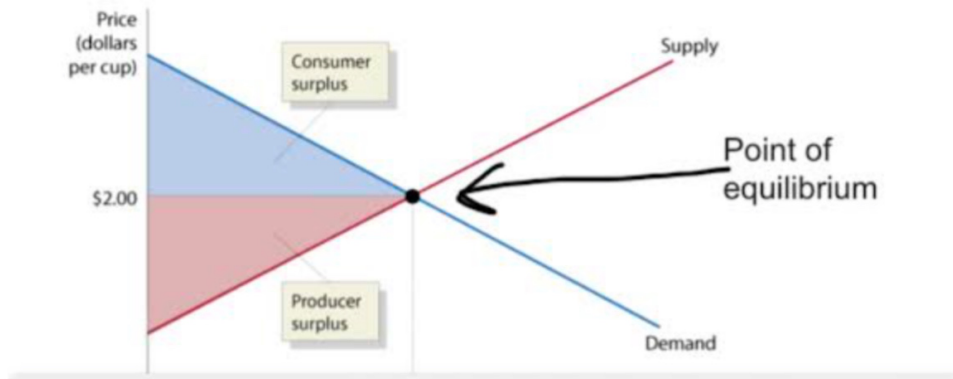


# Consumer and Producer Surplus

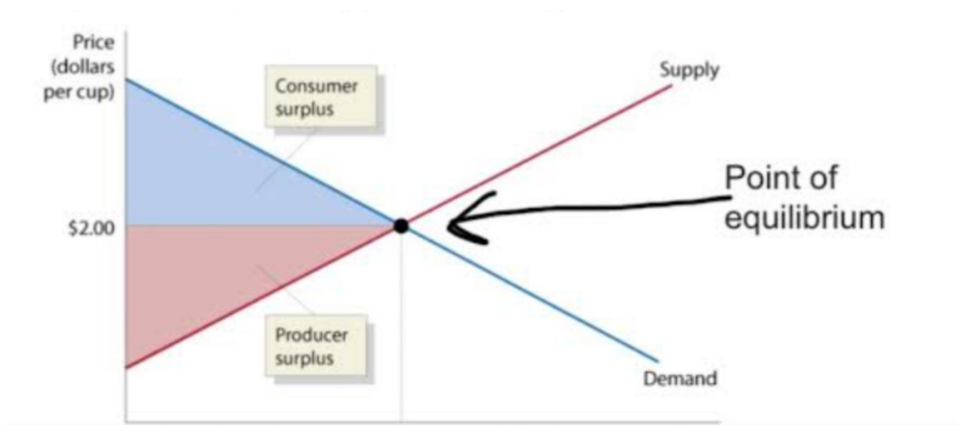


\_\_\_\_\_ in economics is the benefit or gain that consumers receive when they pay less for a good or service than they are willing to pay.

- It represents the difference between \_\_\_\_\_

\_\_\_\_\_ in economics is the profit or benefit that producers receive when they sell a good or service at a price higher than the minimum price they were willing to accept.

- It's the difference between \_\_\_\_\_



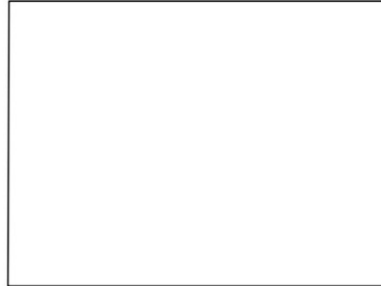
The demand equation for a certain product is:  $p = 825 - .03x$   
 and the supply equation for the same product is:  $p = 250 + .02x$   
 where  $p$  is the price of the product and  $x$  is the number of units. Graph both the consumer and the producer surpluses SEPARATELY and calculate both.

Xmin = \_\_\_\_\_

Ymin = \_\_\_\_\_

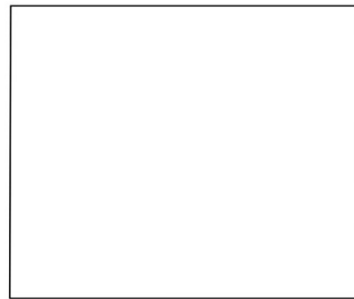
Xmax = \_\_\_\_\_

Ymax = \_\_\_\_\_



CONSUMER SURPLUS

CONSUMER SURPLUS TRIANGLE



PRODUCER SURPLUS

PRODUCER SURPLUS TRIANGLE



Point of Equilibrium = \_\_\_\_\_

Consumer Surplus = \_\_\_\_\_ Producer Surplus = \_\_\_\_\_