











Supply

Price per unit

Quantity Supplied

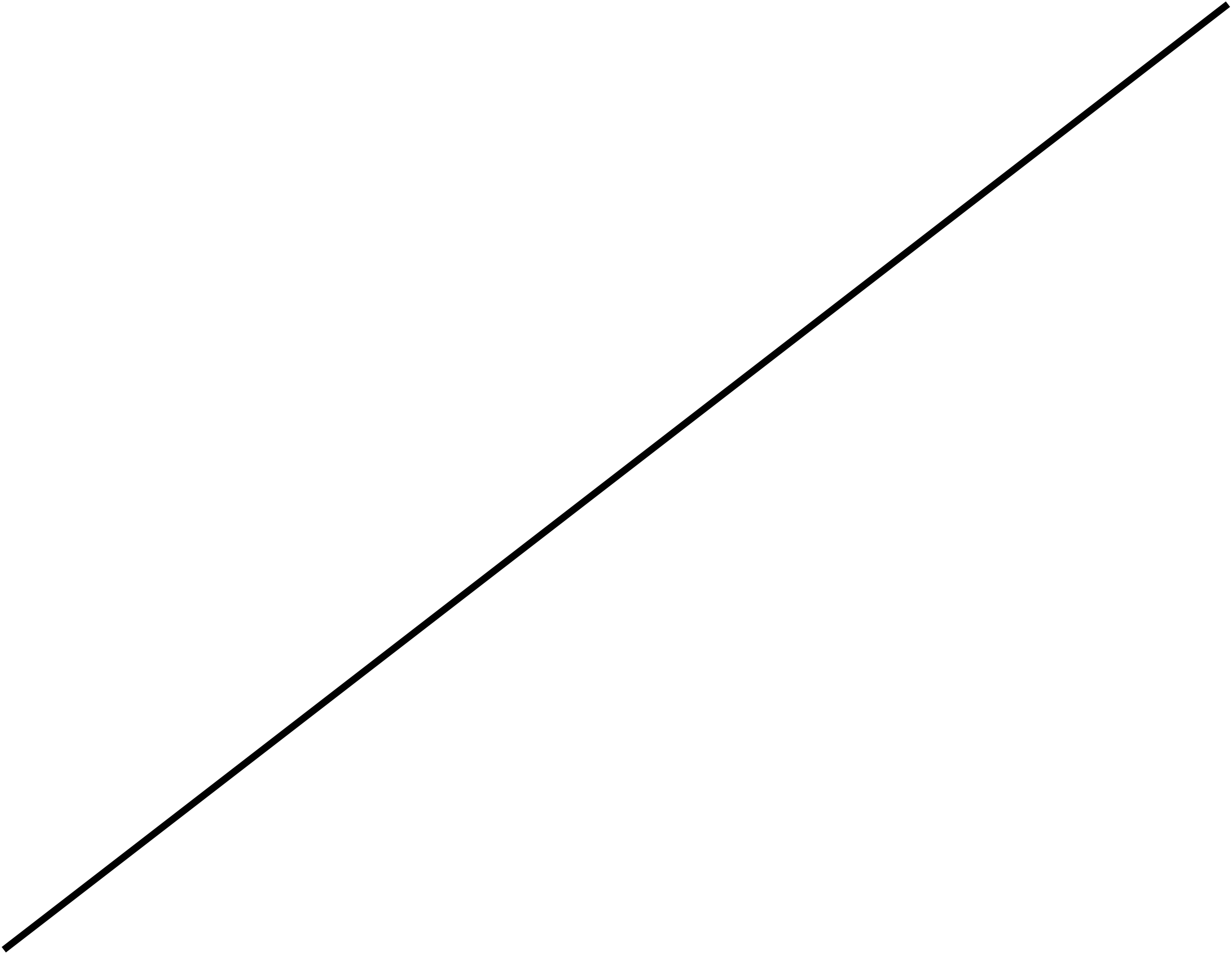




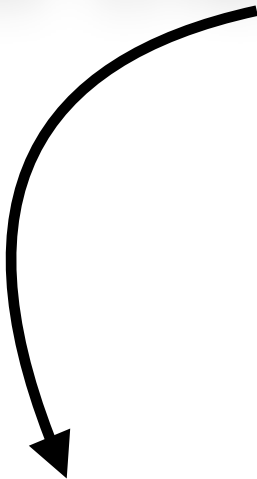




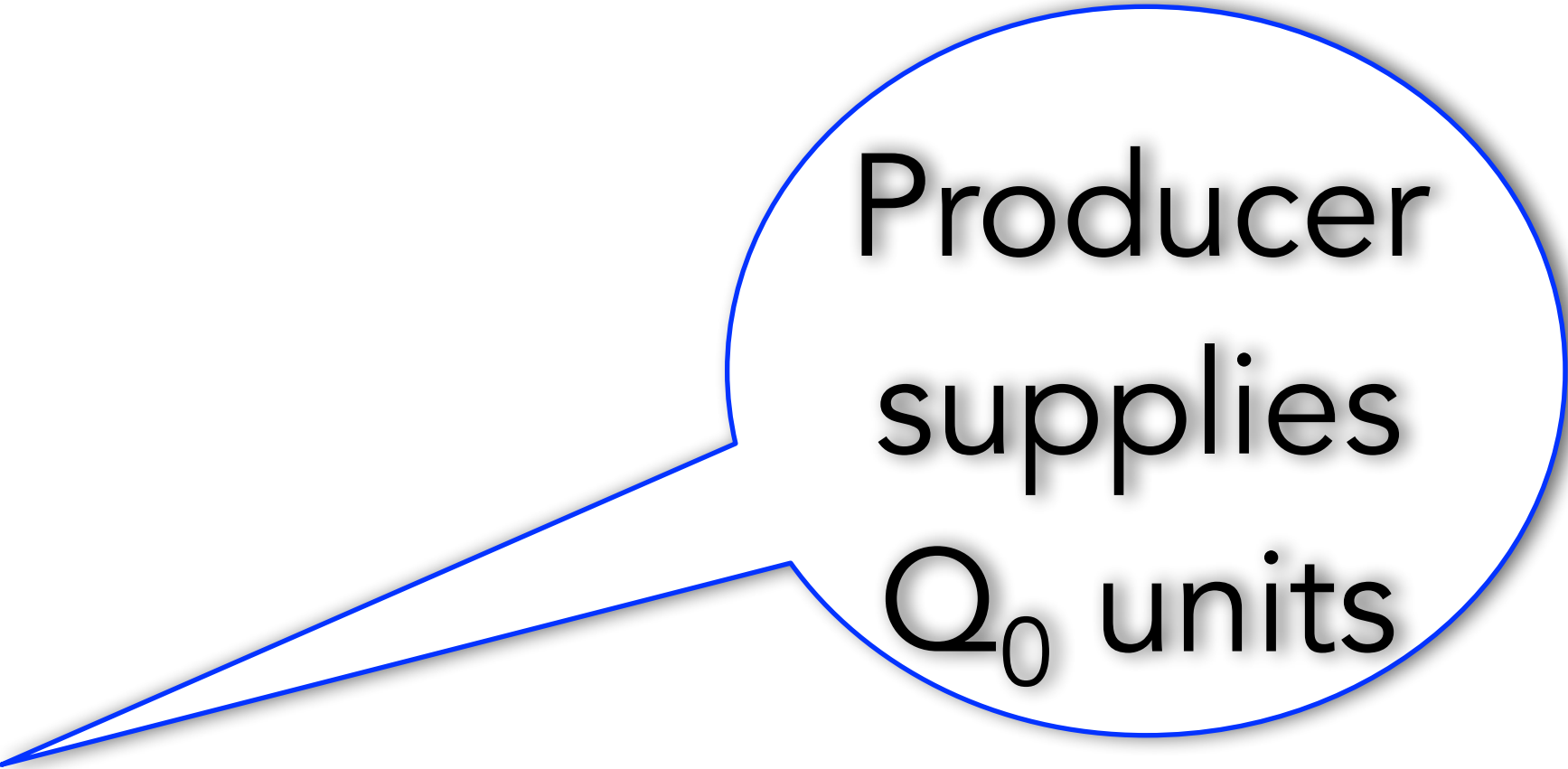
Producer Surplus



Producer Surplus is the triangle area **above** the **supply** line and **below** the price the producer receives



Q.0

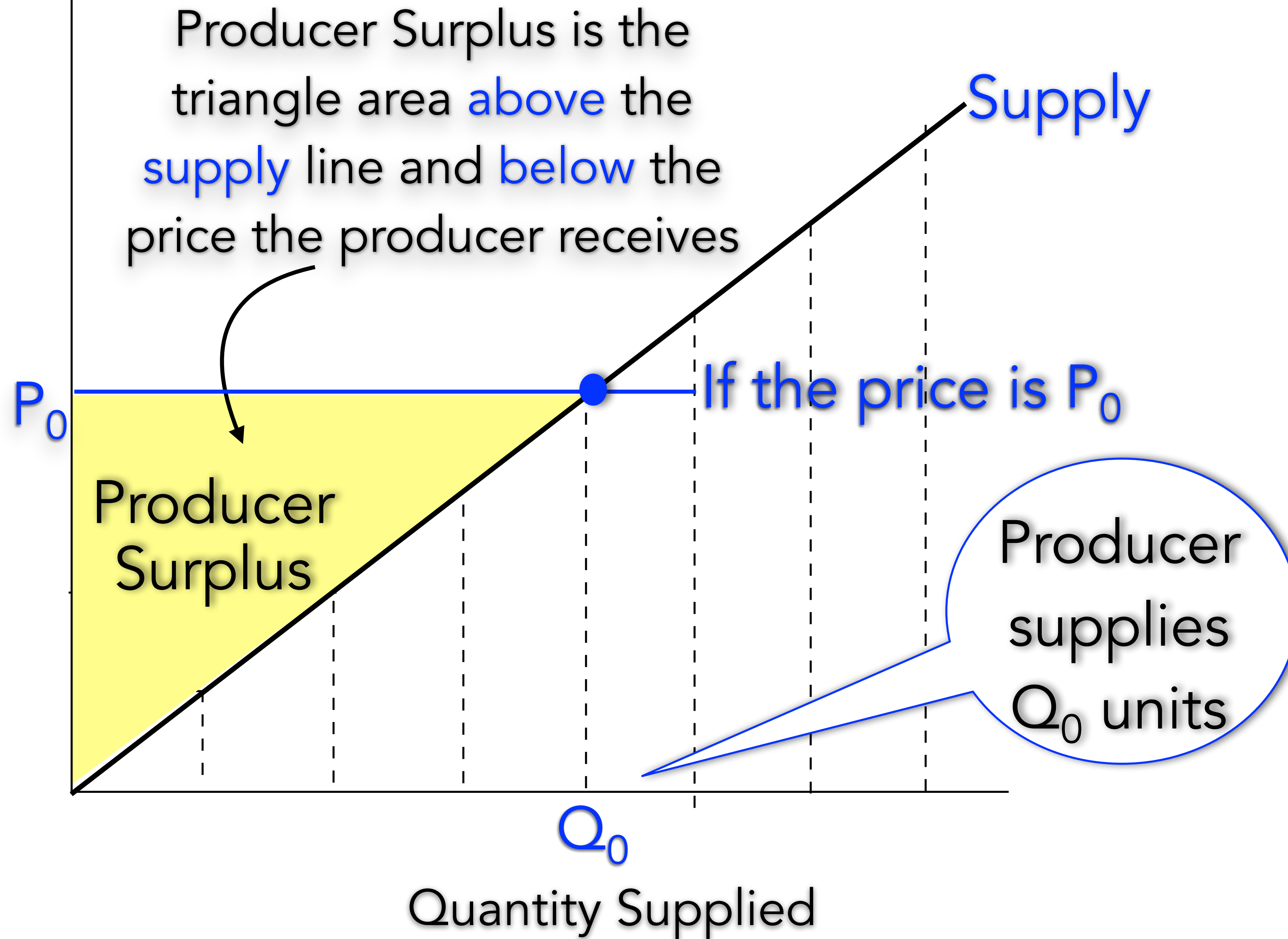


Producer
supplies
 Q_0 units

P_0 ————— If the price is P_0



Price per unit



CALCULATING CONSUMER AND PRODUCER SURPLUS **AT EQUILIBRIUM**