

Consumer Surplus and Producer Surplus

1 Basics					
11	Consumer surplus (CS)	12	Producer surplus (PS)	13	Community surplus**
CS = Willingness to pay minus P^* (blue triangle)		PS = P^* minus willingness to sell (yellow triangle)		Community surplus** = CS + PS	

2 Effects of a tax (per unit)			
21	Community surplus** (without a tax)	21	Community surplus** (with a tax)

** Community surplus or total surplus

3 Effects of a monopoly (seller)			
31	Competition: Price = marginal cost	32	Monopoly: Price > marginal cost

4 Import tariff and its effects → separate file. [Click here](#)