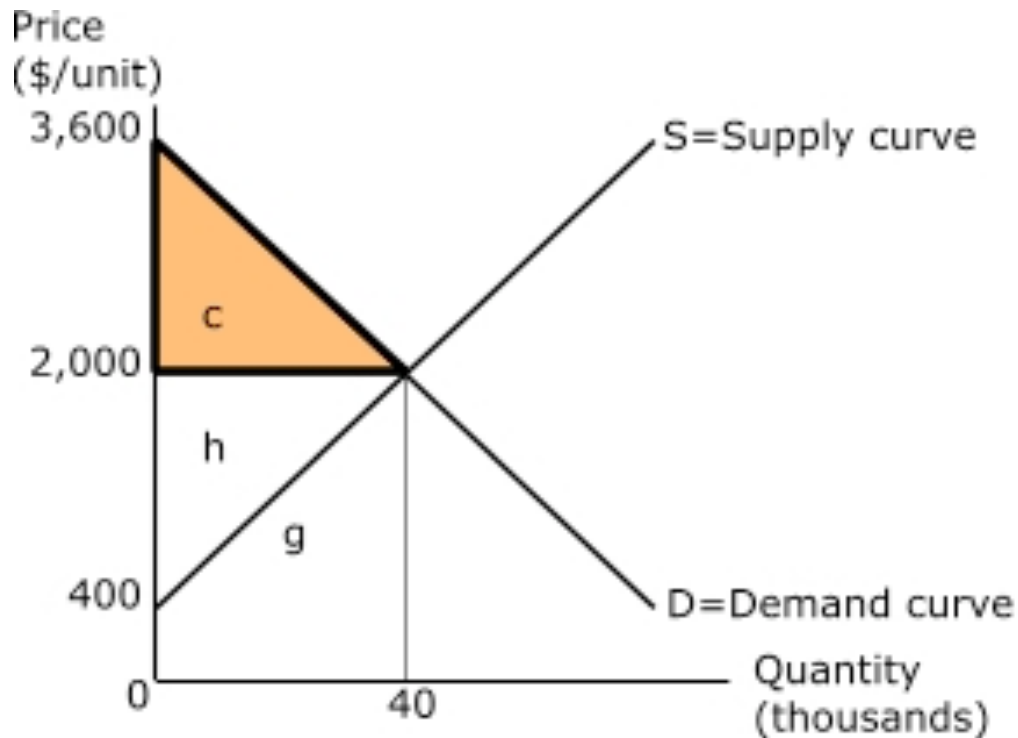


## “Computing Consumer and Producer Surplus Values”

### **Consumer Surplus: Calculating from the graph**

We can calculate the consumer surplus in this example using the information provided on the graph along with the formula for a triangle: (BASE x HEIGHT)/2 Calculate the consumer surplus and click on the correct answer below.



$$\begin{aligned} & (\text{BASE} \times \text{HEIGHT})/2 \\ & ((40-0) \times (3,600-2,000))/2 \\ & (64,000)/2 = \$32,000 \end{aligned}$$

## Producer Surplus Calculating from the graph

As with consumer surplus, we can calculate the producer surplus in this example using the information provided on the graph along with the formula for a triangle:  $(\text{BASE} \times \text{HEIGHT})/2$ . Calculate the producer surplus and click on the correct answer

$$\begin{aligned} & (\text{BASE} \times \text{HEIGHT})/2 \\ & ((40-0) \times (2,000-400))/2 \\ & (64,000)/2 = \$32,000 \end{aligned}$$

