













F

G





PO

P

1

P₂

S

O_2

Q_1



Perfect Competition

Price Consumer Pays:

A light blue right-angled triangle is shown, representing the concept of consumer surplus. The triangle's right angle is at the bottom-left corner. The hypotenuse is a straight line sloping downwards from the top-left corner towards the bottom-right corner. The text "Consumer Surplus" is centered within the triangle in a large, black, sans-serif font.

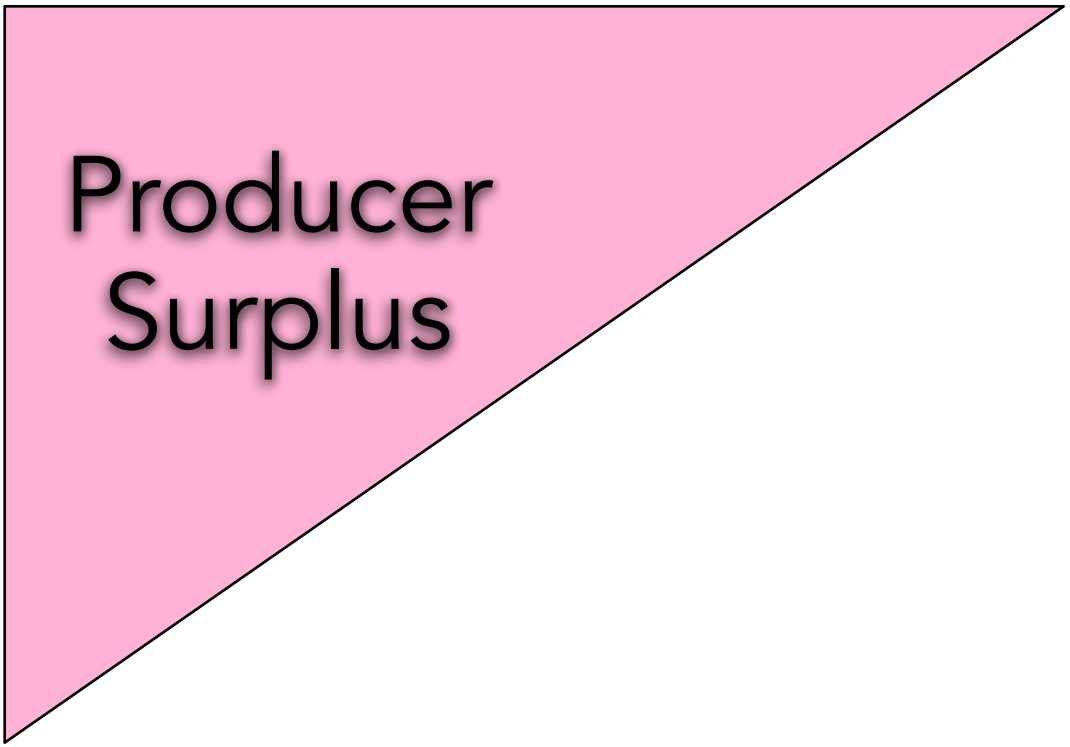
Consumer
Surplus

Marginal Cost (last unit)

Profit Maximizing Quantity:

P

1

A large pink triangle is shown, representing the area of Producer Surplus. The triangle is oriented with its right angle at the bottom-left corner. The hypotenuse runs diagonally from the top-left towards the bottom-right. The text "Producer Surplus" is written in black, sans-serif font within the pink area.

Producer
Surplus

Q1

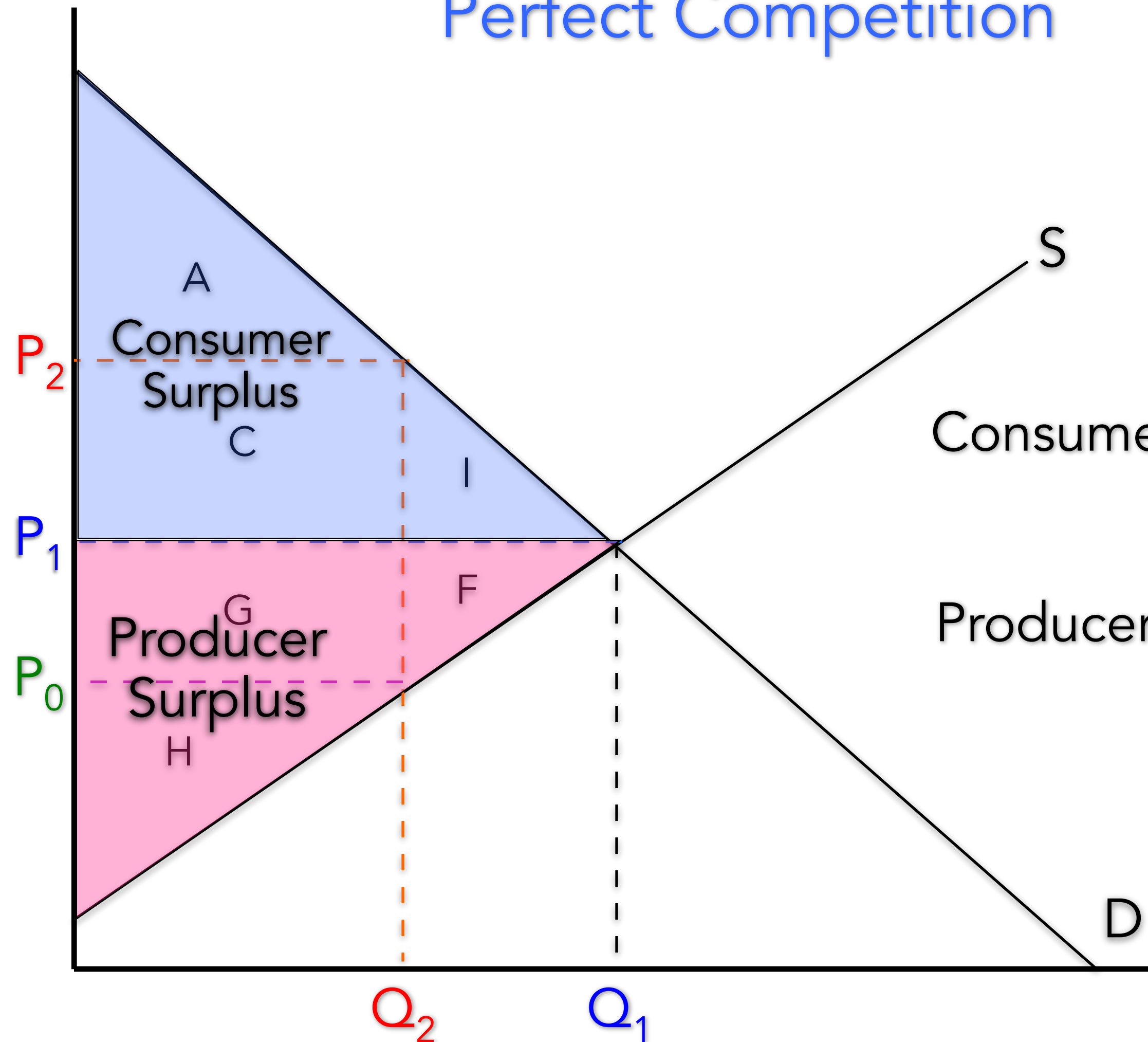


$$\text{Consumer Surplus} = \text{Areas A} + \text{C} + \text{I}$$

$$\text{Producer Surplus} = \text{Area G} + \text{H} + \text{F}$$

There is no Welfare
Loss in Perfect
Competition

Perfect Competition



Consumer Surplus = Areas A + C + I

Producer Surplus = Areas G + H + F

There is no Welfare
Loss in Perfect
Competition

Profit Maximizing Quantity: Q_1

Marginal Cost (last unit) = Price Consumer Pays: P_1

Monopoly

