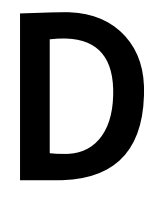
Consumer Surplus=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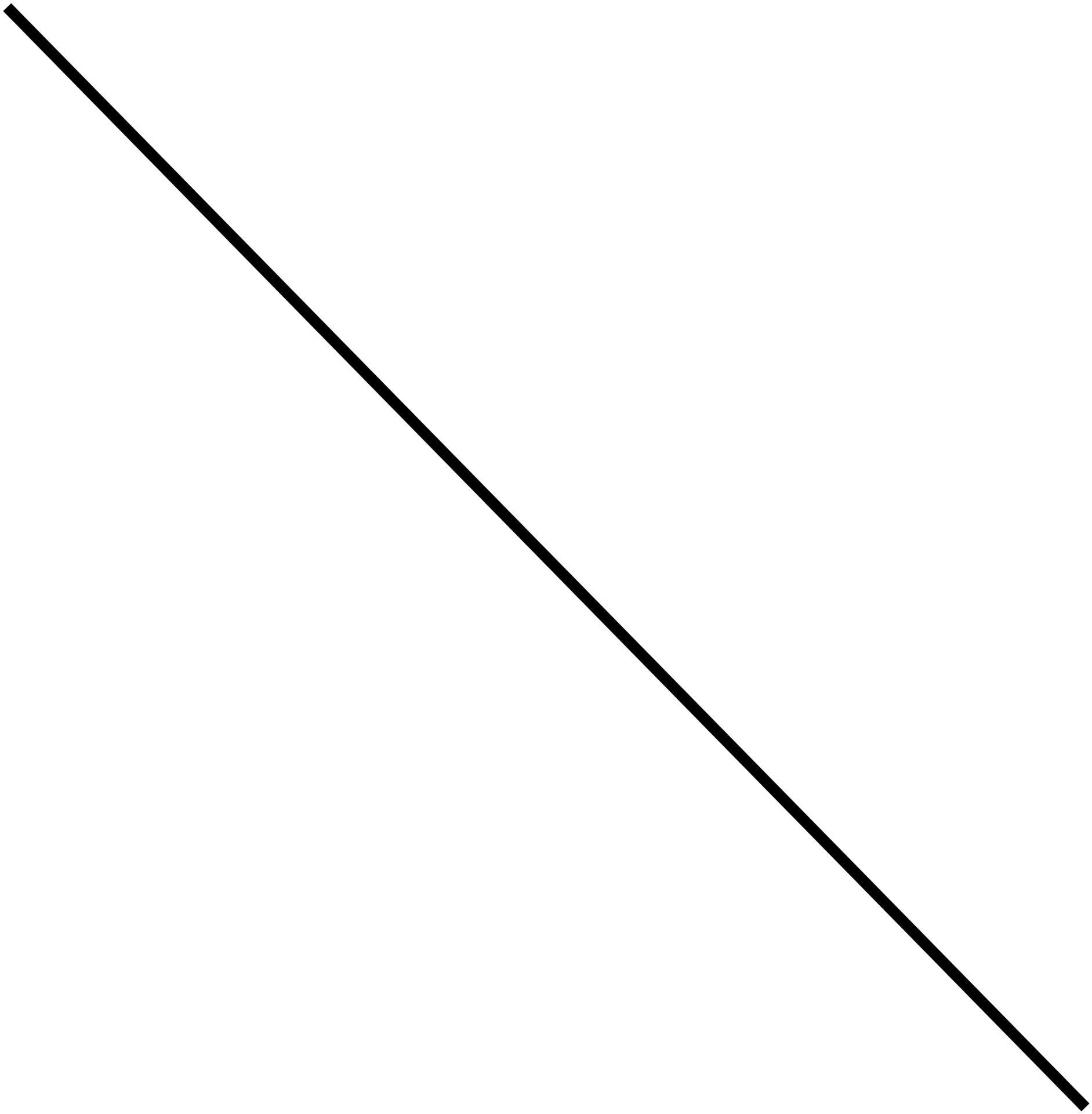
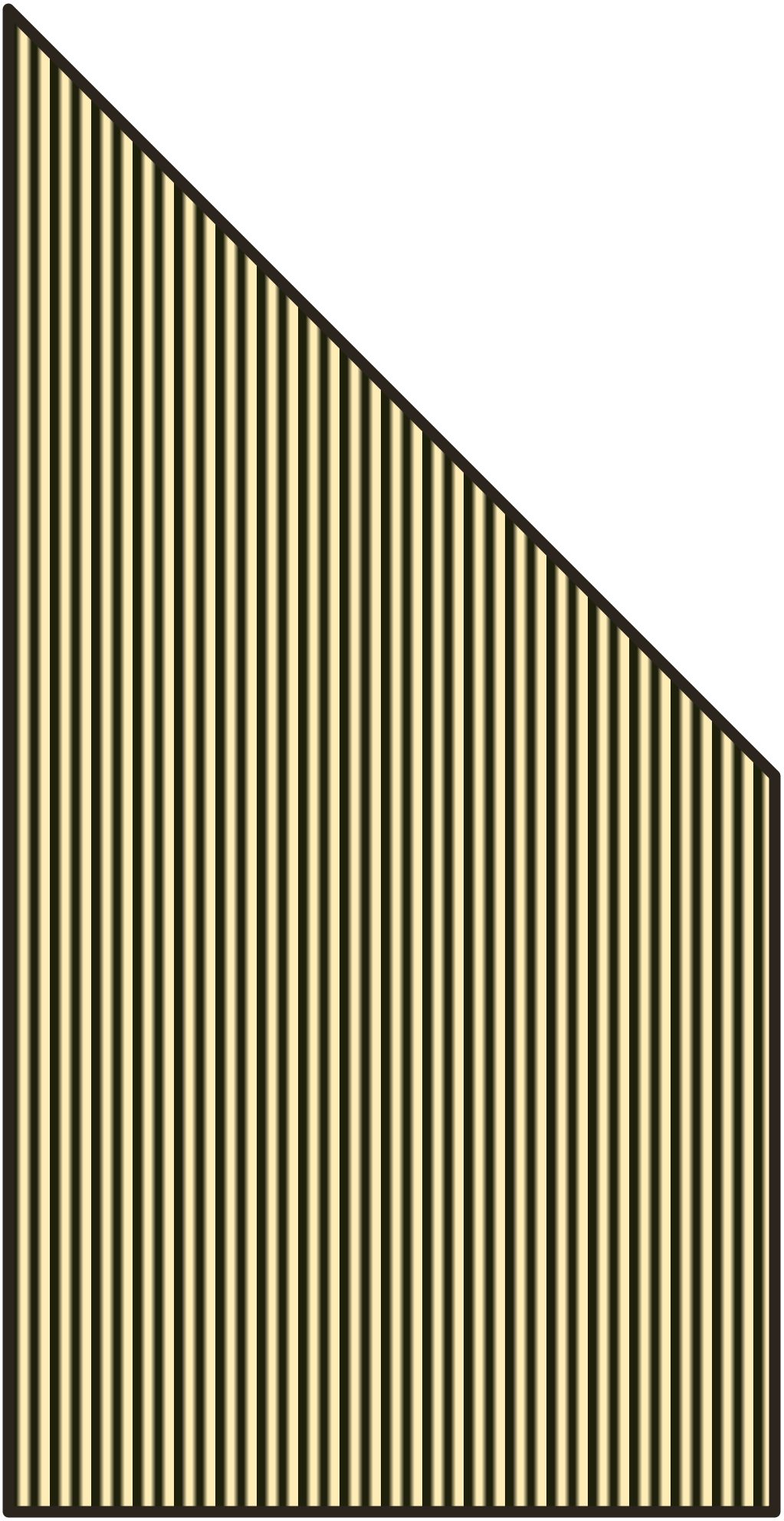


Area = How much the consumer is willing to pay for 30 units



30 units

If Price = $2 per unit

Area below demand and above the price

$2

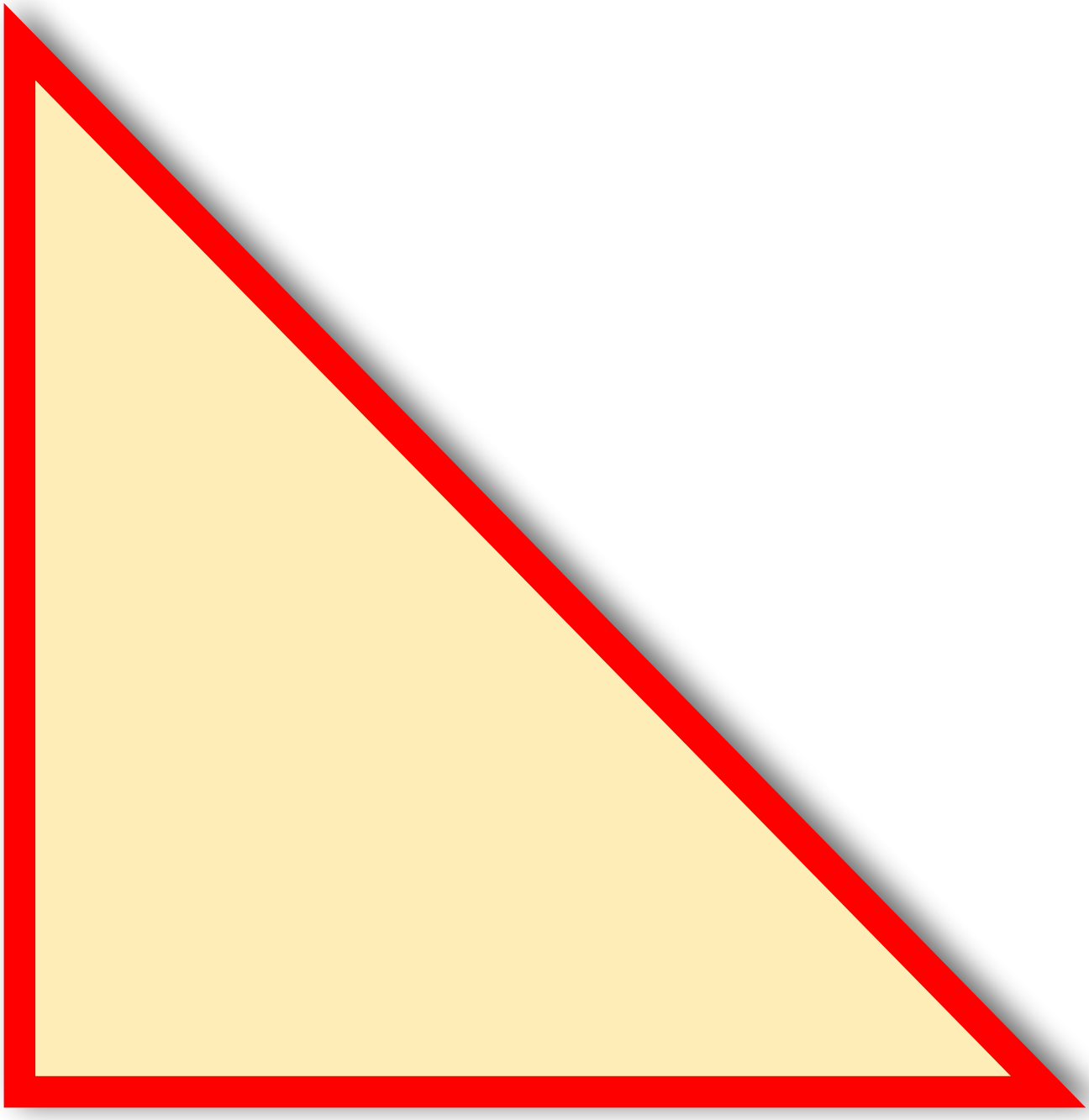
Area below the Demand curve

$ Amount the consumer is willing to pay

MINUS

$ the consumer actually pays

Consumer Pays $2*30 $60



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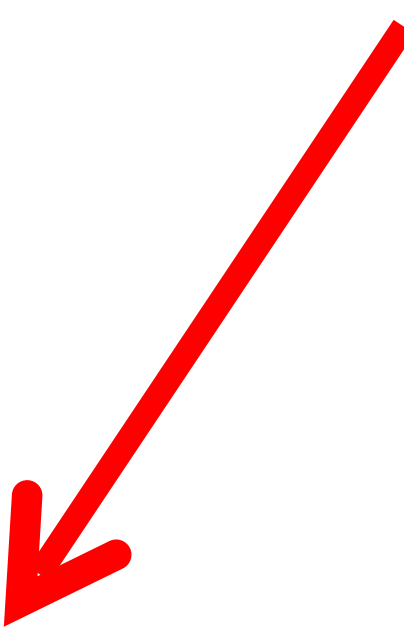


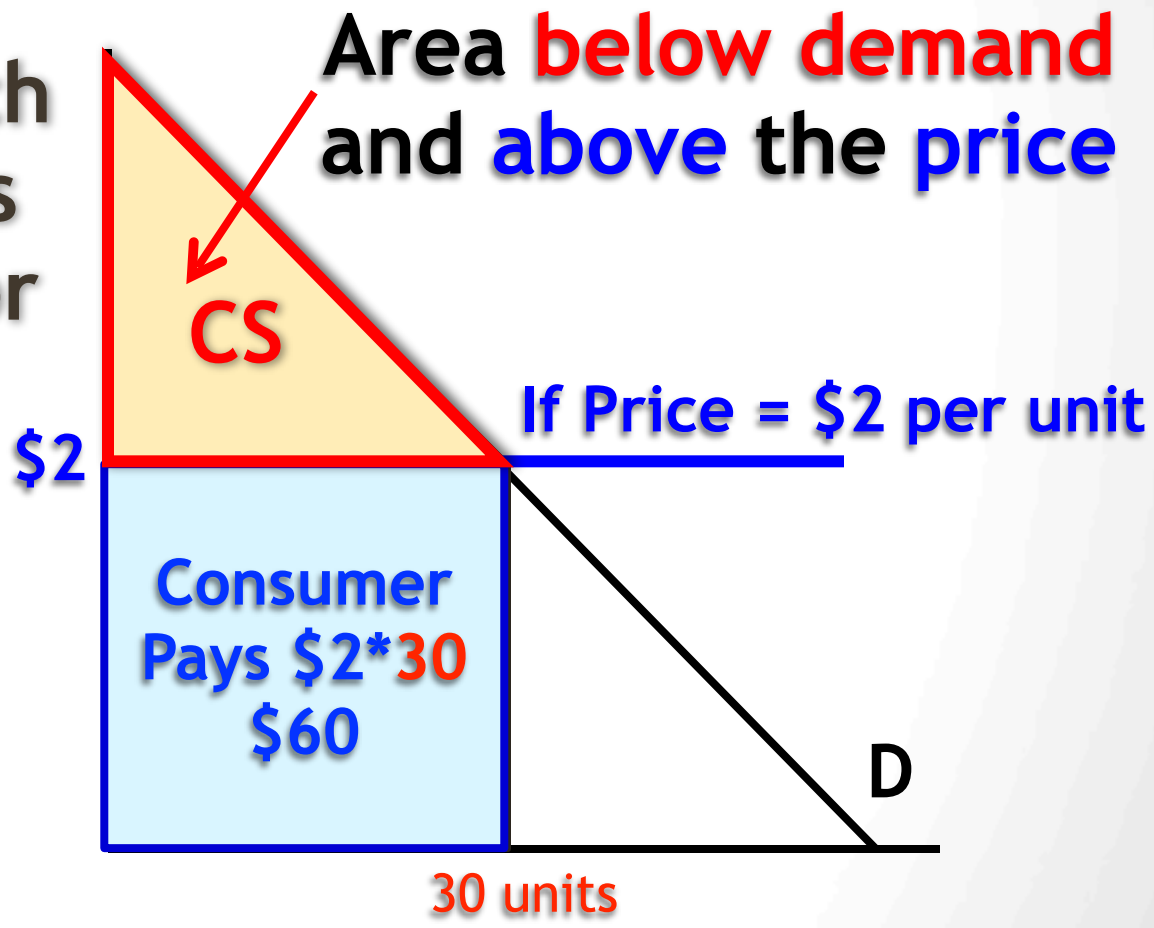
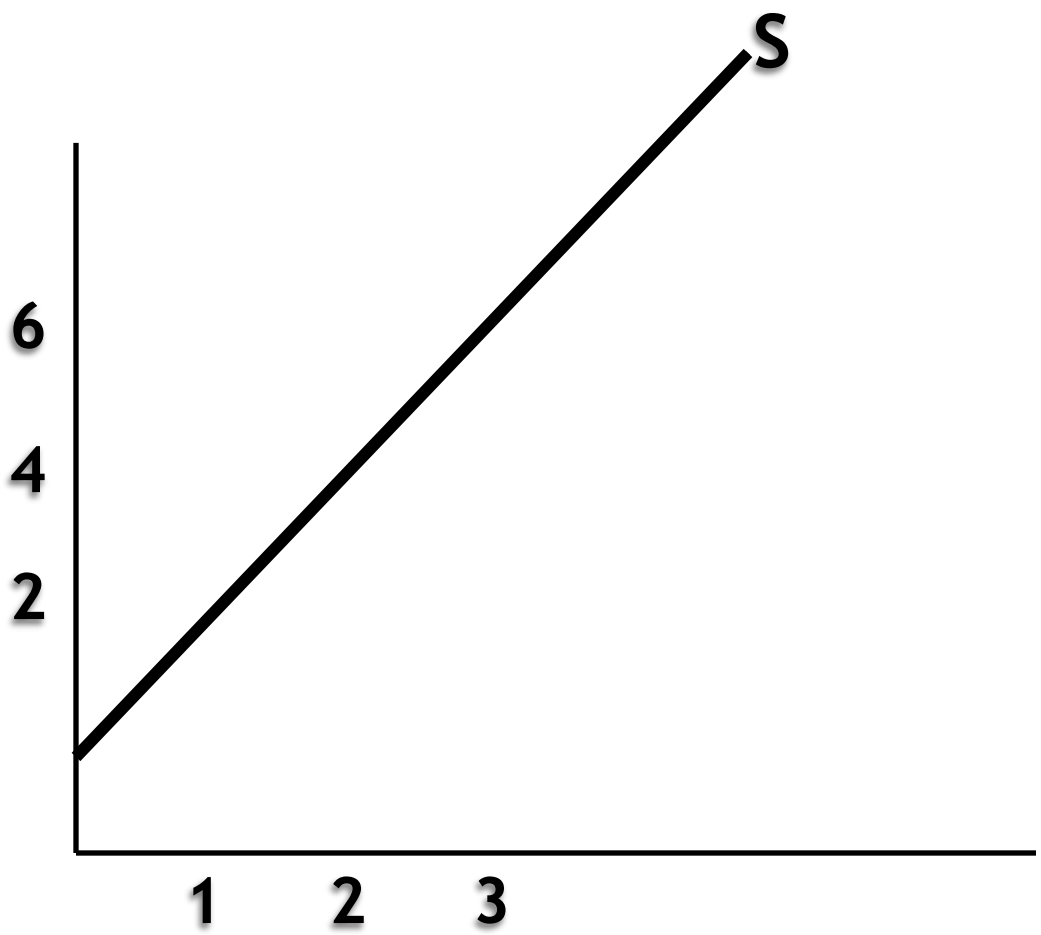
Consumer Surplus=

$ Amount the consumer is willing to pay

MINUS

$ the consumer actually pays

Area = How much the consumer is willing to pay for 30 units



Producer Surplus