)(100)$

$abc = \frac{1}{2}(50-40)(7-5) = 10 = \Delta PS - \Delta CS \Rightarrow abc = \Delta PS - \Delta CS$