





### Total Revenue Before







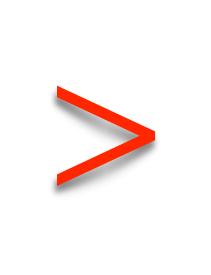








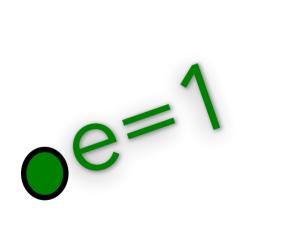




# TR increase

## Decreasing supply, cause an increase in price and a

decrease in Q<sup>d</sup>







## Total

## Revenue

After



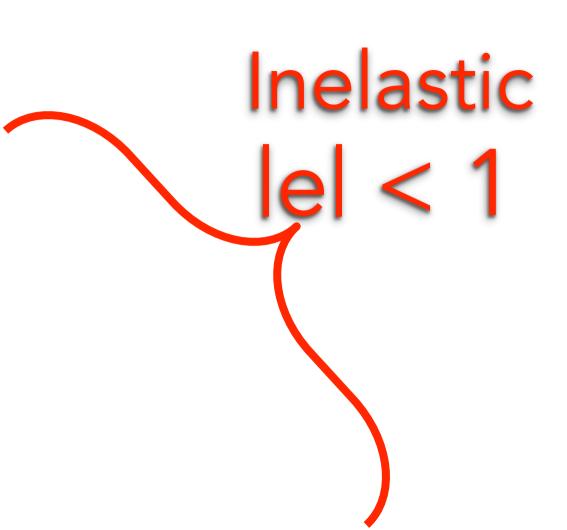




# Because

If consumers are insensitive to prices, it is in the producers' best interest to decrease supply

Decreasing supply, cause an increase in Total Revenue for producers if demand is inelastic (e<1)



#### Decreasing supply, cause an increase in price and a decrease in Q<sup>d</sup> If consumers are insensitive to prices, it is in the producers' best interest to Because decrease supply Gain Gain $P_0$ TR increase Revenue Loss After $D_0$

Decreasing supply, cause an increase in Total Revenue for producers if demand is inelastic (e<1)

