













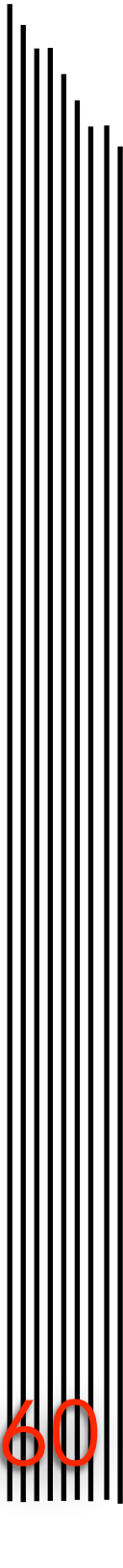


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This is the demand for hours of
cell phone service



The distance to the demand line shows the consumer's willingness to pay for (value of) each minute of service





1 2 3 4 5 6 7 8 9 10



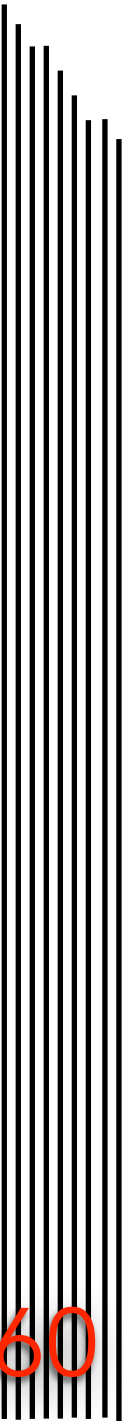




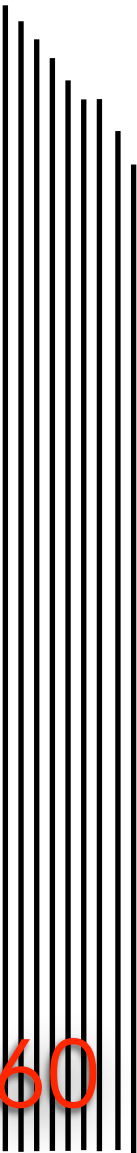




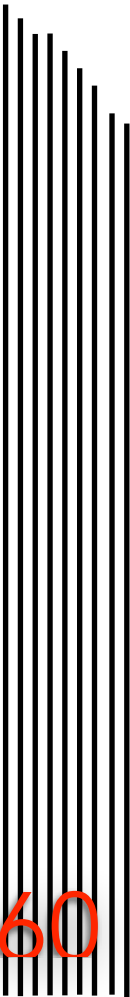
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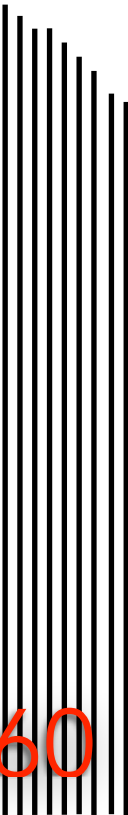
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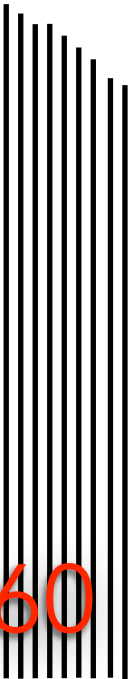
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60



60



50

60

70

80

90

100

110

This is the demand for minutes
of cell phone service

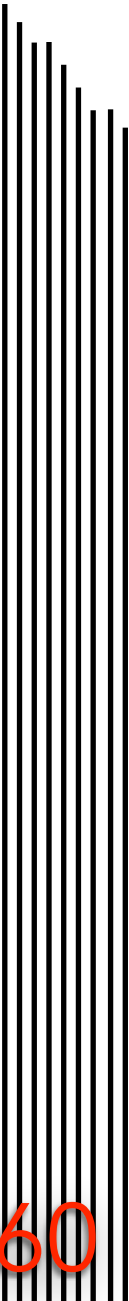
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If the price is \$40
per hour

To calculate how much the consumer is willing to pay for 7 hours of cell phone service, we calculate this area:

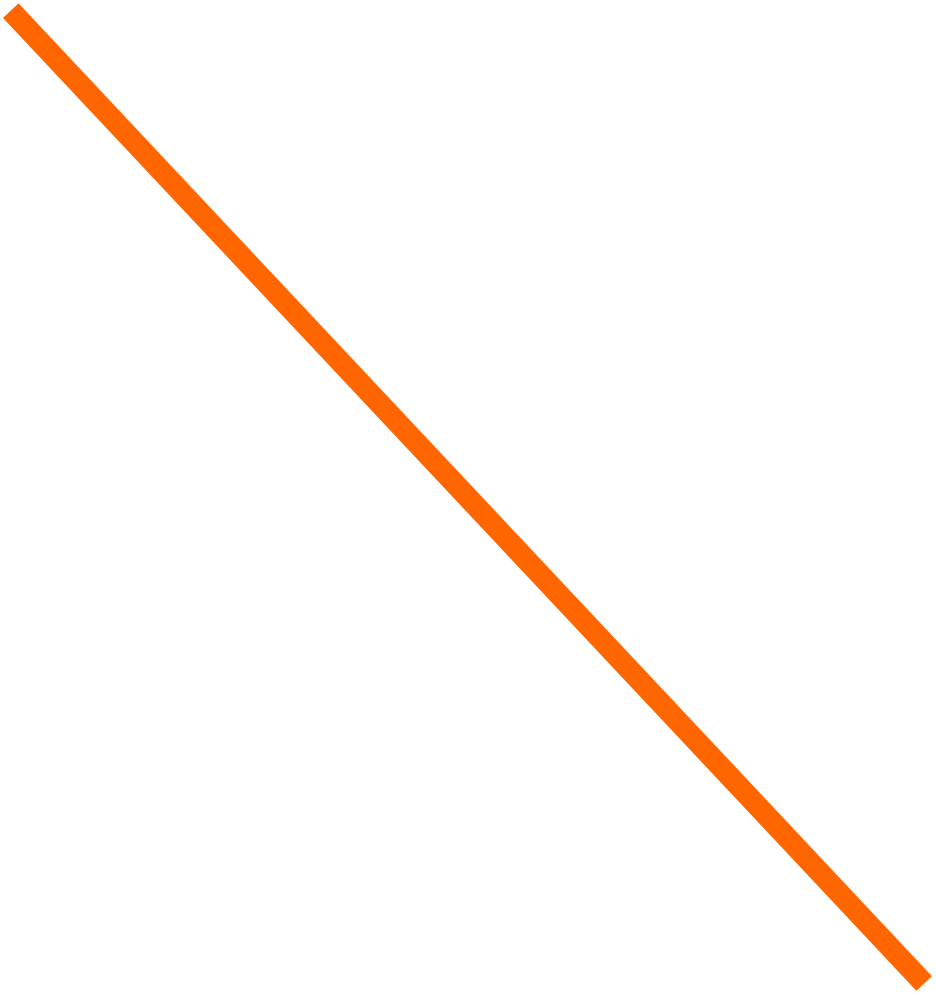
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30







20

10









Consumer
buys 7 hours

0

To calculate how much the consumer is willing to pay for 7 hours of cell phone service, we calculate this area:



The distance to the demand line shows the consumer's willingness to pay for (value of) each **minute** of service

This is the demand for **minutes** of cell phone service

To calculate how much the consumer is willing to pay for 7 hours of cell phone service, we calculate this area: