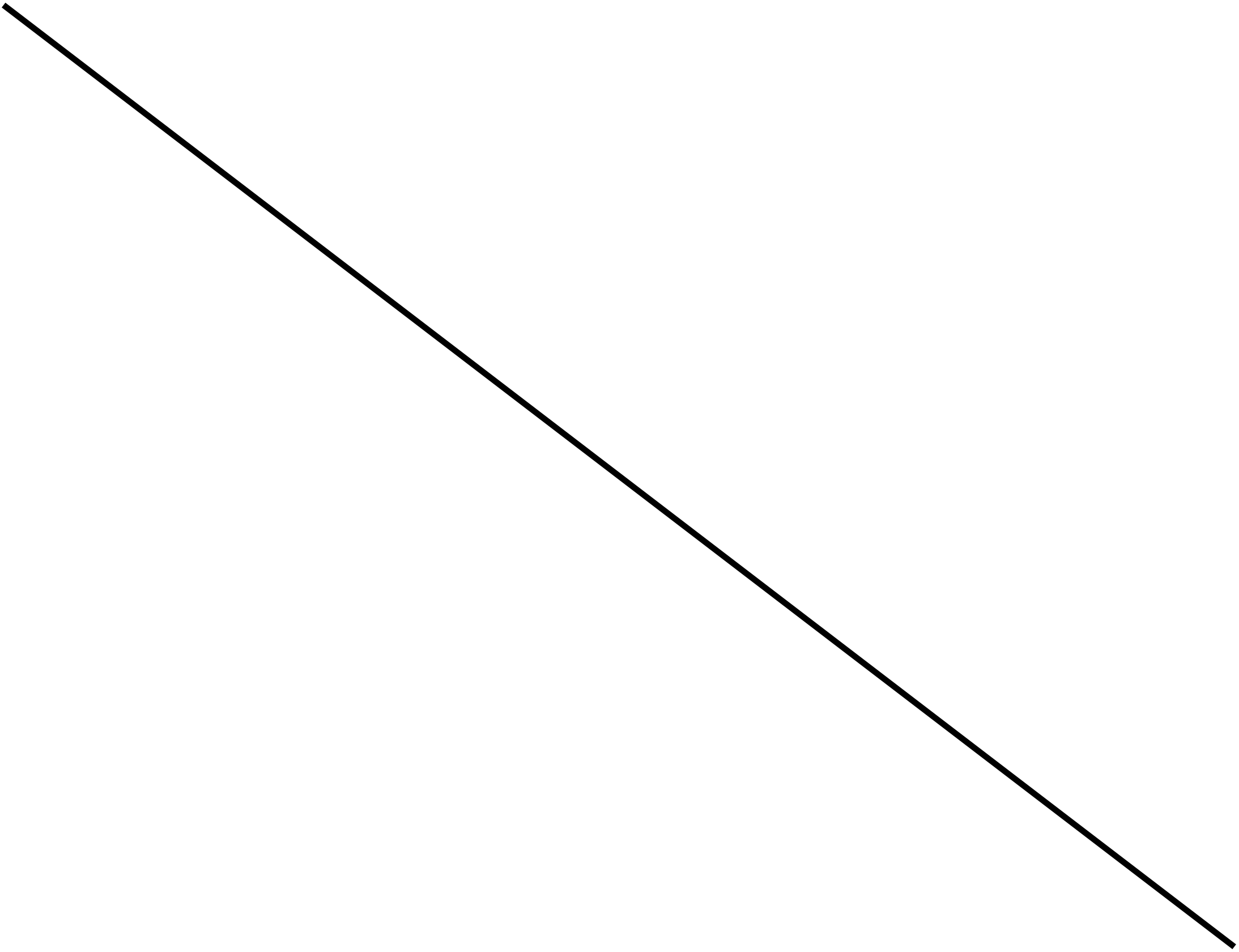


150



Producer Surplus at Equilibrium





D

S

50

45

25

$$PS = \text{Base} \times \text{Height} \times \frac{1}{2}$$

$$PS = 250 \times (35 - 5) \times 1/2$$

$$PS = 250 \times (30) \times \frac{1}{2} = \$3,750$$

5



35

15

55

250

350

450

550

650

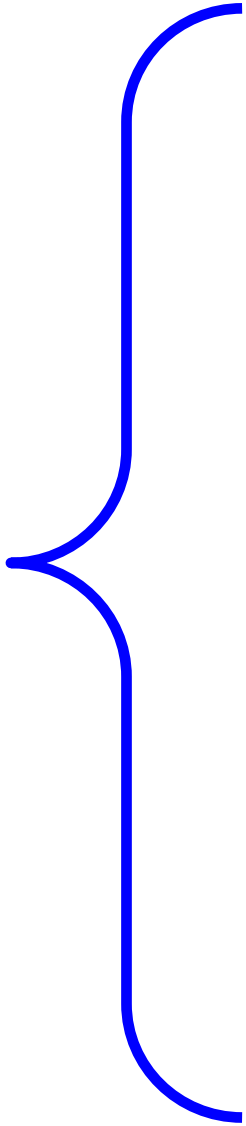
At Equilibrium consumers **pay** and
producers **receive** the equilibrium price:

$$P_e = 35 \text{ — — — — —}$$

$$P_e = 35$$

$Q_e = 250$

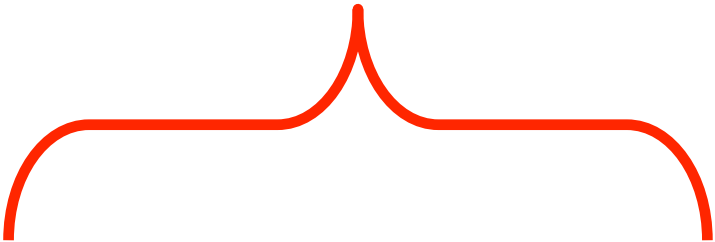
$$35 - 5$$





0

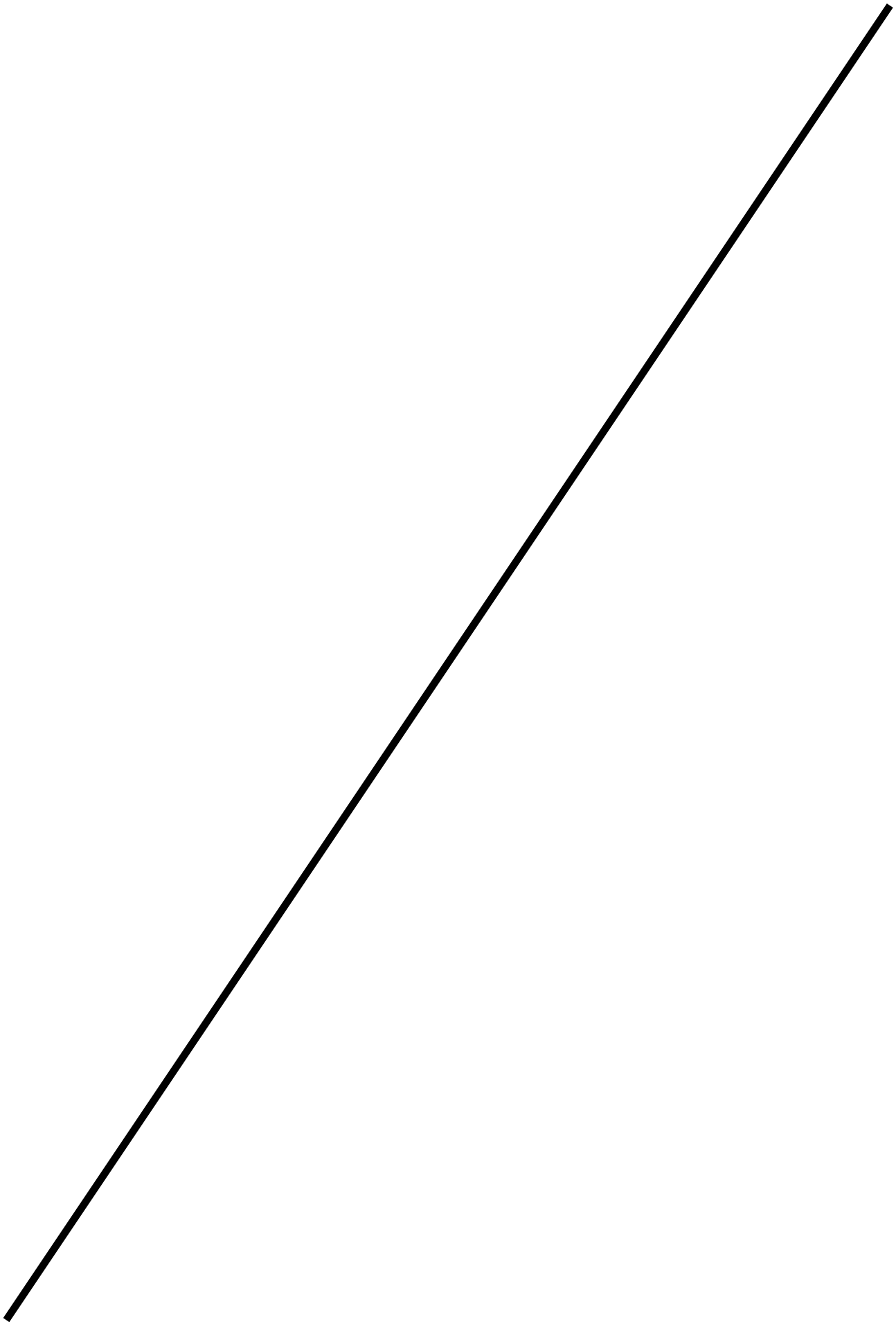
250





PS

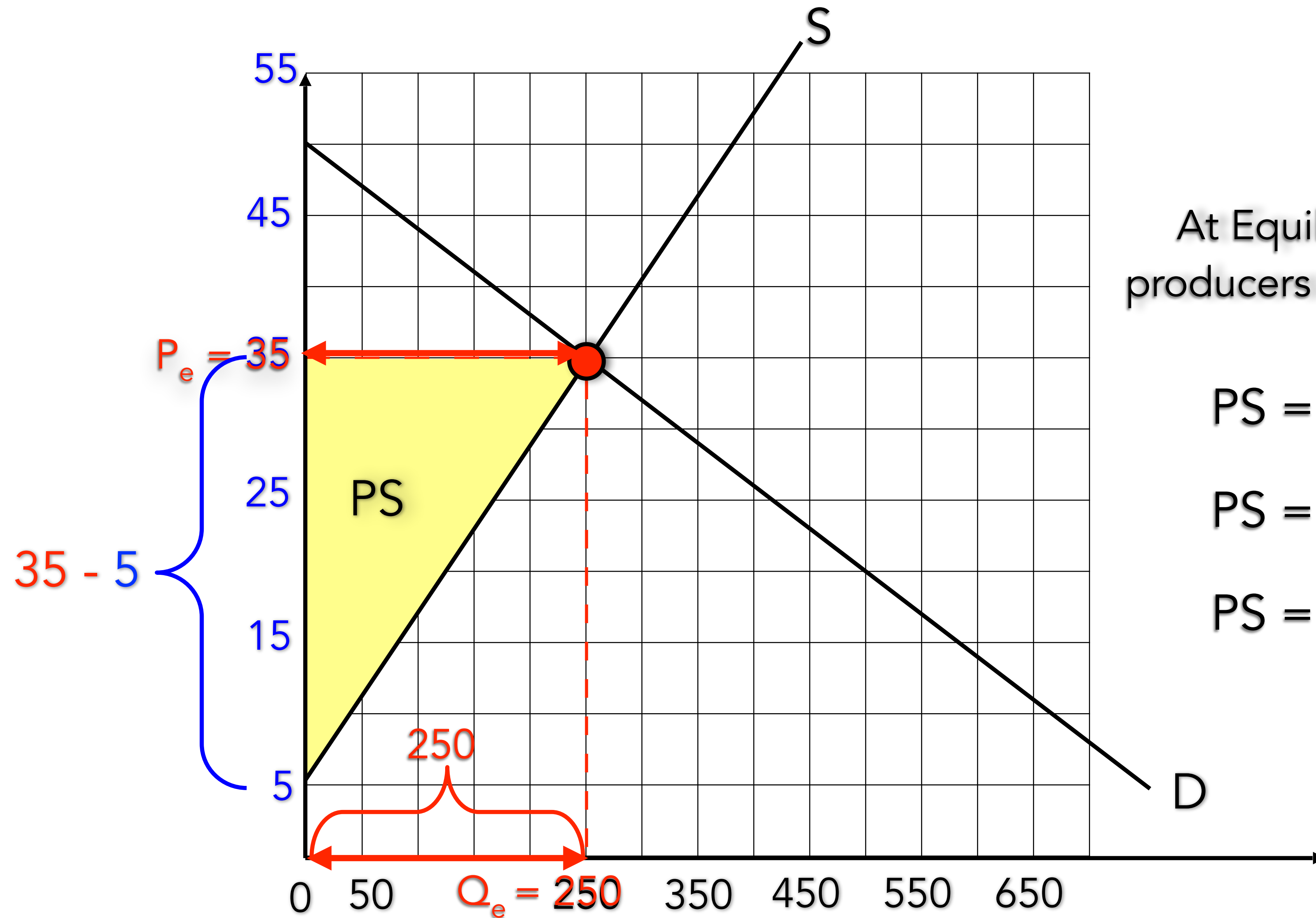








Producer Surplus at Equilibrium



At Equilibrium consumers **pay** and producers **receive** the equilibrium price:

$$P_e = 35$$

$$PS = \text{Base} \times \text{Height} \times \frac{1}{2}$$

$$PS = 250 \times (35 - 5) \times \frac{1}{2}$$

$$PS = 250 \times (30) \times \frac{1}{2} = \$3,750$$

Price Floors and Ceilings