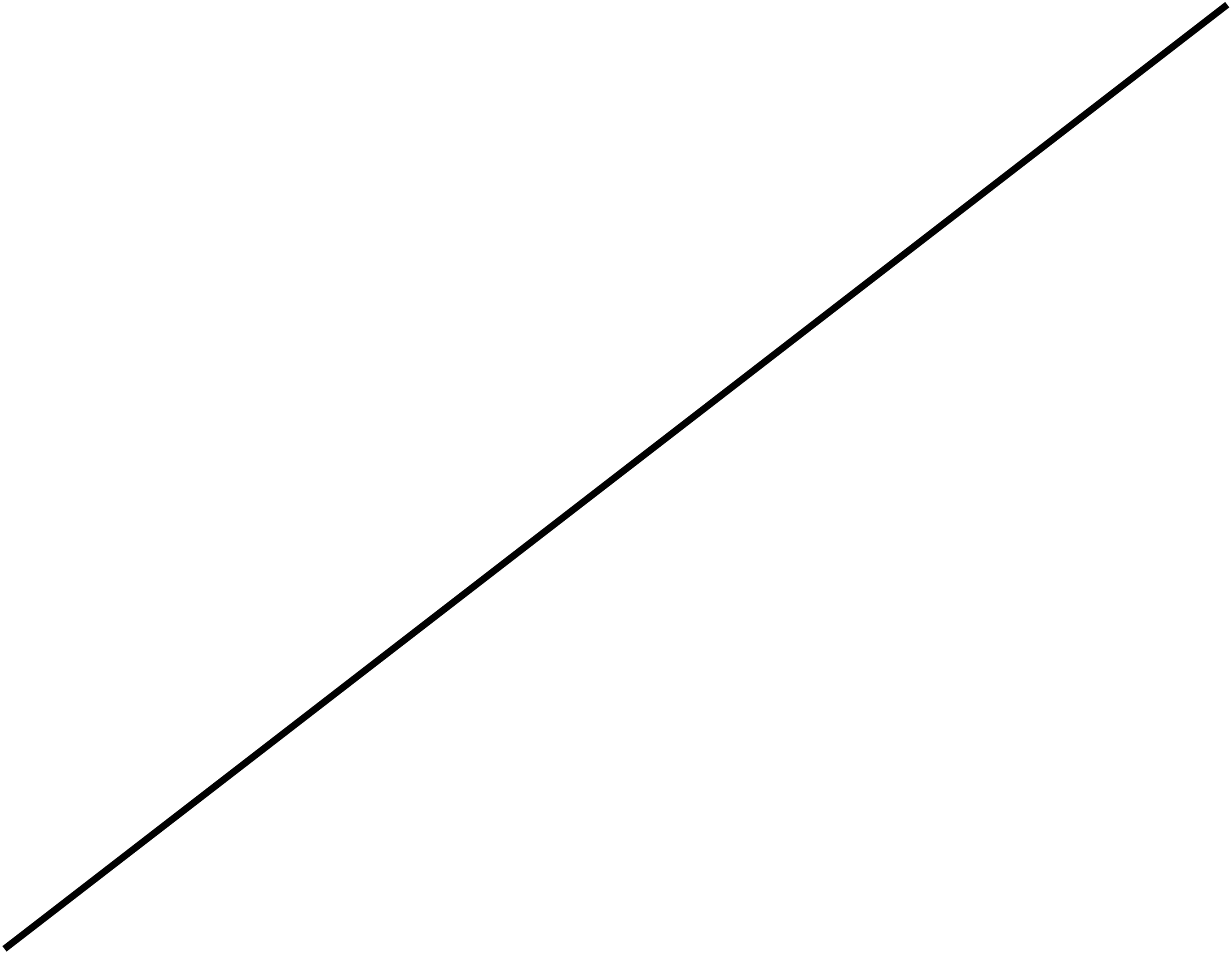
Supply

Price per unit

Quantity Supplied

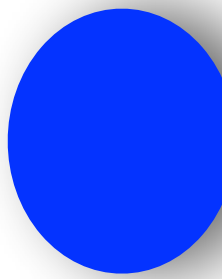
Producer Surplus



20

Producer
supplies 20
units

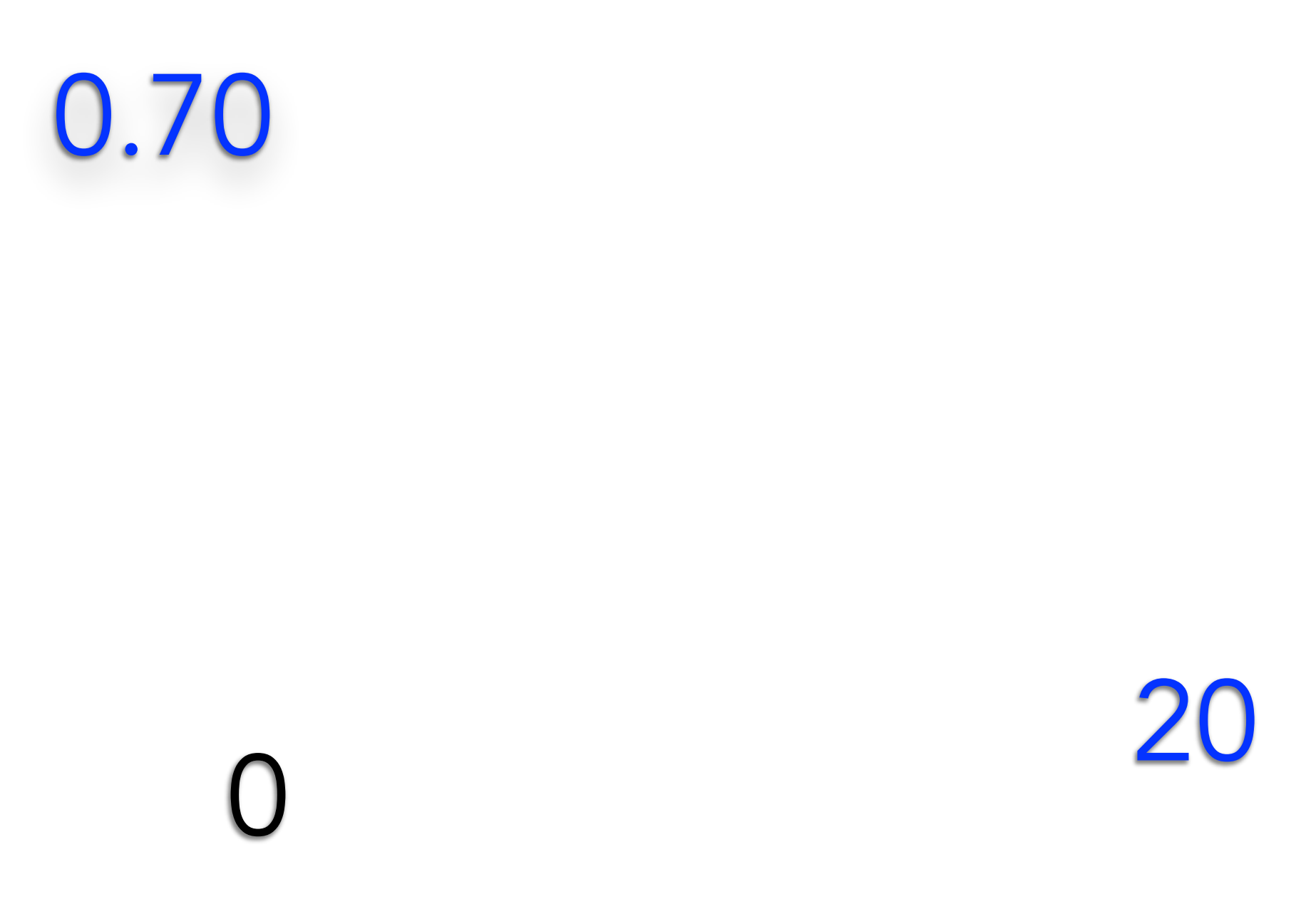
0.70 If the price is 0.70

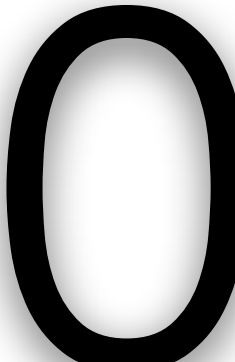


PS

Height

Base


0.70
20
0



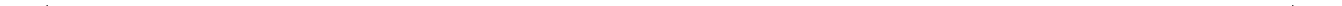
$$\text{Area} = \frac{(\text{Base} \times \text{Height})}{2}$$

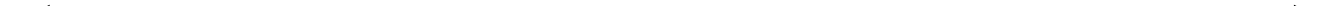
To calculate Producer Surplus, calculate the area for this triangle:

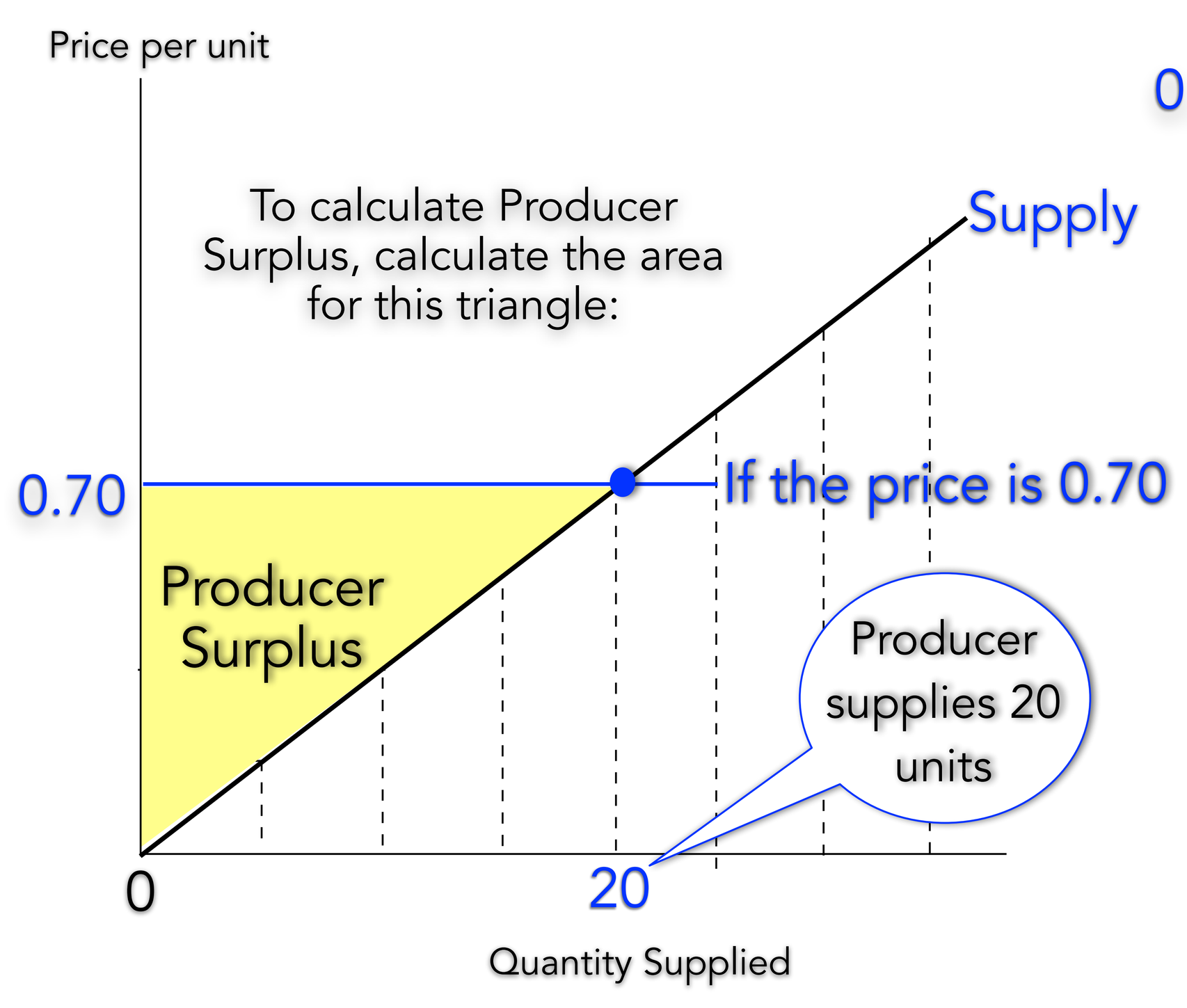
$$PS = \frac{0.7 \times 20}{2}$$

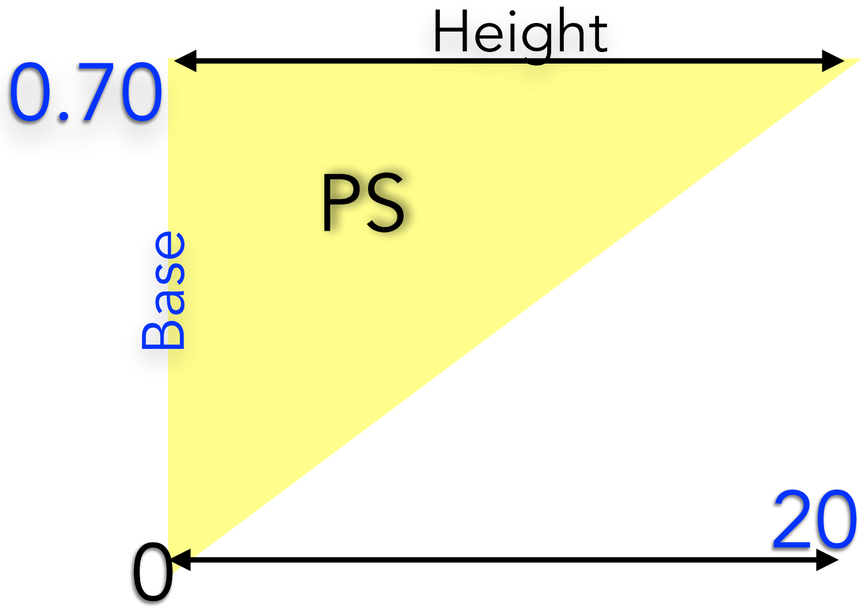
$$PS = \frac{14}{2}$$

PS = 7





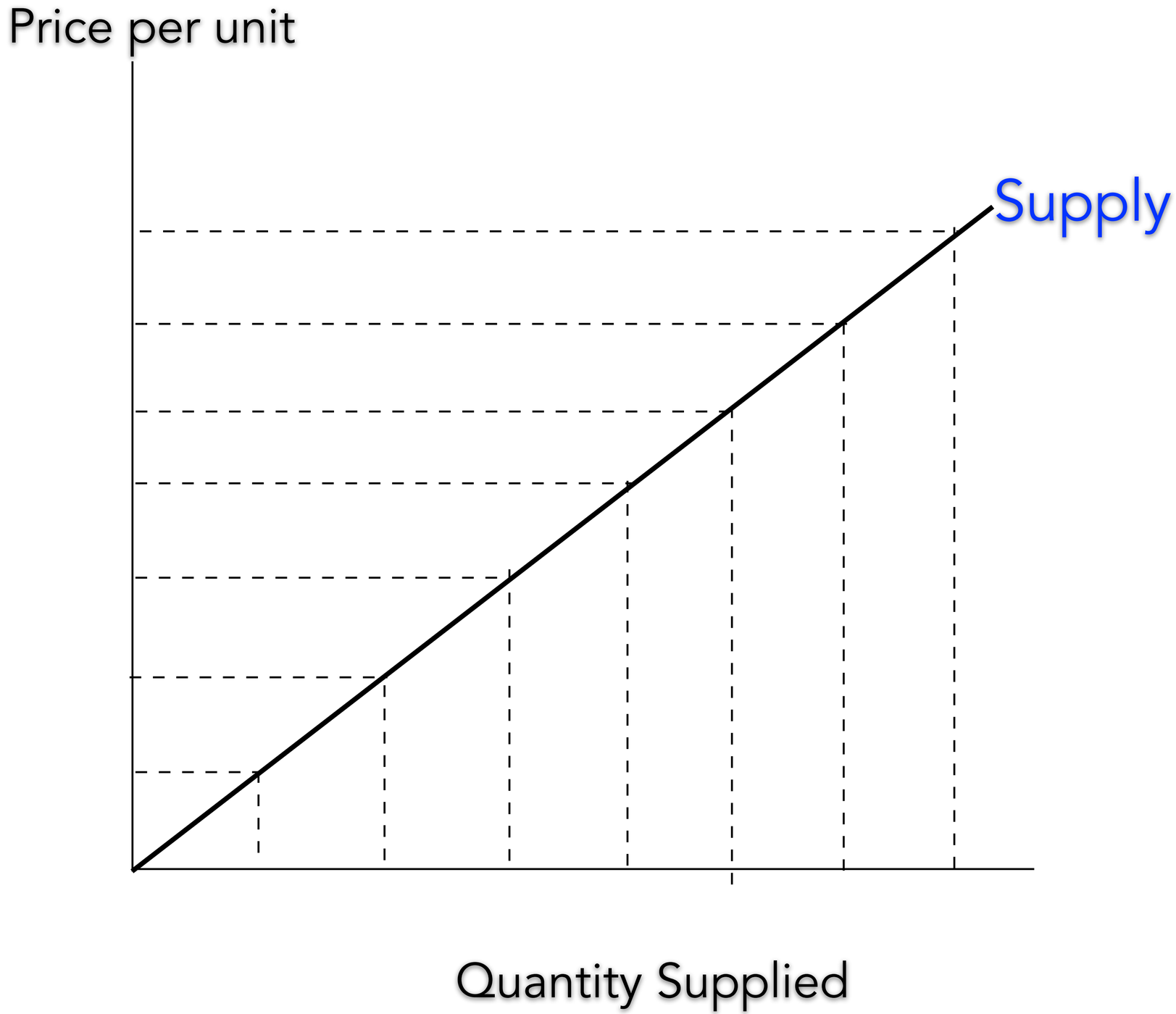




$$\text{Area} = \frac{(\text{Base} \times \text{Height})}{2}$$

$$\text{PS} = \frac{0.7 \times 20}{2}$$

$$\text{PS} = \frac{14}{2} \qquad \text{PS} = 7$$


Price per unit
Supply
Quantity Supplied