







_ _ _ _ _ _ _ _ _ _ _ _ .



Supply

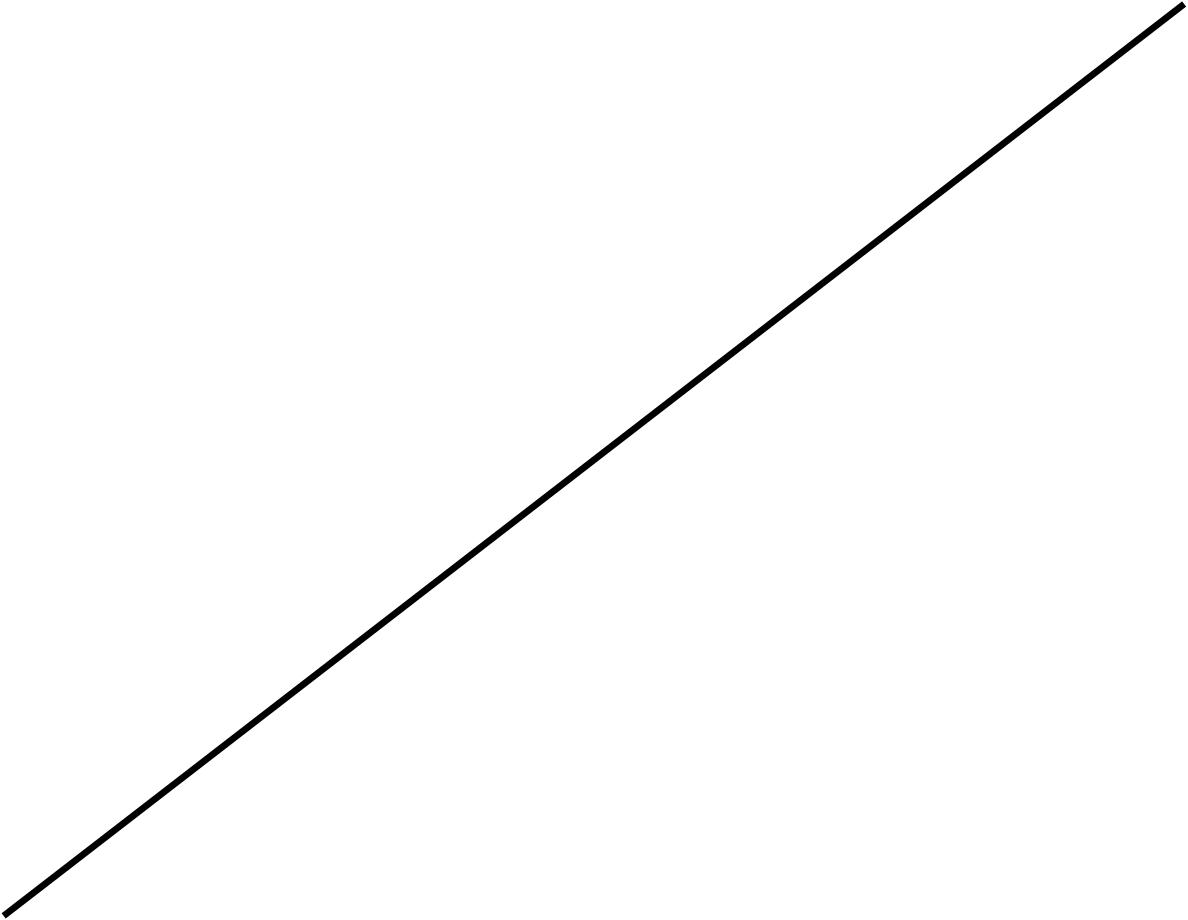
Price per unit

Quantity Supplied





PS

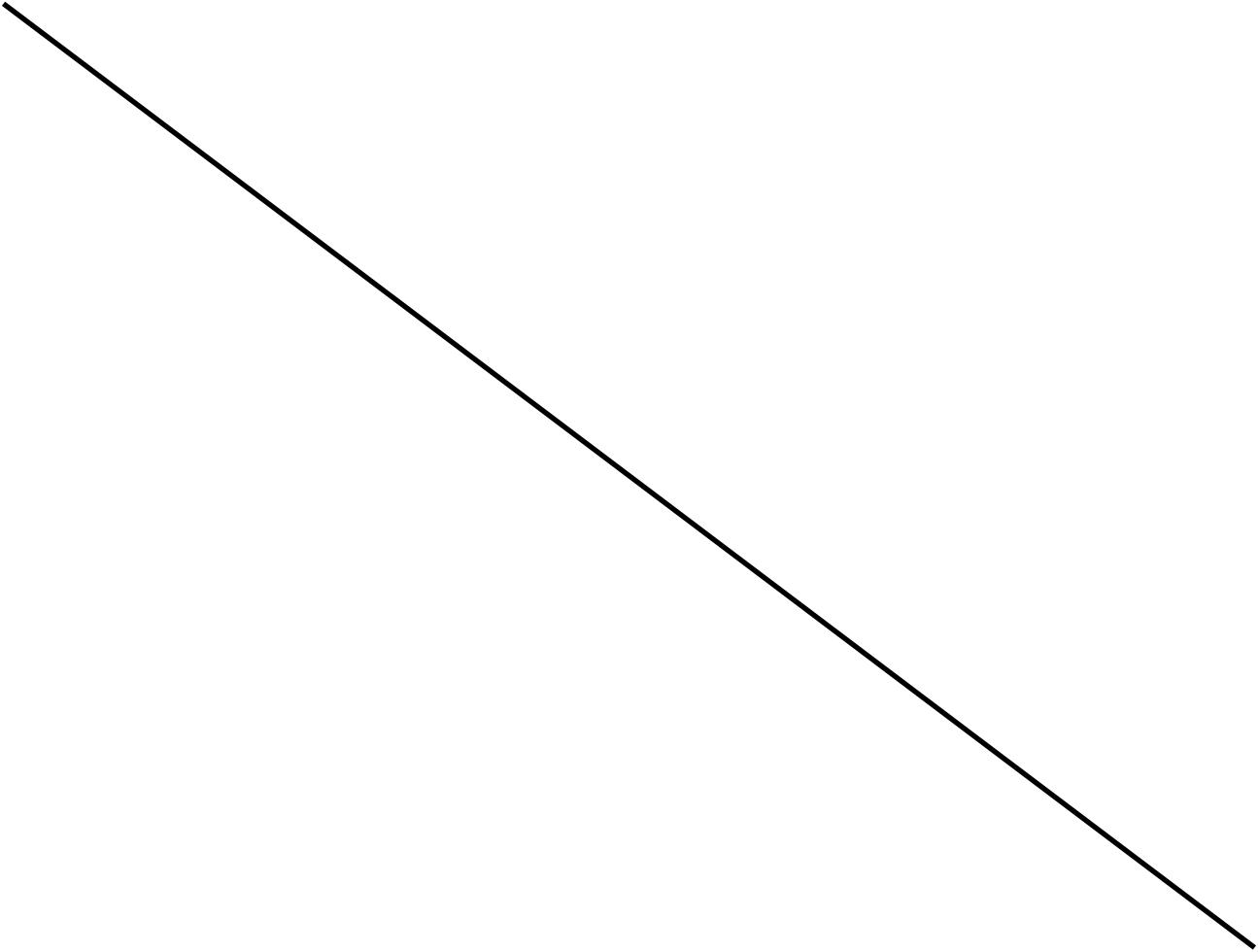


Producer Surplus: area above supply and below the price the producer receives: P



receive the equilibrium price: P

CS



Producers supply Q₀ units

Consumer Surplus: area below demand and above the price the consumer pays: P

Demand



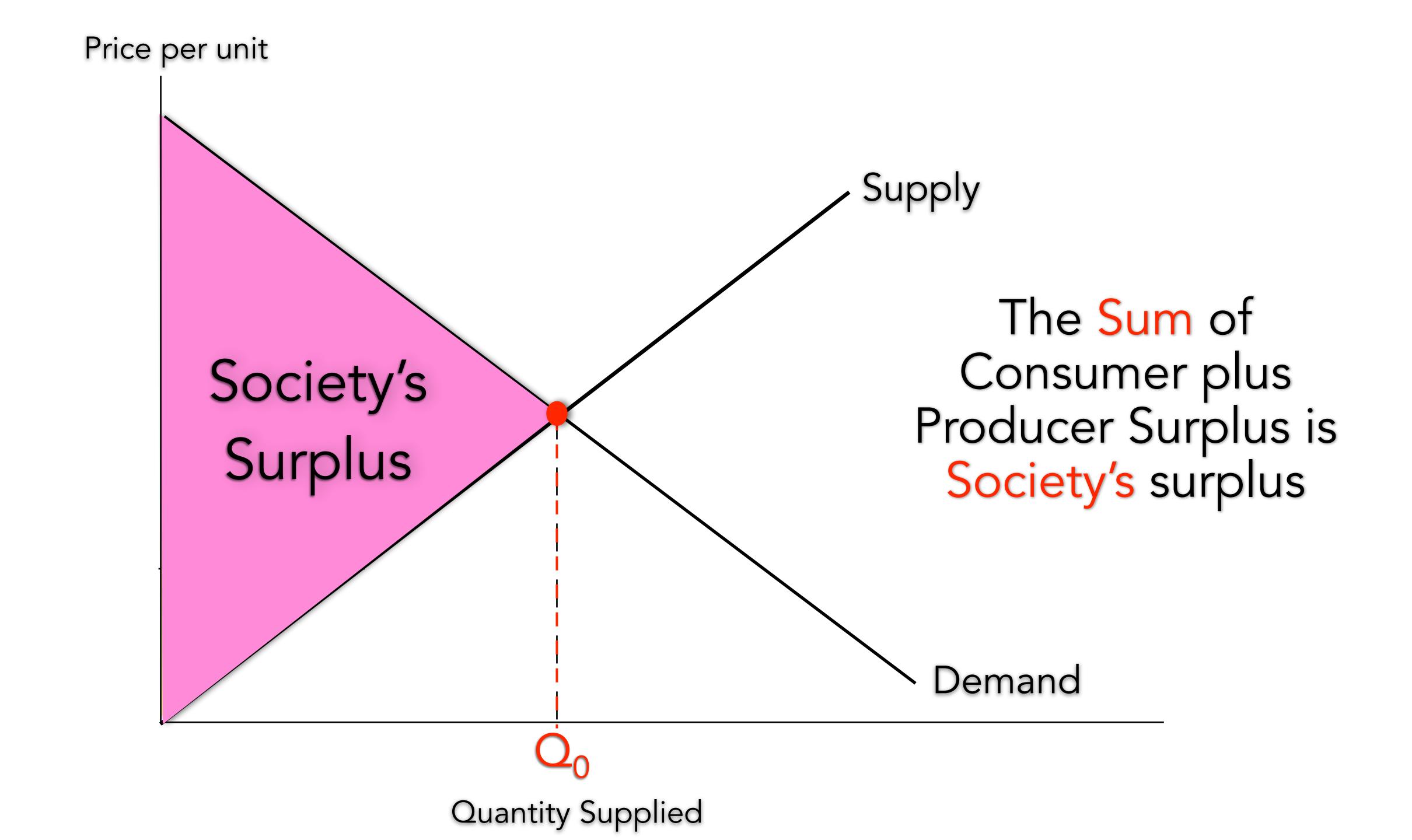


Society's Surplus

The Sum of Consumer plus Producer Surplus is Society's surplus







Consumer Surplus at Equilibrium

