Consumer Surplus
Producer Surplus

ACTIVE LEARNING 1

Consumer surplus

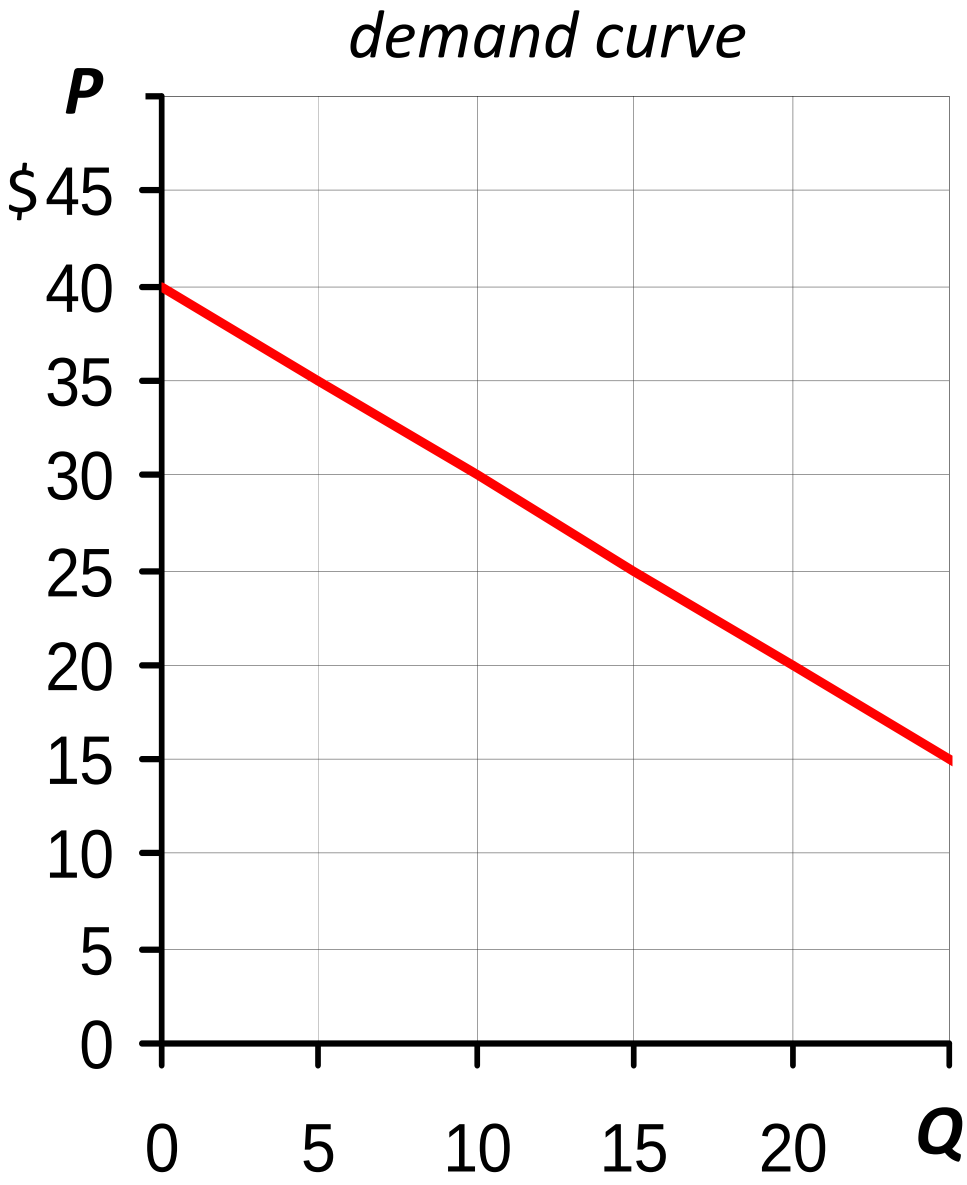
A. Find marginal buyer's WTP at ***Q*** = 10.

B. Find CS for ***P*** = \$30.

Suppose ***P*** falls to \$20.
How much will CS increase due to…

C. buyers entering the market

D. existing buyers paying lower price



ACTIVE LEARNING 2

Producer surplus

A. Find marginal seller's cost at ***Q*** = 10.

B. Find total PS for ***P*** = $20.

Suppose ***P*** rises to $30. Find the increase in PS due to:

C. selling 5 additional units

D. getting a higher price on the initial 10 units