









P_0



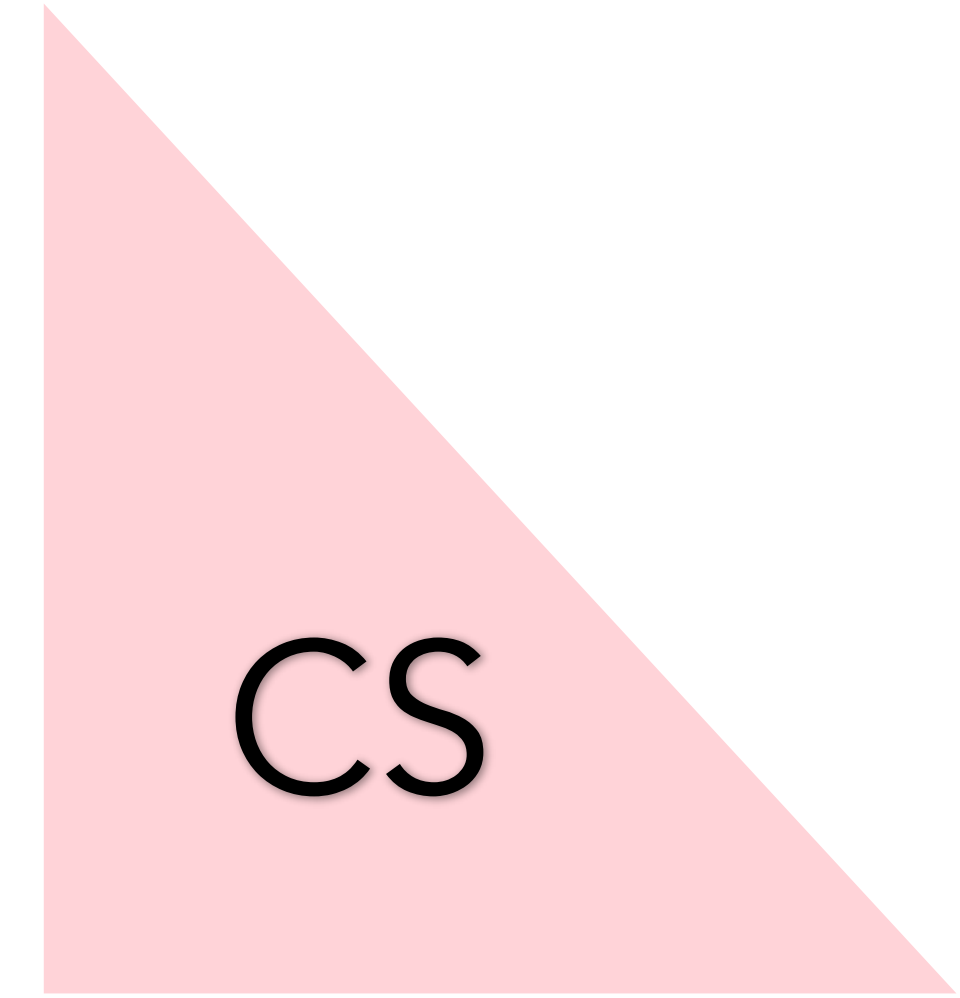
If the price is P_0

per unit



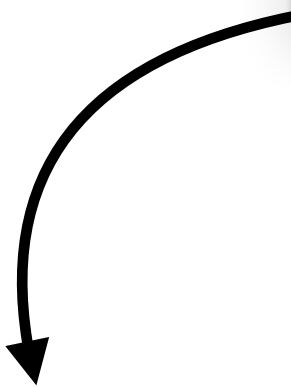
Willingness
to pay

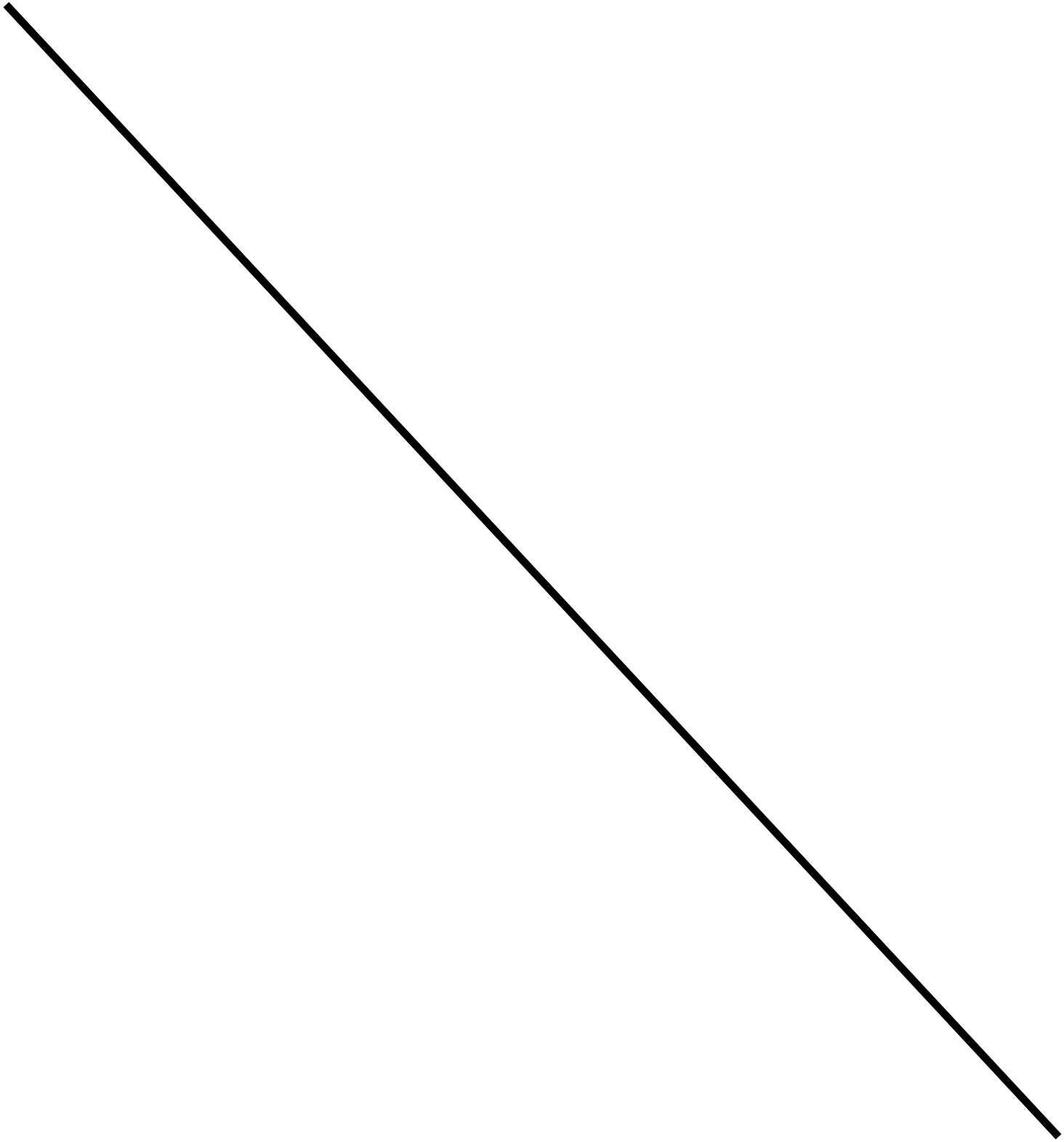
Consumer
Actually
pays $P_0 \times Q_0$



CS

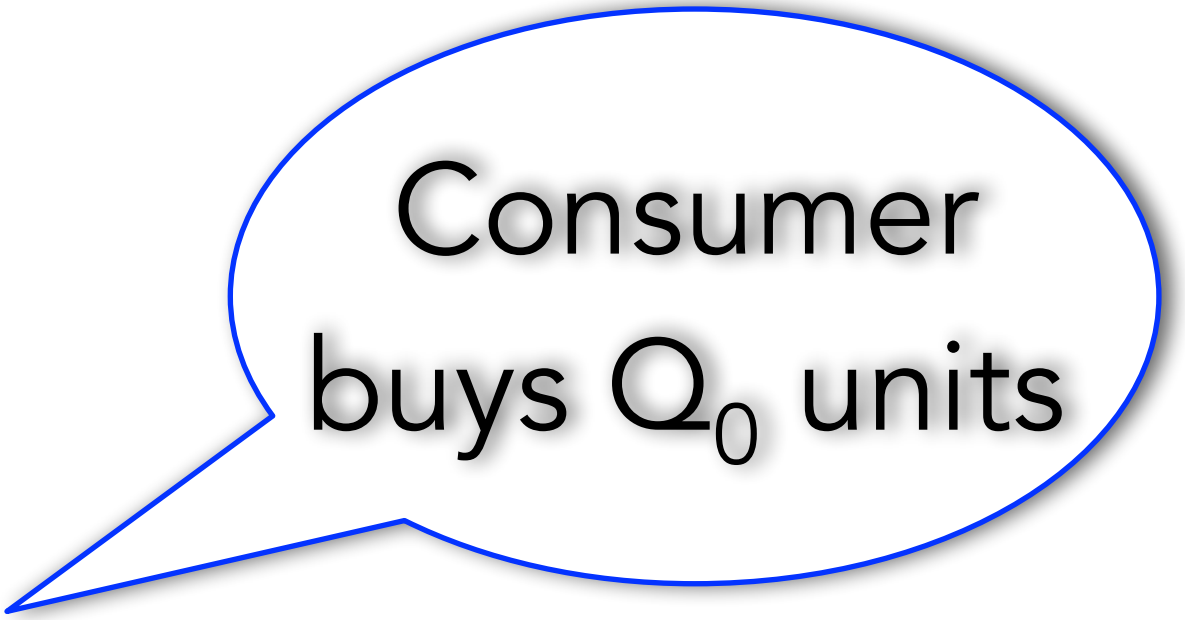
The difference between “value”
to the consumer and what s/he
actually pays is Consumer
Surplus







Q0



Consumer
buys Q_0 units

The difference between “**value**”
to the consumer and what s/he
actually pays is Consumer
Surplus

