

```
from scipy.integrate import quad
```

```
class Market:
```

```
    def __init__(self, ad, bd, az, bz, tax):
```

```
        """
```

```
        Set up market parameters. All parameters are scalars. See
        https://lectures.quantecon.org/py/python\_oop.html for interpretation.
```

```
        """
```

```
        self.ad, self.bd, self.az, self.bz, self.tax = ad, bd, az, bz, tax
```

```
        if ad < az:
```

```
            raise ValueError('Insufficient demand.')
```

```
    def price(self):
```

```
        "Return equilibrium price"
```

```
        return (self.ad - self.az + self.bz * self.tax) / (self.bd + self.bz)
```

```
    def quantity(self):
```

```
        "Compute equilibrium quantity"
```

```
        return self.ad - self.bd * self.price()
```

```
    def consumer_surp(self):
```

```
        "Compute consumer surplus"
```

```
        # == Compute area under inverse demand function == #
```

```
        integrand = lambda x: (self.ad / self.bd) - (1 / self.bd) * x
```

```
        area, error = quad(integrand, 0, self.quantity())
```

```
        return area - self.price() * self.quantity()
```

```
    def producer_surp(self):
```

```
        "Compute producer surplus"
```

```
        # == Compute area above inverse supply curve, excluding tax == #
```

```
        integrand = lambda x: -(self.az / self.bz) + (1 / self.bz) * x
```

```
        area, error = quad(integrand, 0, self.quantity())
```

```
        return (self.price() - self.tax) * self.quantity() - area
```

```
    def taxrev(self):
```

```
        "Compute tax revenue"
```

```
        return self.tax * self.quantity()
```

```
    def inverse_demand(self, x):
```

```
        "Compute inverse demand"
```

```
        return self.ad / self.bd - (1 / self.bd) * x
```

```
    def inverse_supply(self, x):
```

```
        "Compute inverse supply curve"
```

```
        return -(self.az / self.bz) + (1 / self.bz) * x + self.tax
```

```
    def inverse_supply_no_tax(self, x):
```

```
        "Compute inverse supply curve without tax"
```

```
        return -(self.az / self.bz) + (1 / self.bz) * x
```

Here's a sample of usage

```
In baseline_params = 15, .5, -2, .5, 3  
m = Market(*baseline_params)  
print("equilibrium price = ", m.price())
```

```
out equilibrium price = 18.5
```

```
In print("consumer surplus = ", m.consumer_surp())
```

```
out consumer surplus = 33.0625
```