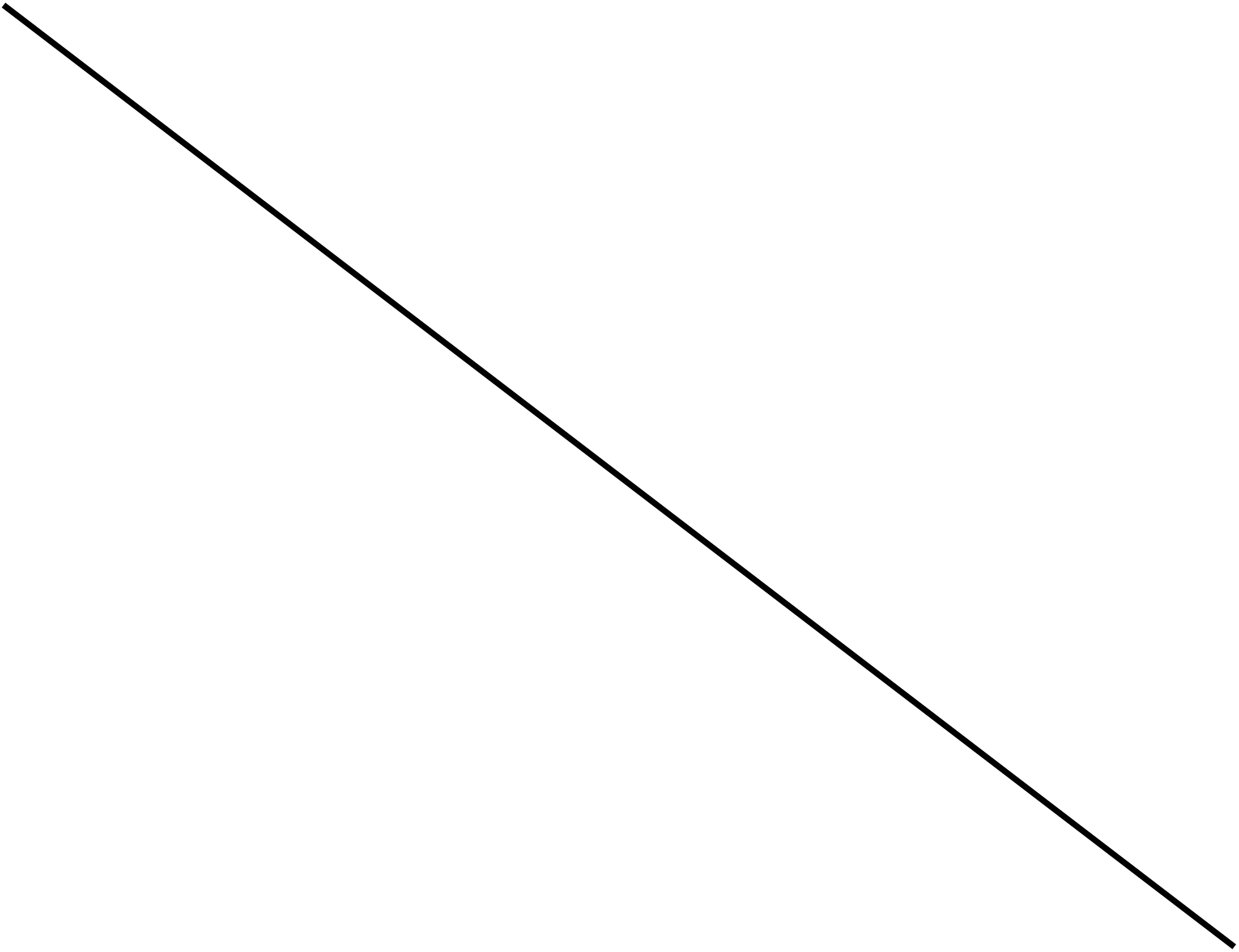
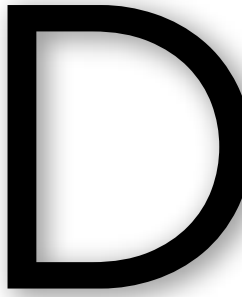
150

Producer Surplus at Equilibrium





50

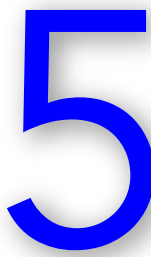
45

25

PS = Base x Height x ½

$$PS = 250 \times (35 - 5) \times 1/2$$

$$PS = 250 \times (30) \times \tfrac{1}{2} = \$3{,}750$$



35

15

55

250

350

450

550

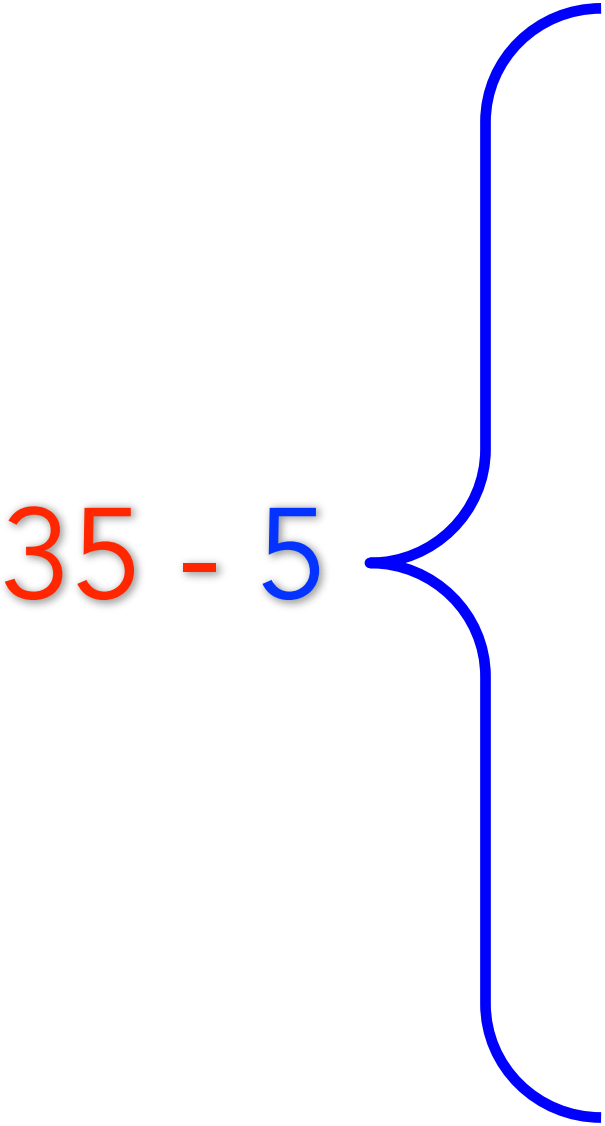
650

$P_e = 35$ – – – – – –

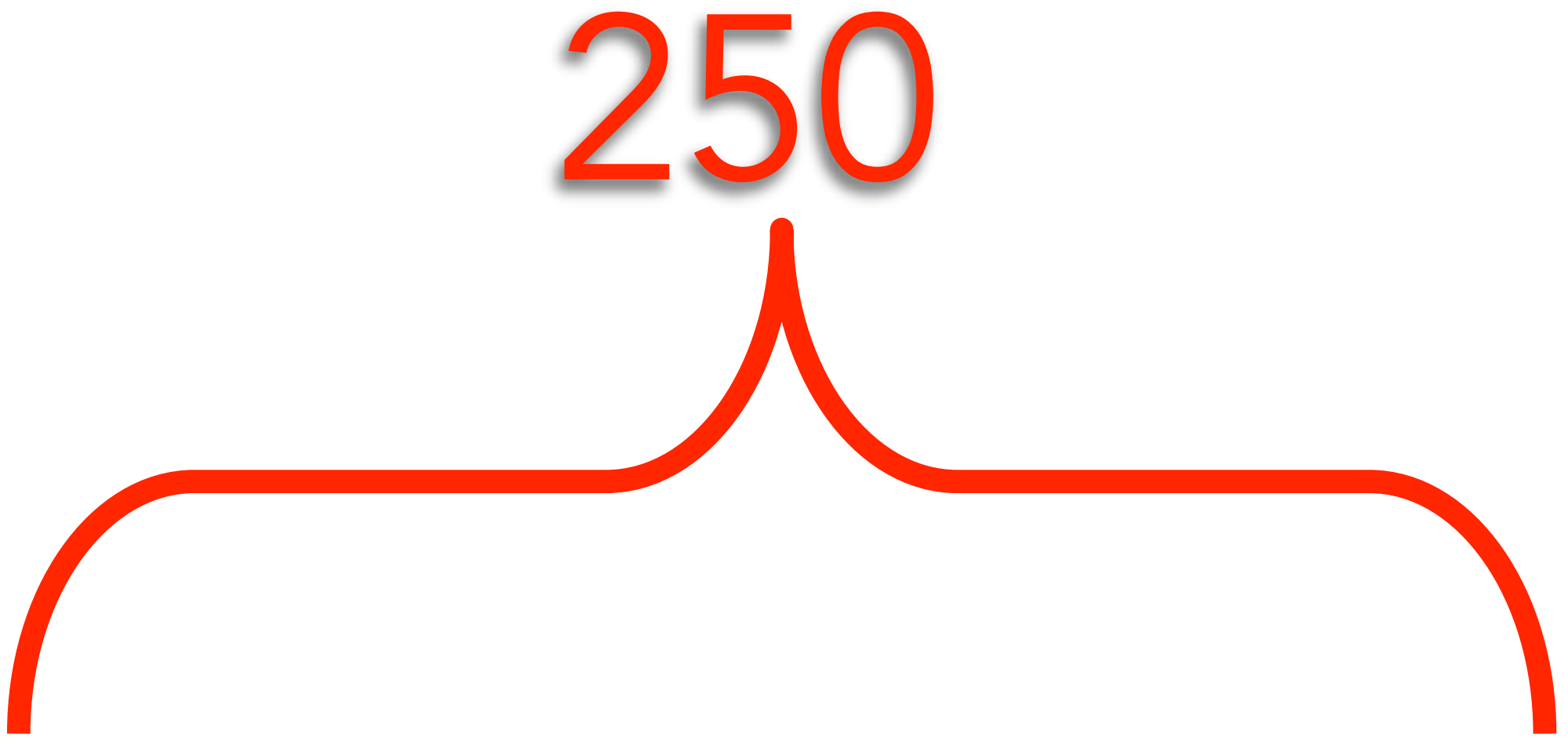
At Equilibrium consumers pay and producers receive the equilibrium price:

$P_e = 35$

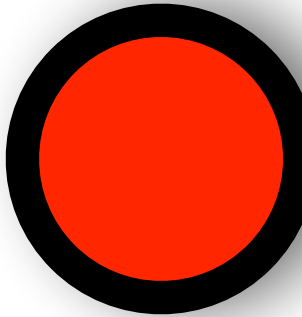
$$Q_e = 250$$


35 - 5

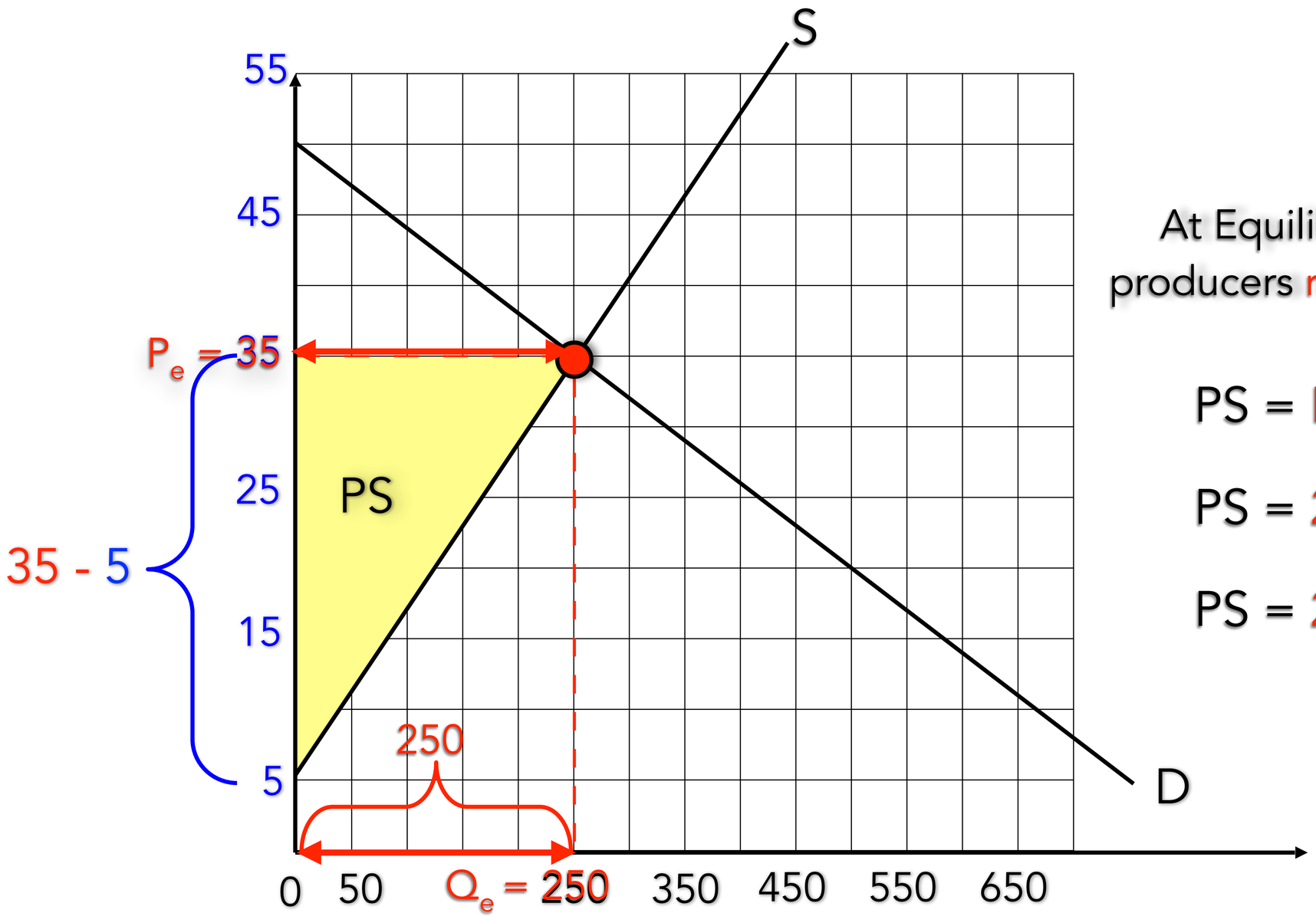
0


250

PS



Producer Surplus at Equilibrium



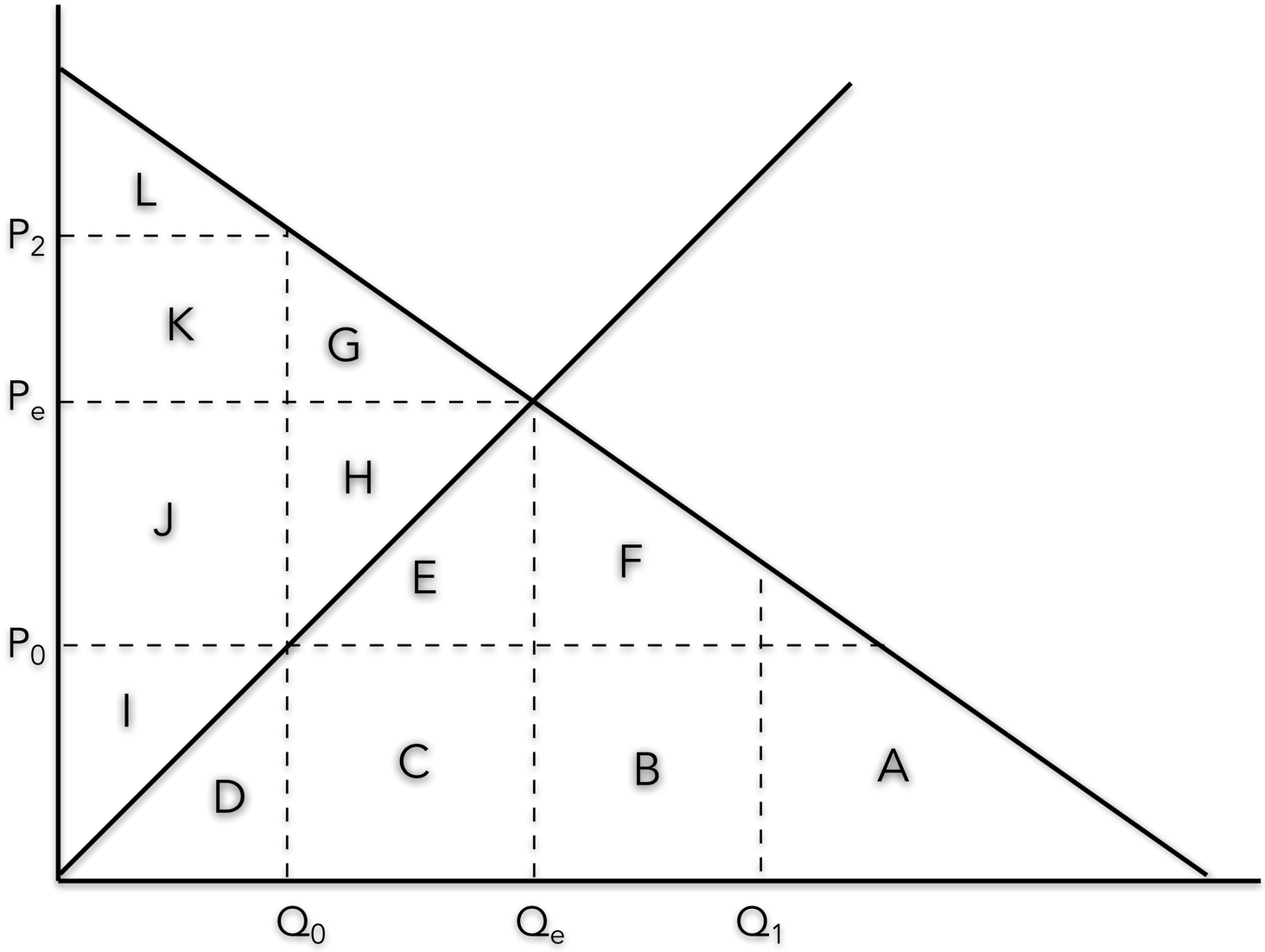
At Equilibrium consumers pay and producers receive the equilibrium price:

$P_e = 35$

PS = Base x Height x ½

PS = 250 x (35 - 5) x 1/2

PS = 250 x (30) x ½ = $3,750


L
P2
K
G
Pe
H
J
E
F
P0
I
C
B
A
D
Q0
Qe
Q1