











5

10

1

5

20

25

0.40

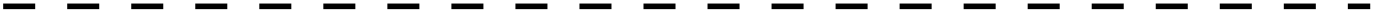


0.50



0.60

0.70



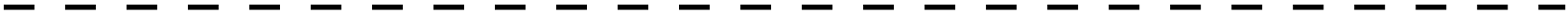


Supply

Price per unit

Quantity Supplied







0.75

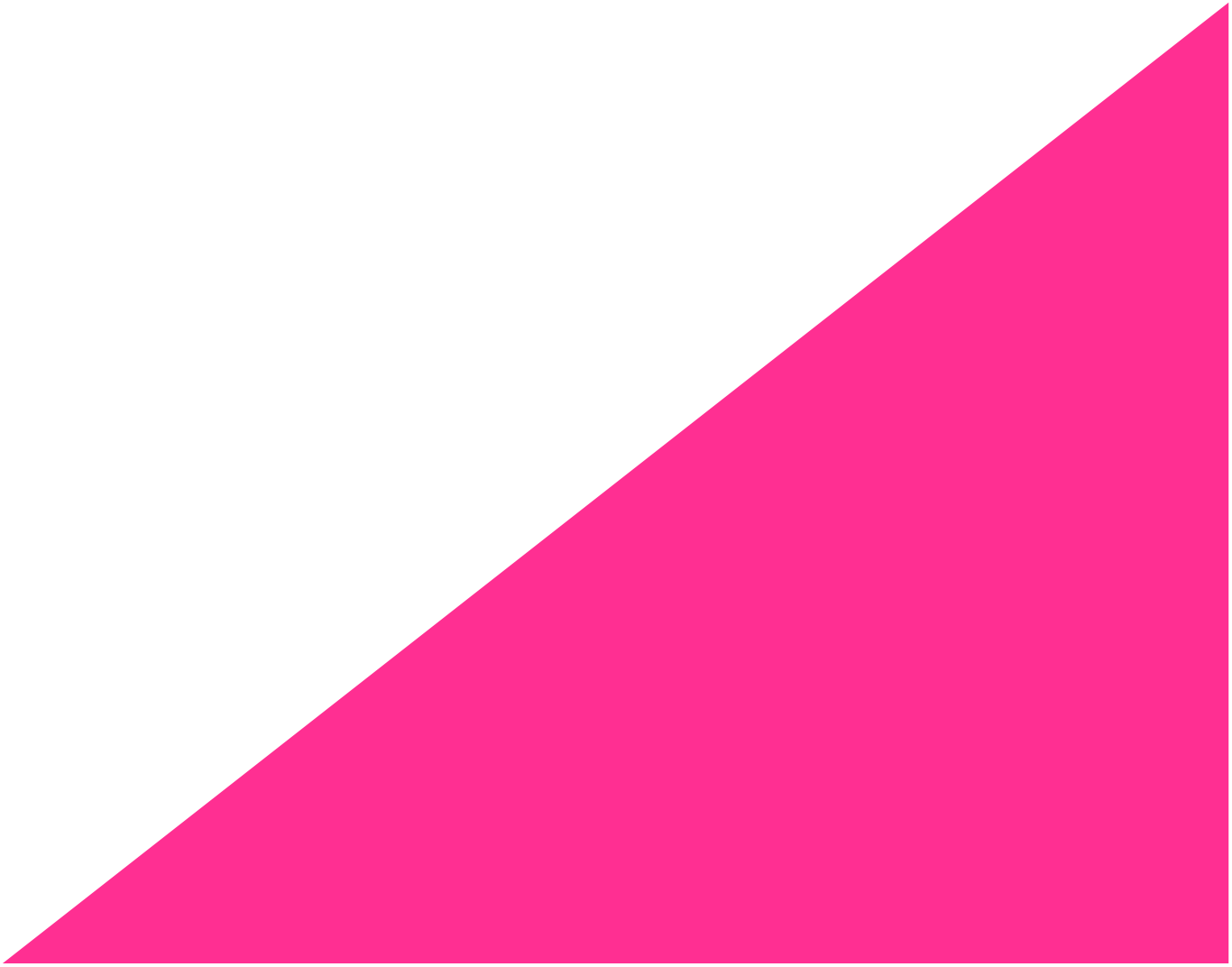
0.80

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





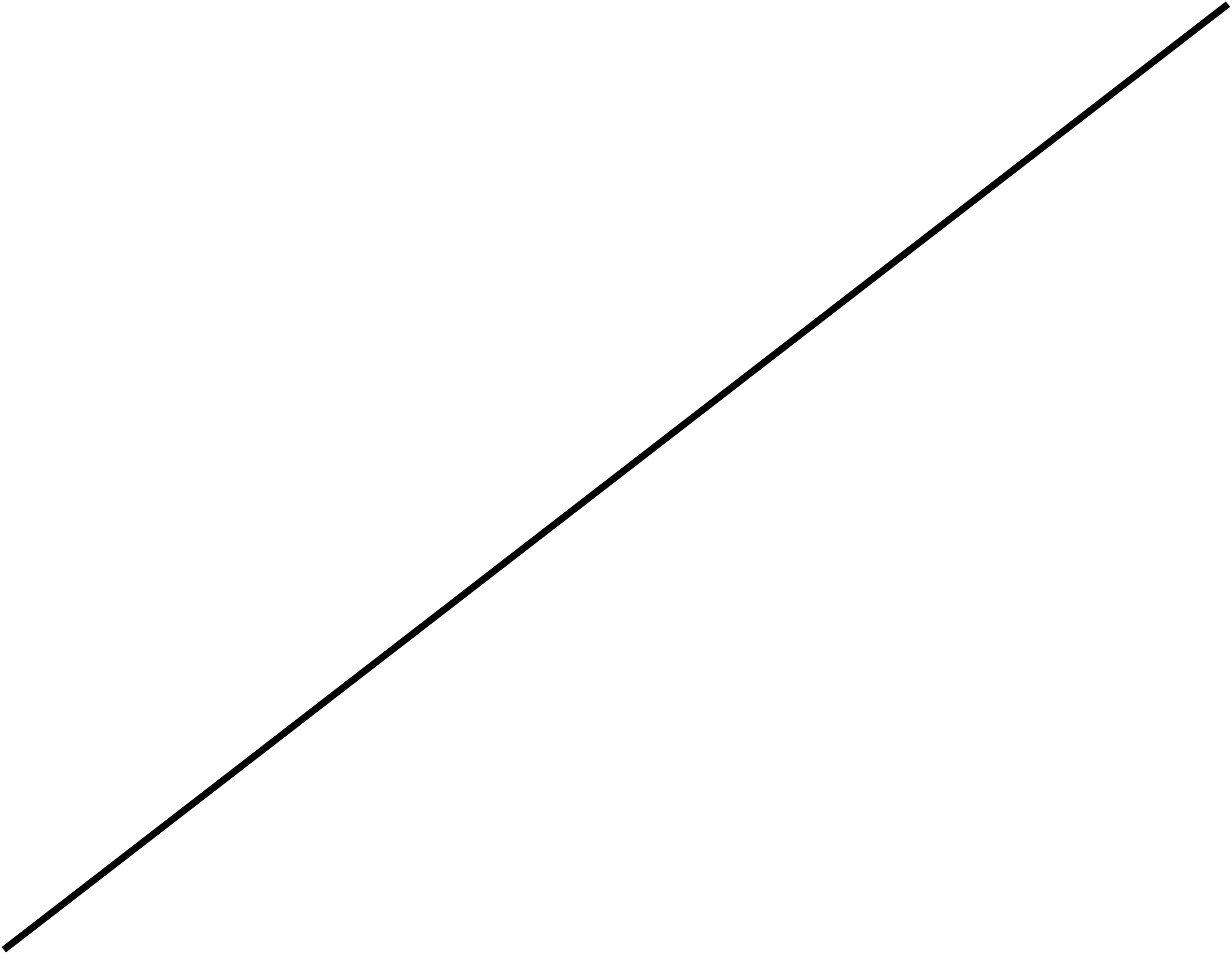




Total Revenue

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

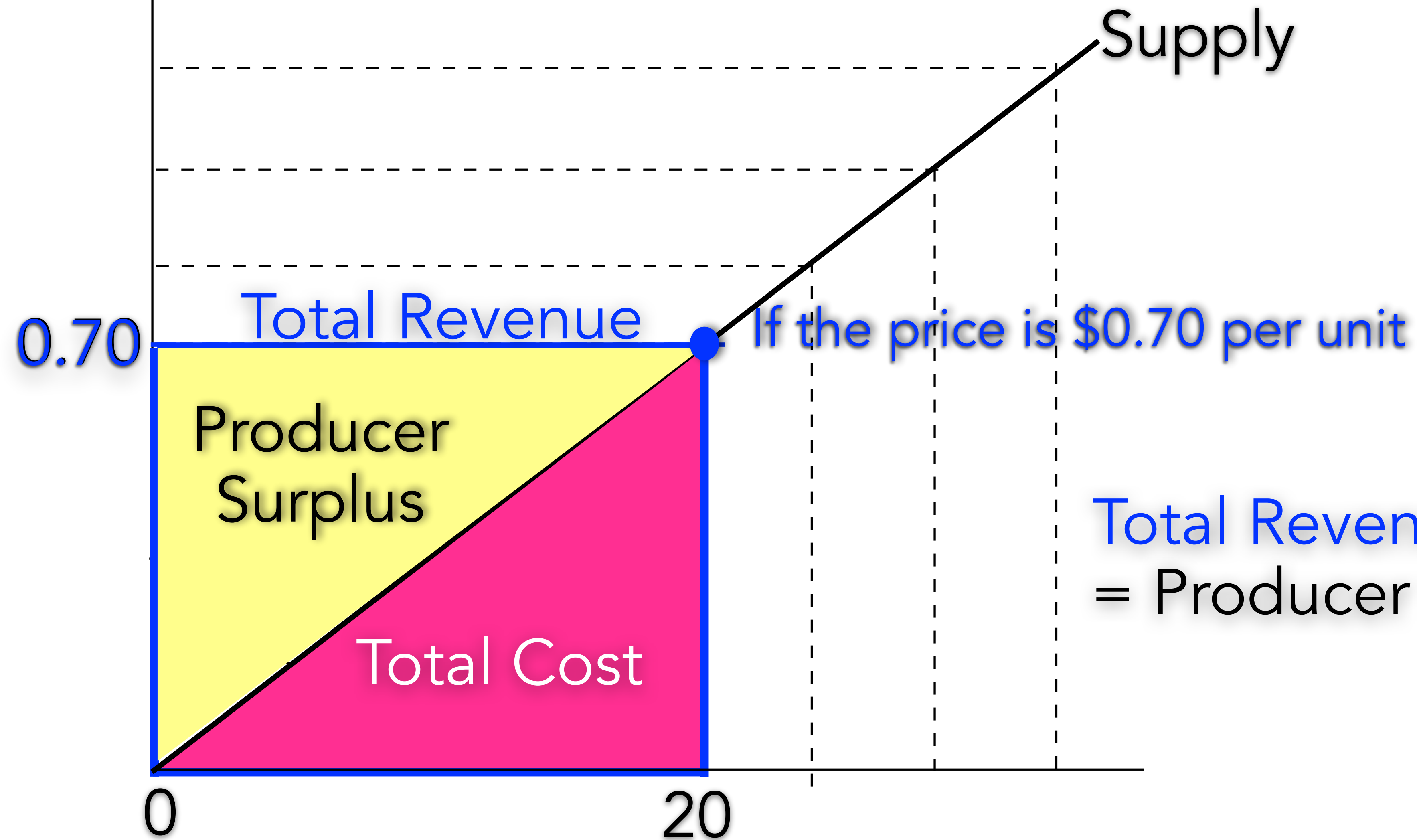
Quantity

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

Producer Surplus



Price per unit



Total Revenue - Total Cost
= Producer Surplus (Profit)

Price per unit

