

5

10



1

5

20

25

0.40



0.50

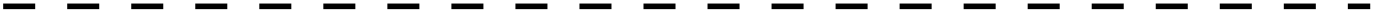


0.60





0.70





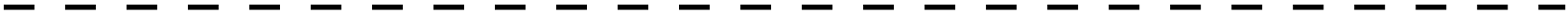
Supply

Price per unit

Quantity Supplied









0.75

0.80

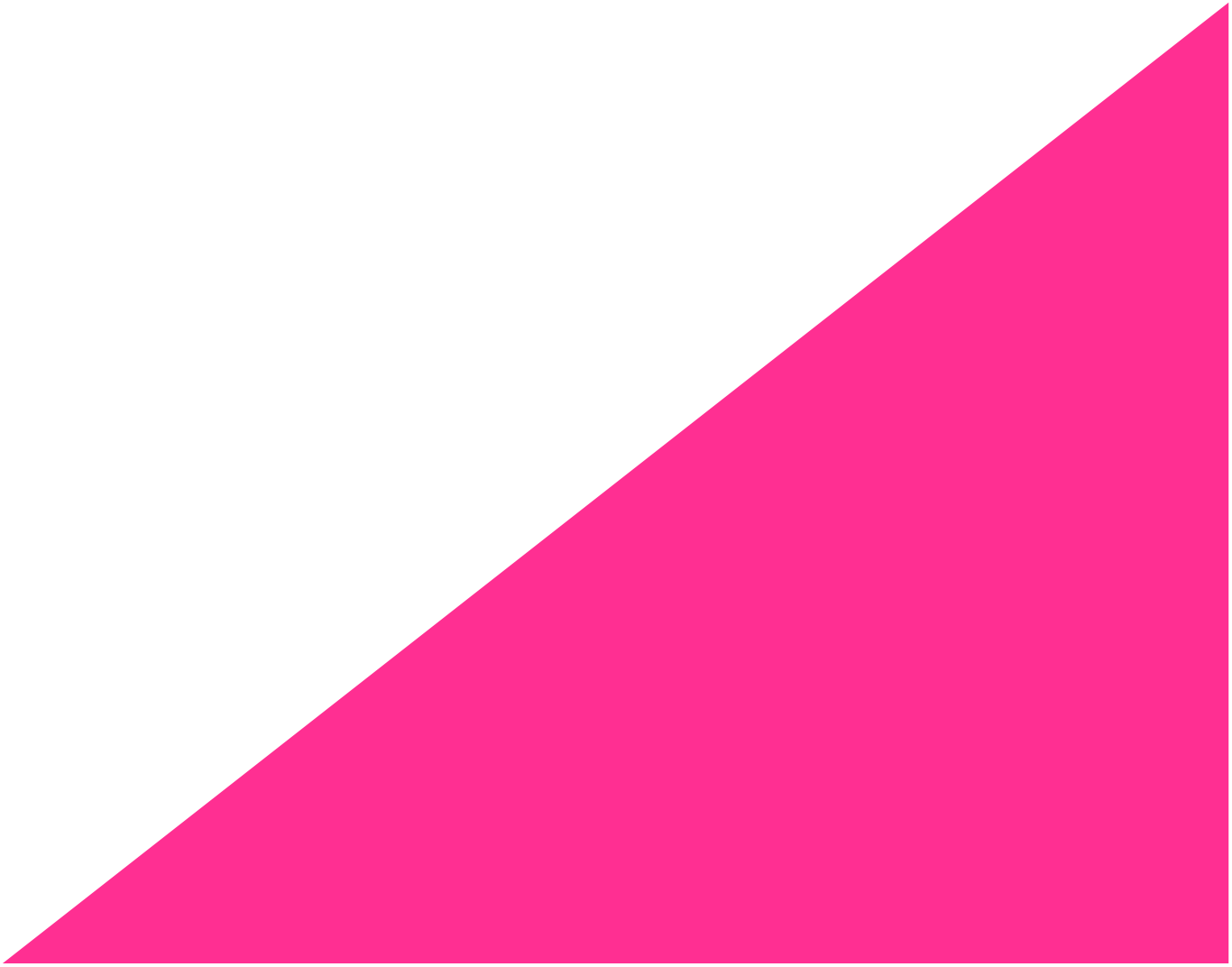
0.90



30

35







Producer  
supplies 20  
units

This area  
represents the  
cost of producing  
20 units





0.70 — — — — — If the price is \$0.70 per unit







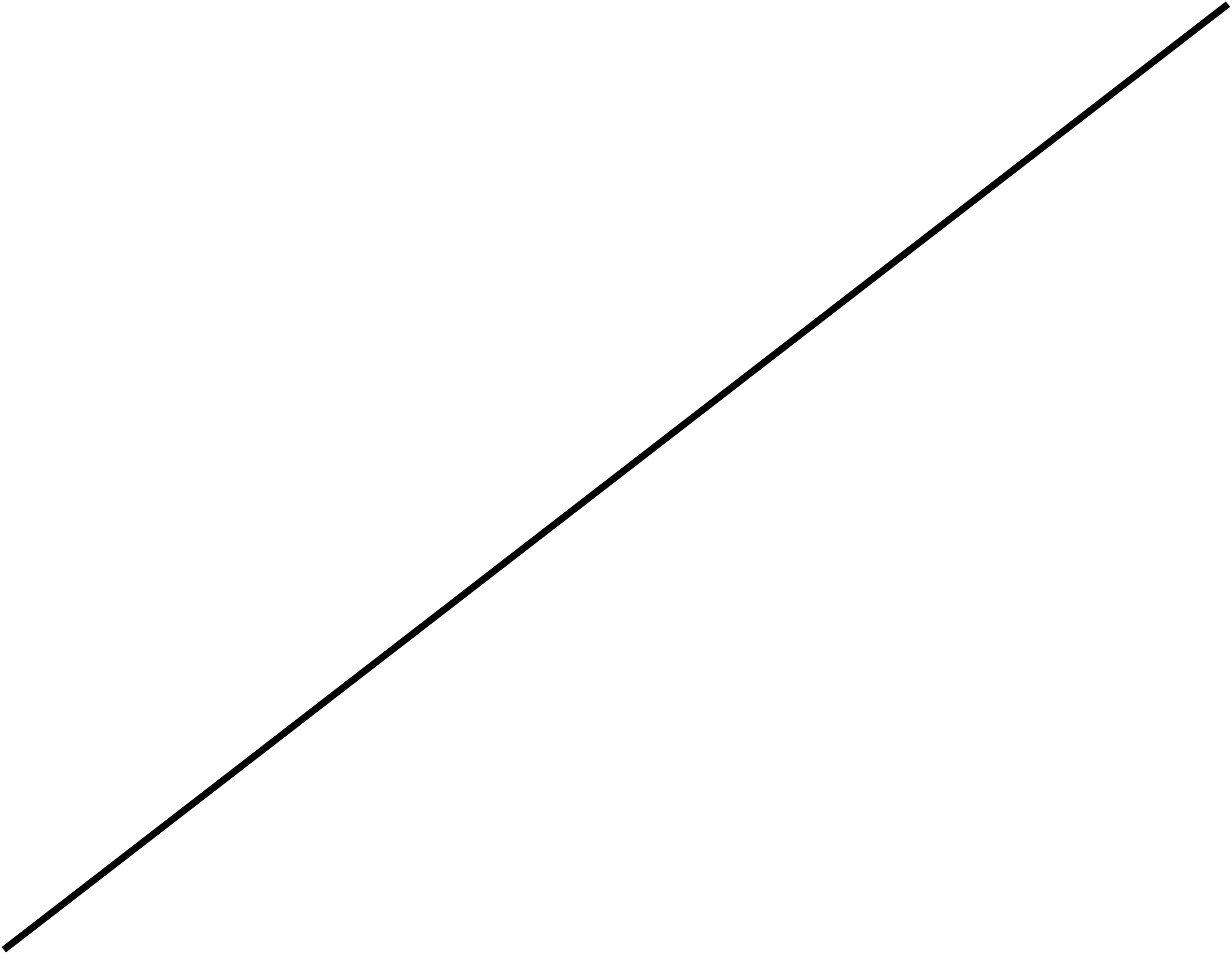




Total Revenue

# Total Cost

$$\text{Total Revenue} - \text{Total Cost} \\ = \text{Producer Surplus (Profit)}$$



This area represents  
the Total Revenue  
collected by the  
producer:  
 $\text{Price} \times \text{Quantity}$

# Total Revenue

Price x

Quantity

$$0.70 \times 20 = \$14$$

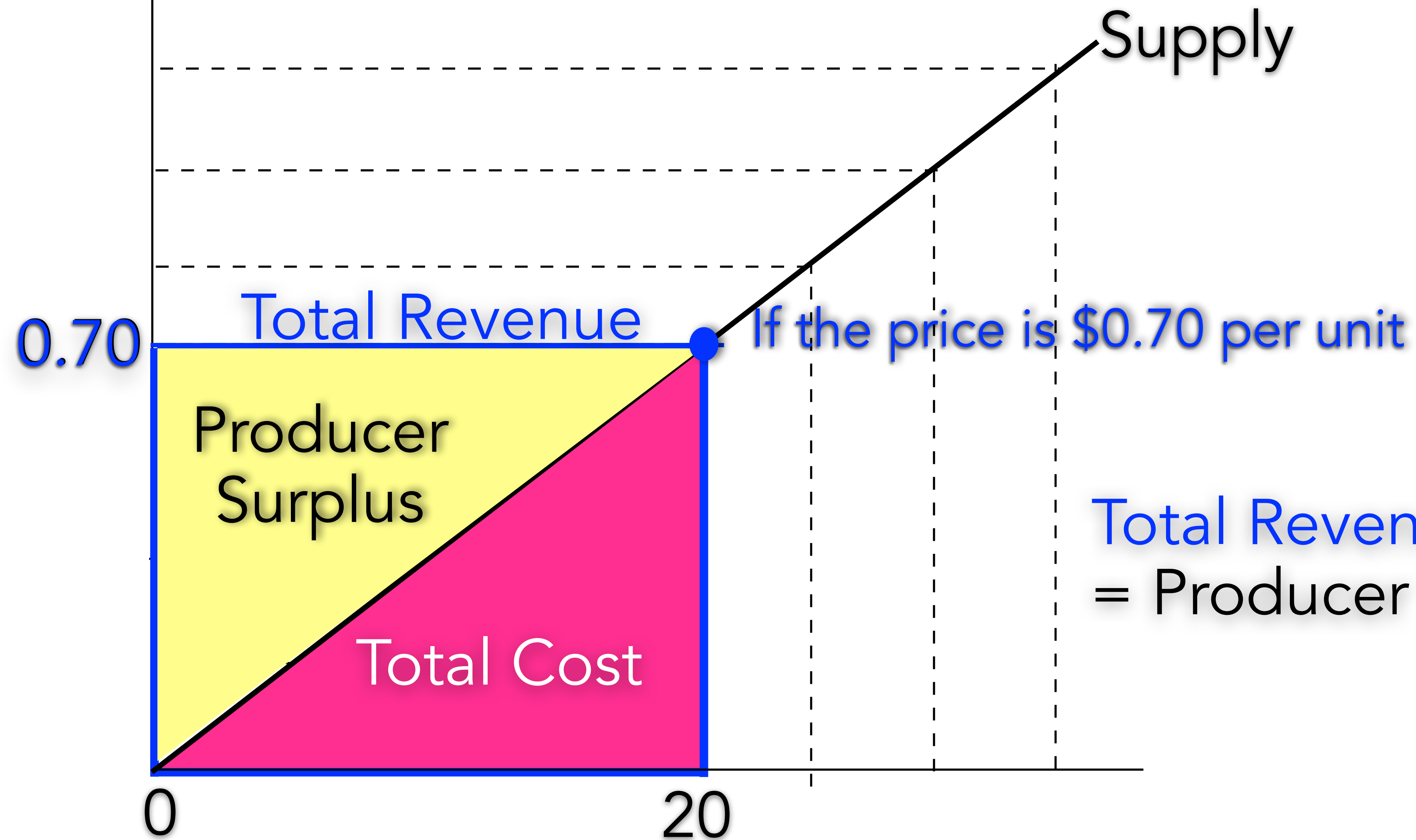


# Producer Surplus





Price per unit



Total Revenue - Total Cost  
= Producer Surplus (Profit)

Price per unit

