





















40



Demand for cell phone  
service





1

2

3

4

5

6

7













50

60

70

80



90

100

110

# Consumer Surplus

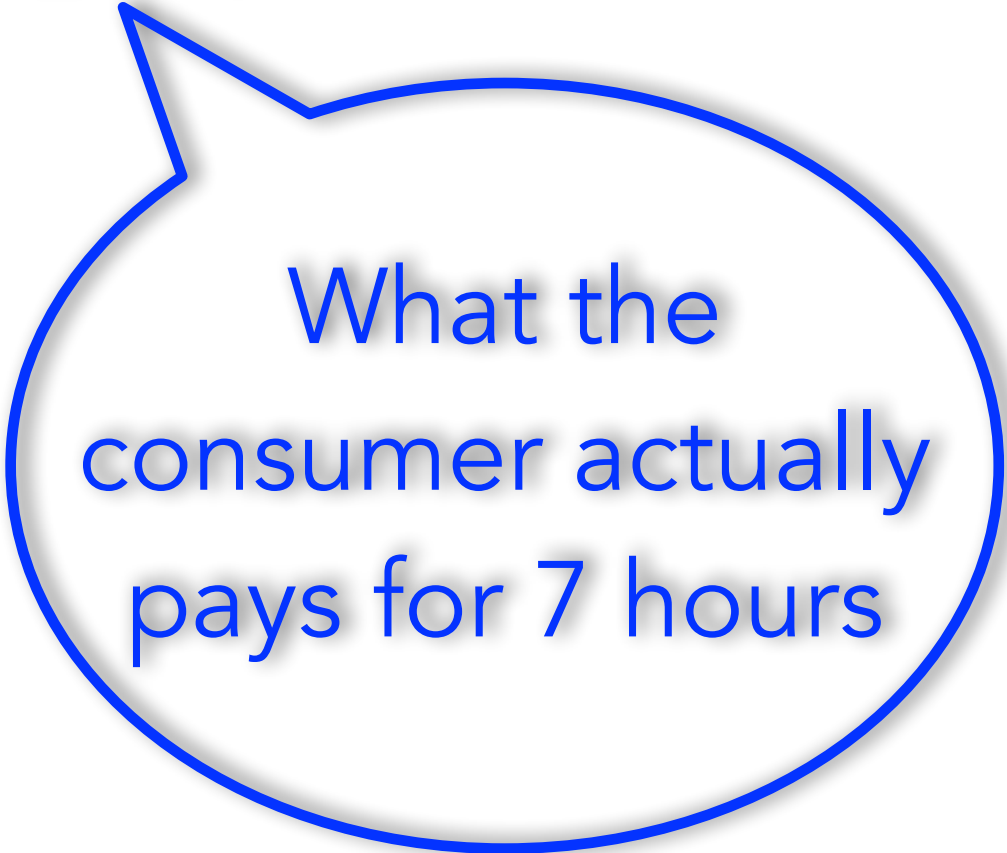
=

$$525 - 280 = 245$$

525

Value of 7  
hours to  
consumer

280



What the  
consumer actually  
pays for 7 hours

40



If the price is \$40  
per unit

Willingness  
to pay for 7  
hours of cell  
service =  
\$525



The background is a solid orange color. A diagonal line runs from the top-left corner to the bottom-right corner, creating a white triangular area in the top-right corner.

\$525

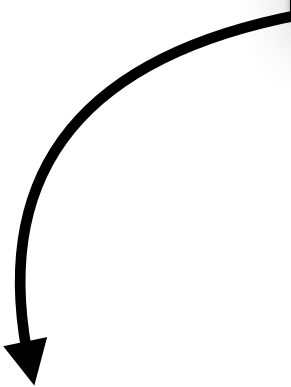
Consumer  
Actually  
pays  $\$40 \times 7$

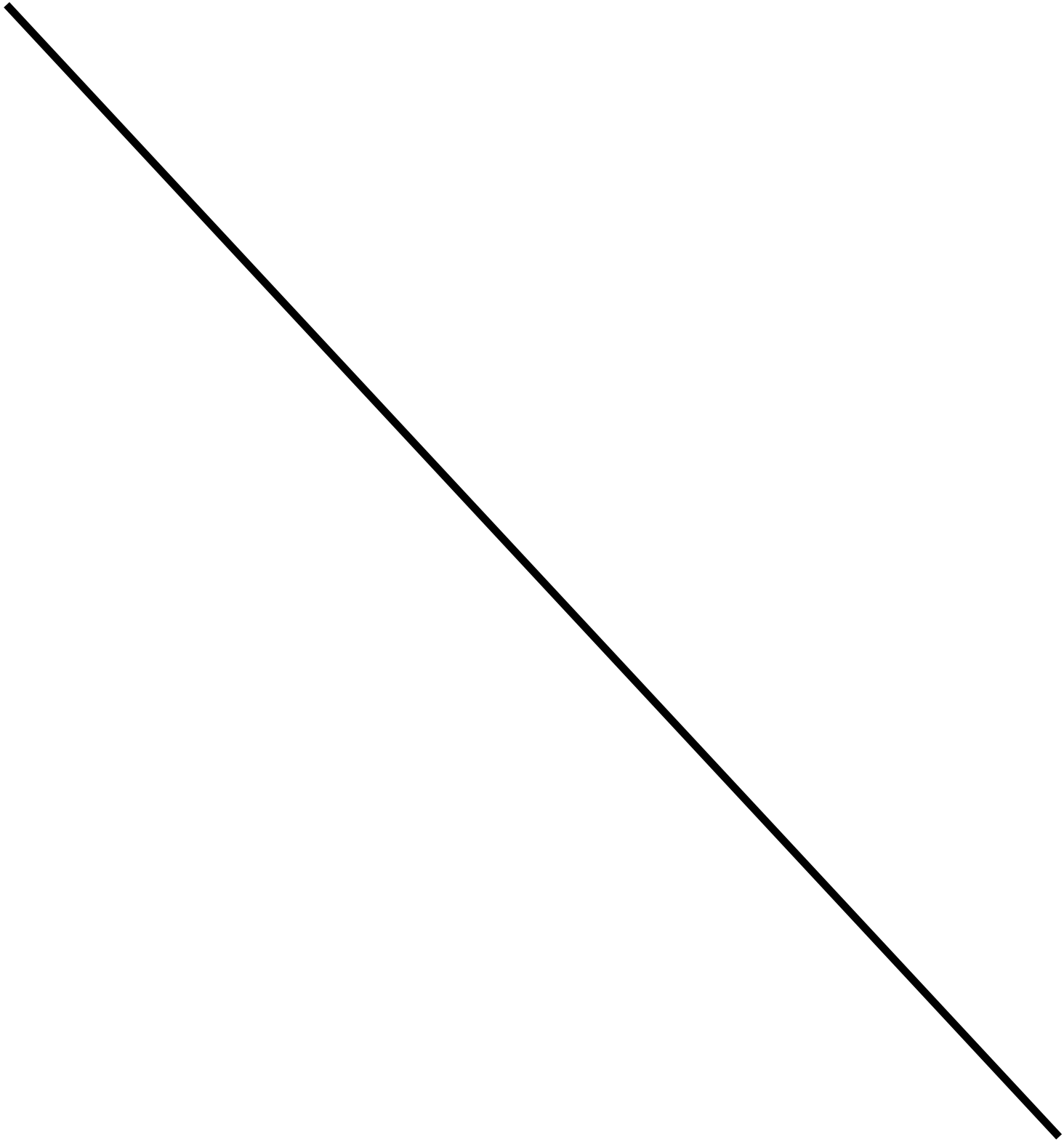
\$280

A large pink triangle pointing downwards, occupying the left half of the image. The right half of the image is white.

\$245

The difference between “value”  
to the consumer and what s/he  
actually pays is Consumer  
Surplus







0





Consumer  
buys 7 hours

# Consumer Surplus

$$= 525 - 280 = 245$$

Value of 7 hours to consumer

What the consumer actually pays for 7 hours

