

























Supply

Price per unit

Quantity Supplied





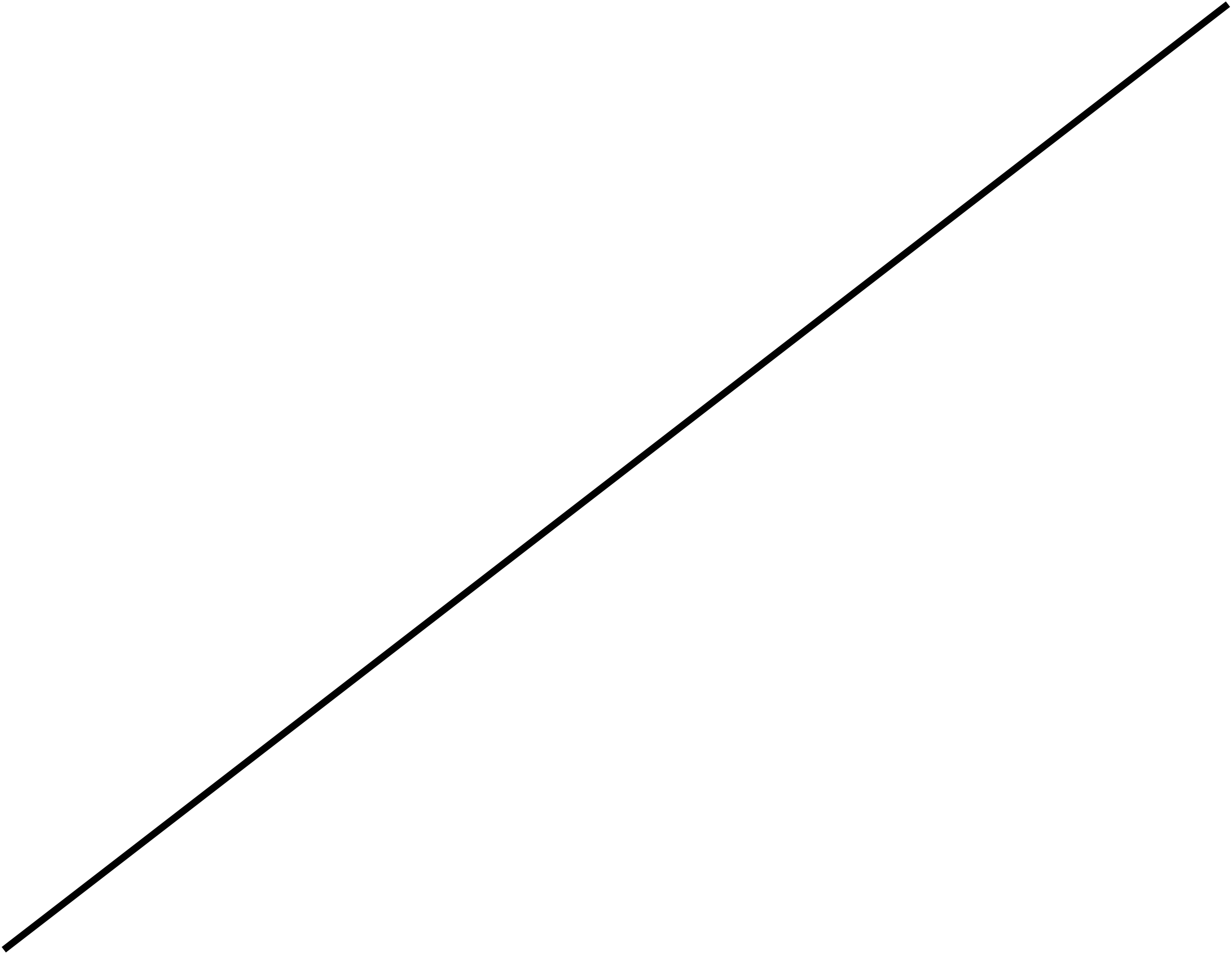




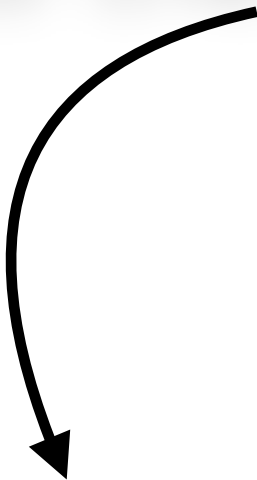




# Producer Surplus



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



Q.0



Producer  
supplies  
 $Q_0$  units



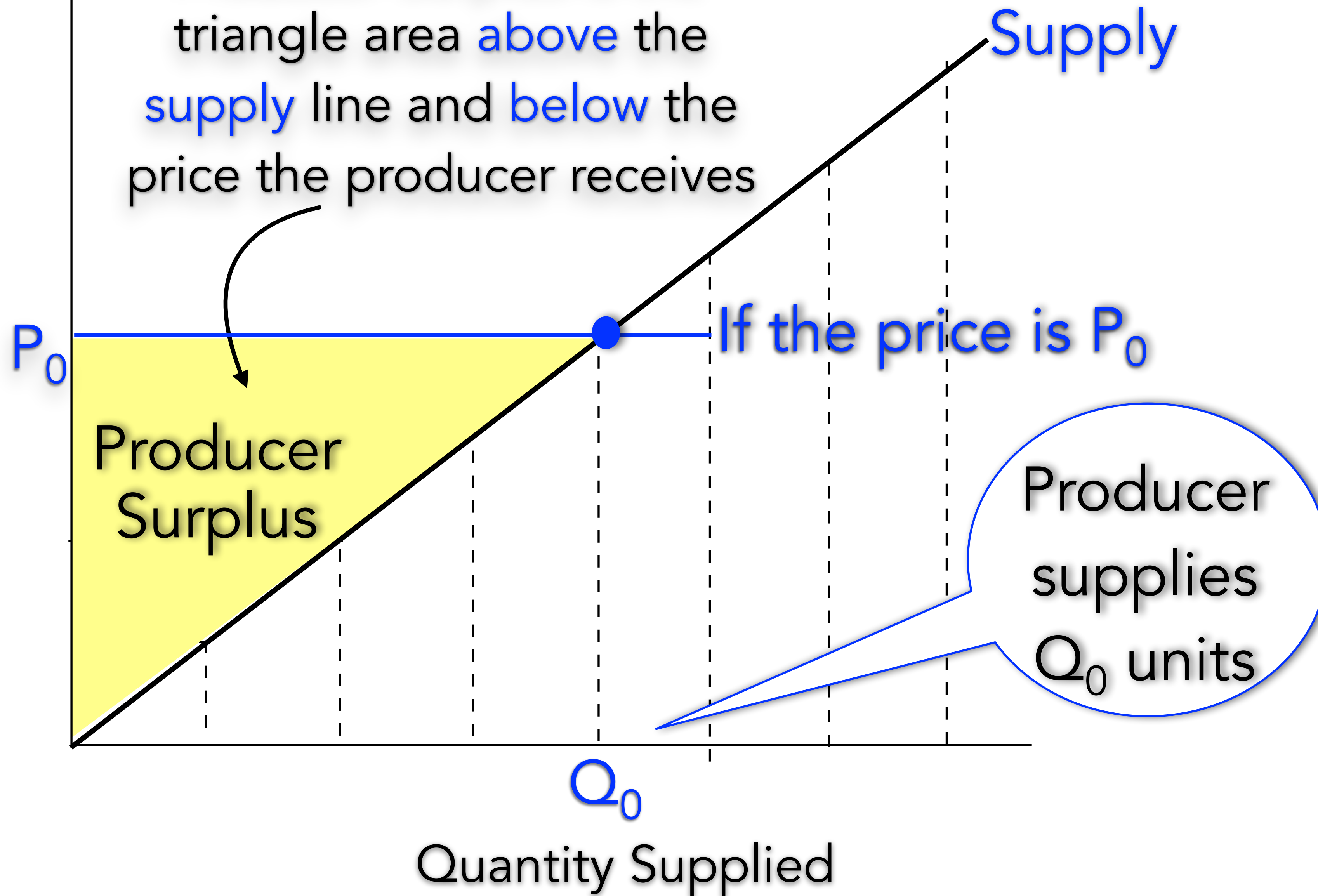
$P_0$  ————— If the price is  $P_0$





Price per unit

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



# CALCULATING CONSUMER AND PRODUCER SURPLUS **AT EQUILIBRIUM**