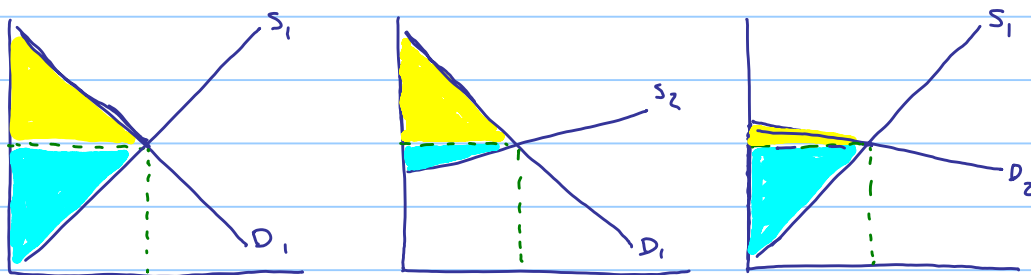


# What is the size of consumer and producer surplus at equilibrium?



Question 6 (1 point)

Conditions - Question 060

When a market is in equilibrium, the total amount of consumer surplus must be \_\_\_\_\_ the total amount of producer surplus.

Student response:

Percent Value	Correct Response	Student Response	Answer Choices
0.0%			a. larger than
0.0%		<input checked="" type="radio"/>	b. equal to
0.0%		<input type="radio"/>	c. less than
100.0%	<input checked="" type="checkbox"/>		d. None of these answers are correct.

Score:

0 / 1

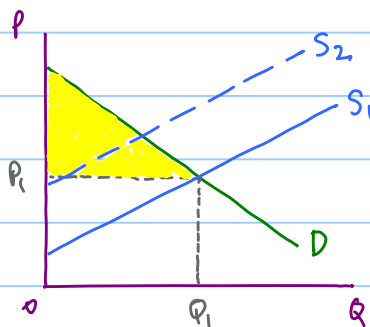
- ① Each of these markets above are in equilibrium,
- ② Then only answer d is correct.

Note:

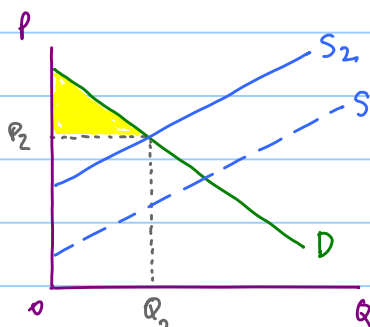
- (1) Demand Elasticity affects the size of the consumer surplus.
- (2) Supply Elasticity affects the size of the producer surplus.

Most analysis relies on an interpretation of changes in \_\_\_\_\_ surplus.

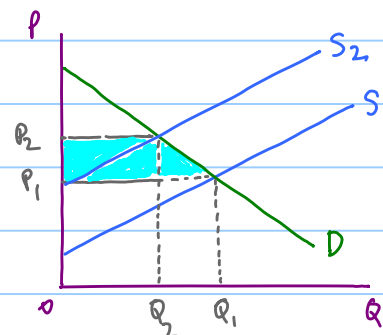
Example: What happens to consumer surplus after a supply decrease?



CS given  $S_1$



CS given by  $S_2$



Change in CS