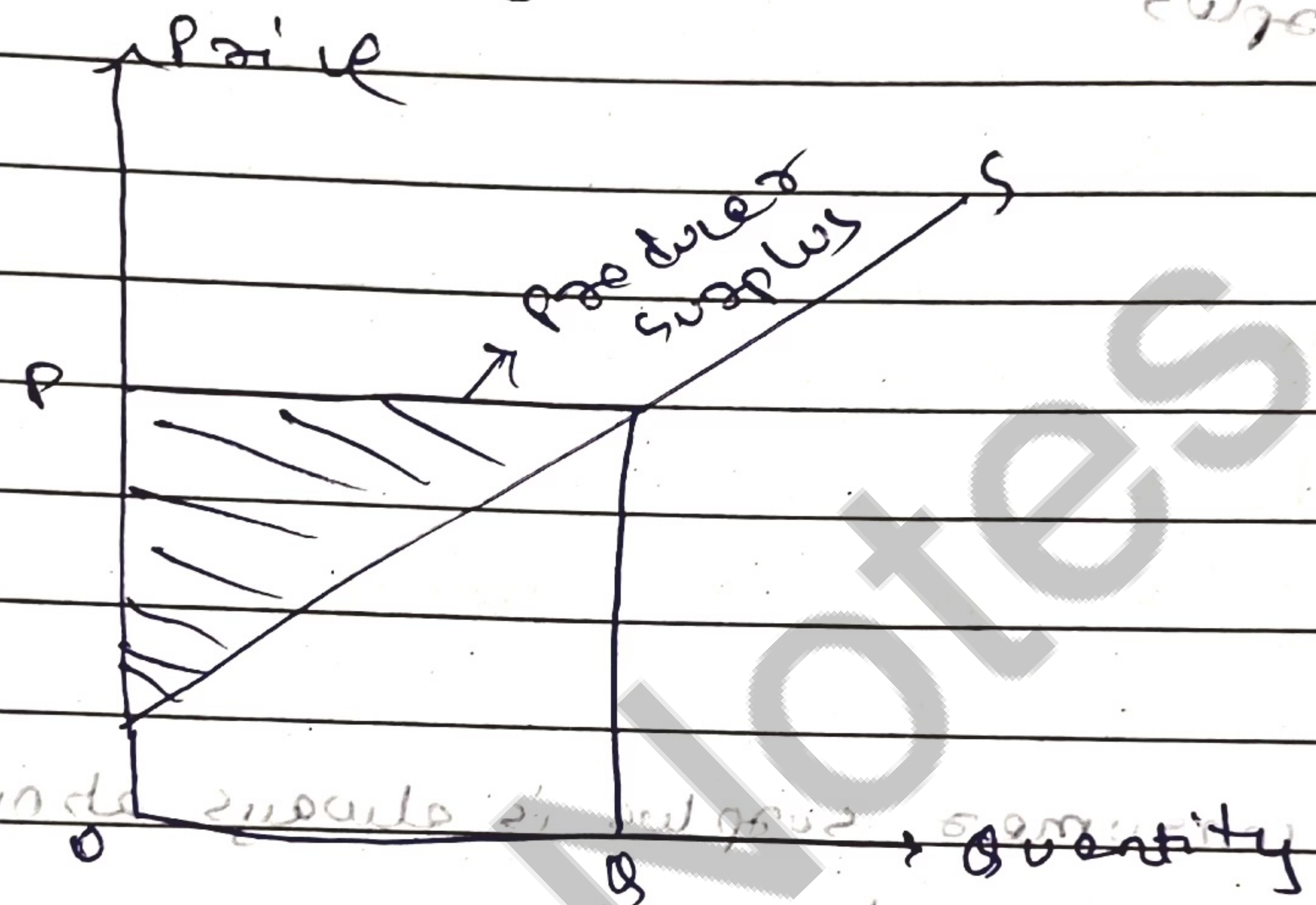
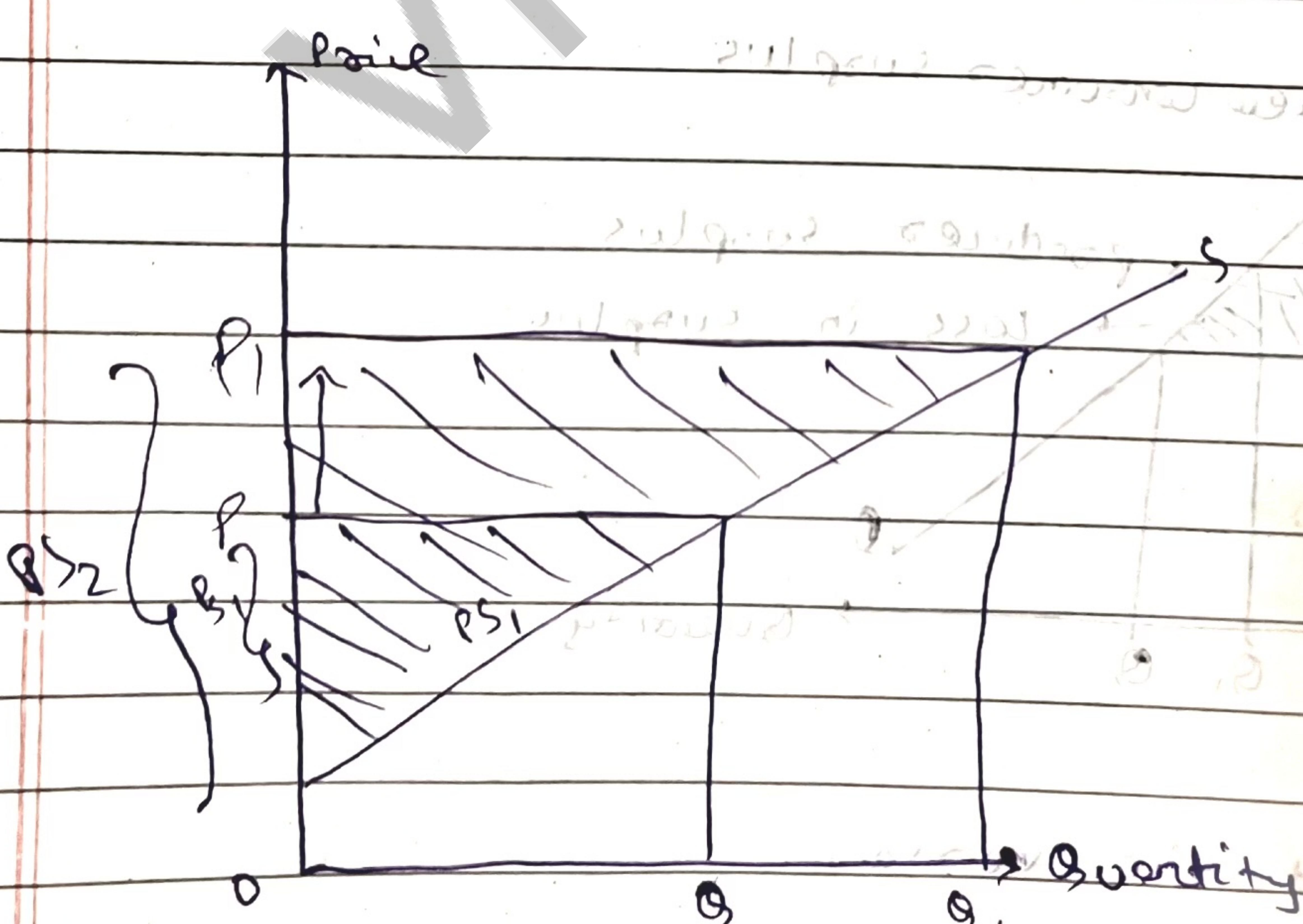
* Producer surplus

→ The Producer surplus (PS) generated by the sale of 1 unit of production is equal to the difference between the price actually received by the seller (i.e. market price) and the minimum price at which it would have been willing and able to supply that unit (i.e. minimum willingness to accept).

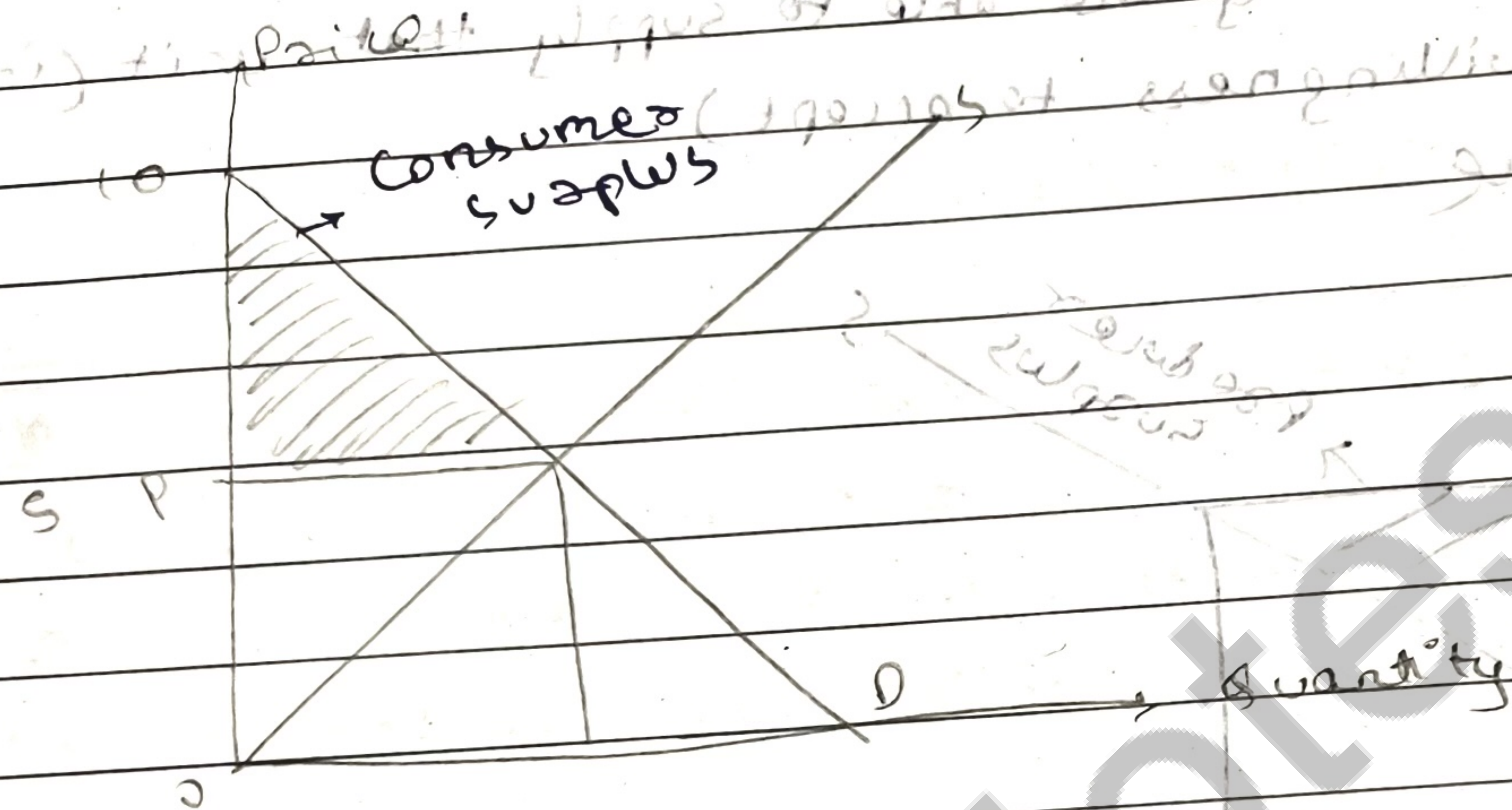


when the price increases, the producer surplus increases and vice-versa.

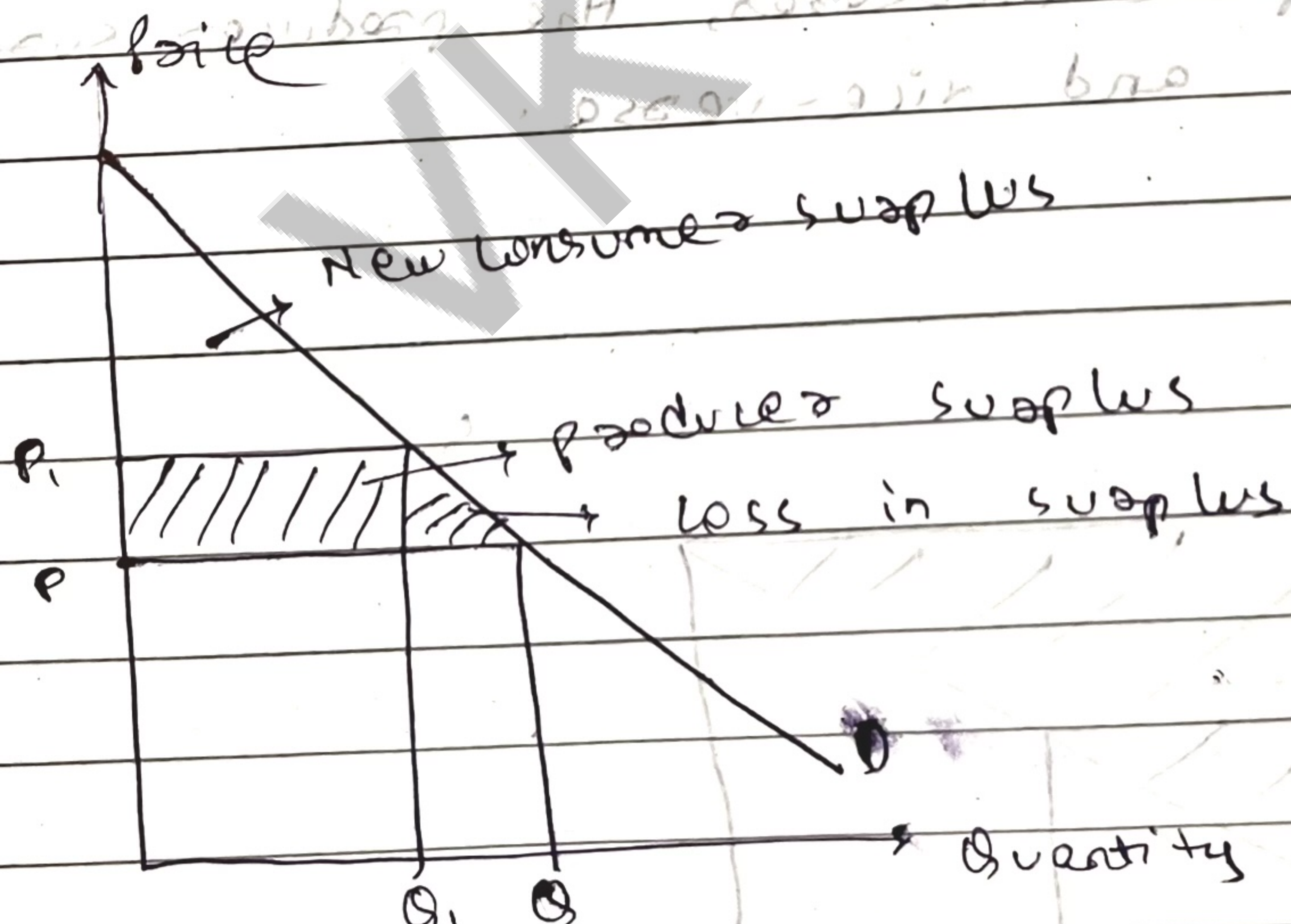


* Consumer and Producer surplus

+ Consumer surplus
Consumer surplus is the difference between a consumer's maximum willingness to pay and the current market price.



The area of consumer surplus is always above equillibrium price and below demand curve.



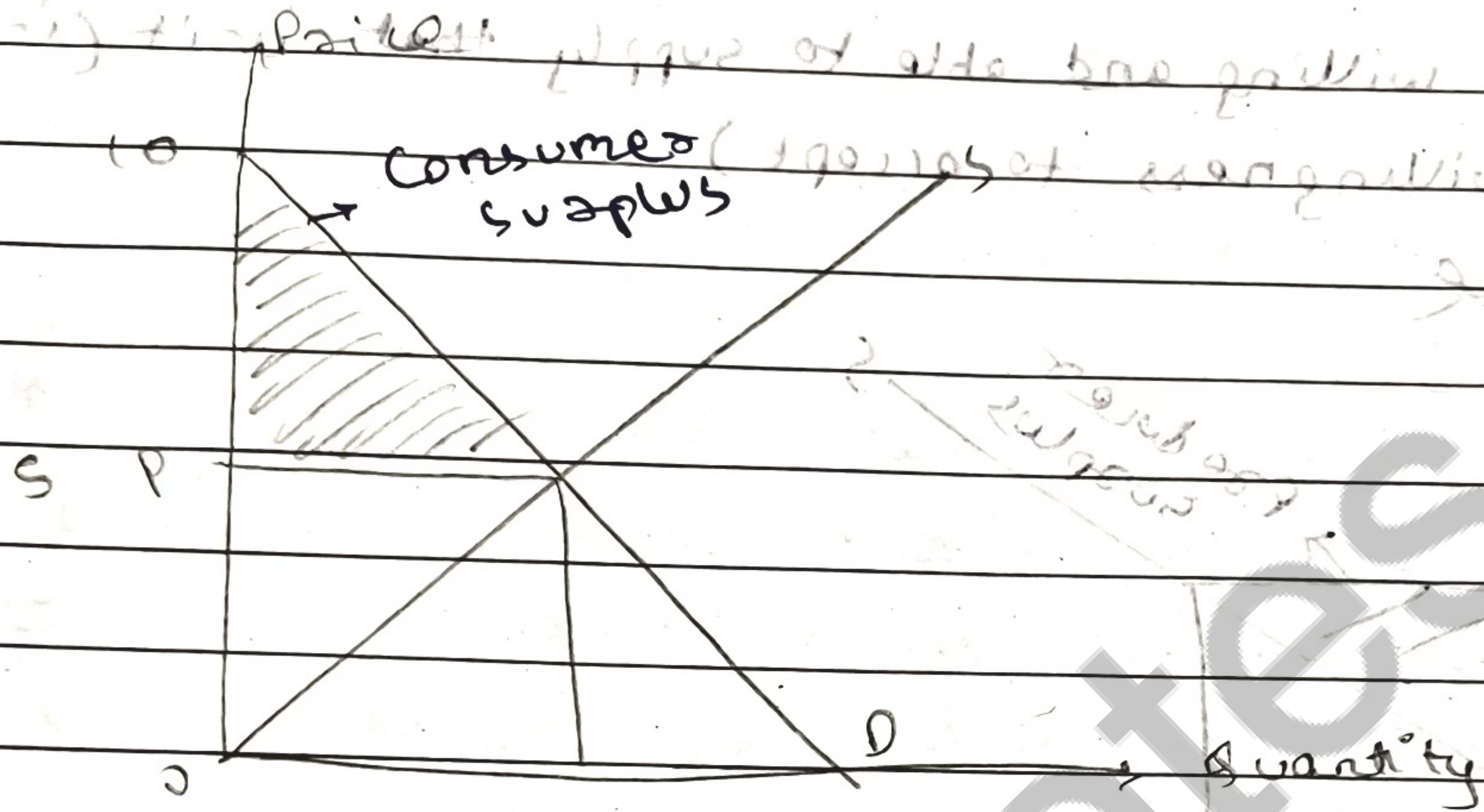
And vice-versa.

DATE :
PAGE NO :

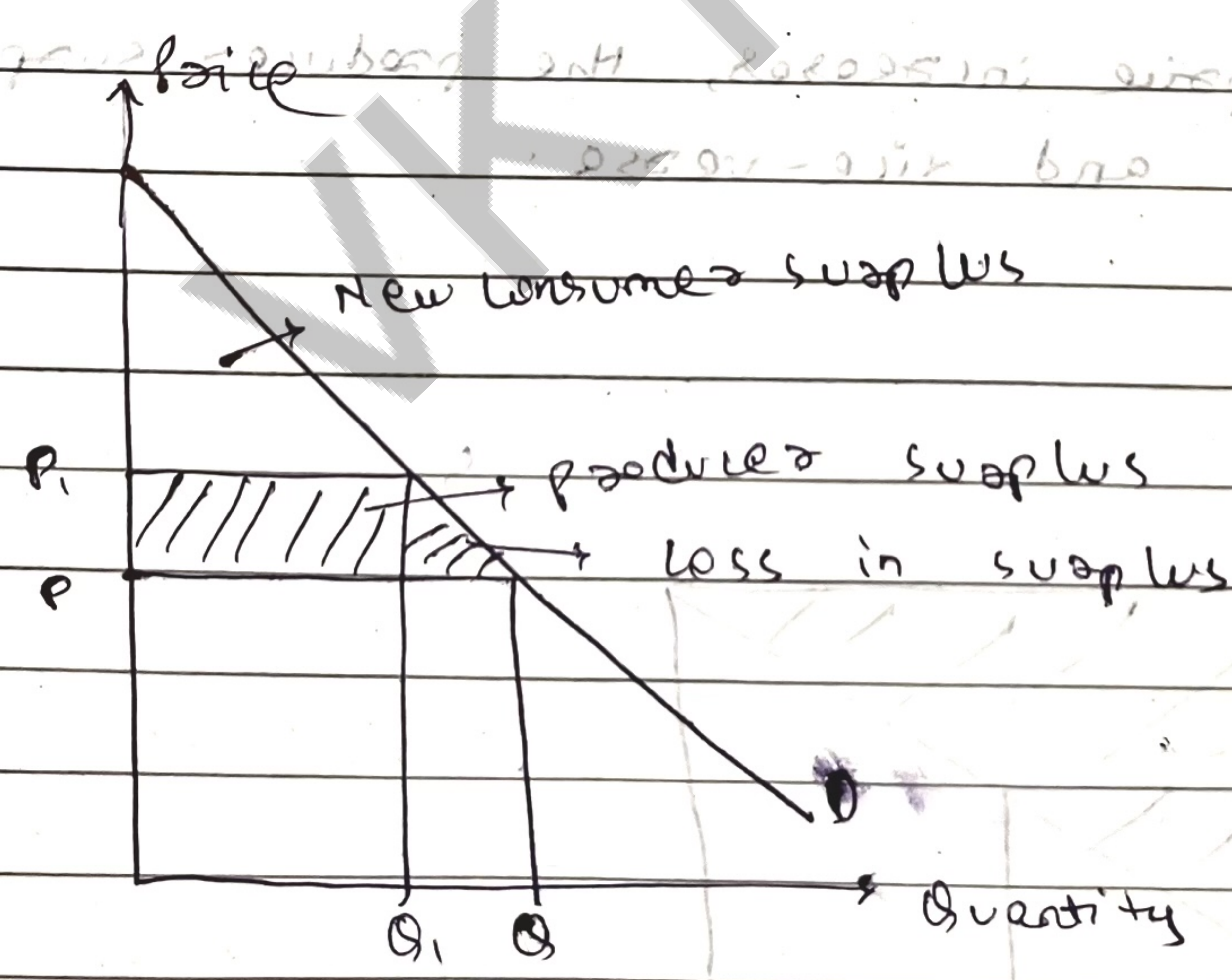
* Consumer and Producer surplus

→ Consumer surplus

Consumer surplus is the difference between a consumer's maximum willingness to pay and the current market price.



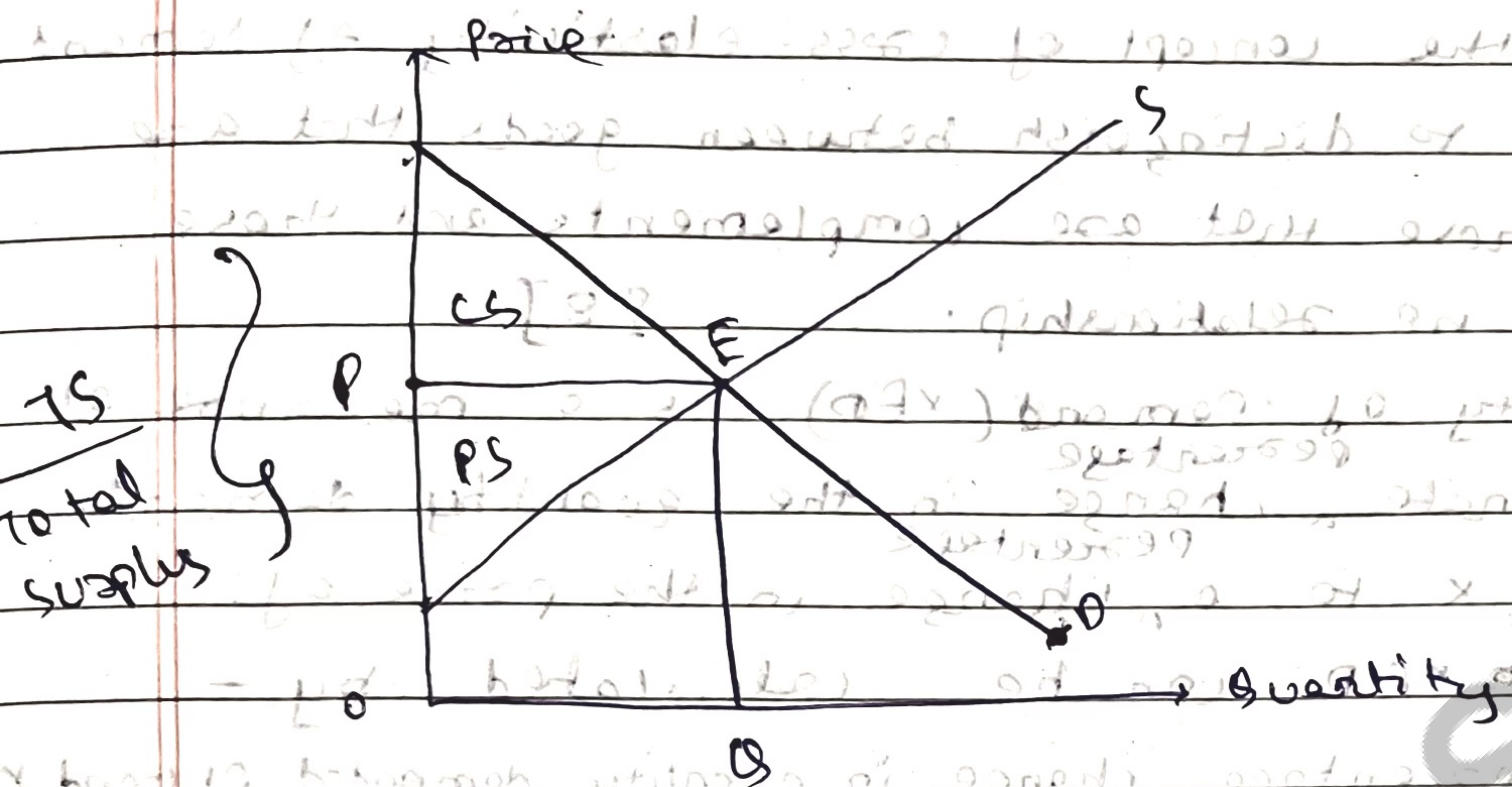
The area of consumer surplus is always above equilibrium price and below demand curve.



And vice-versa.

DATE :
PAGE NO :

* Consumer and Producer Surplus



→ Area of consumer surplus is always below demand curve and above market price.

→ Area of producer surplus is always above supply curve and below market price.