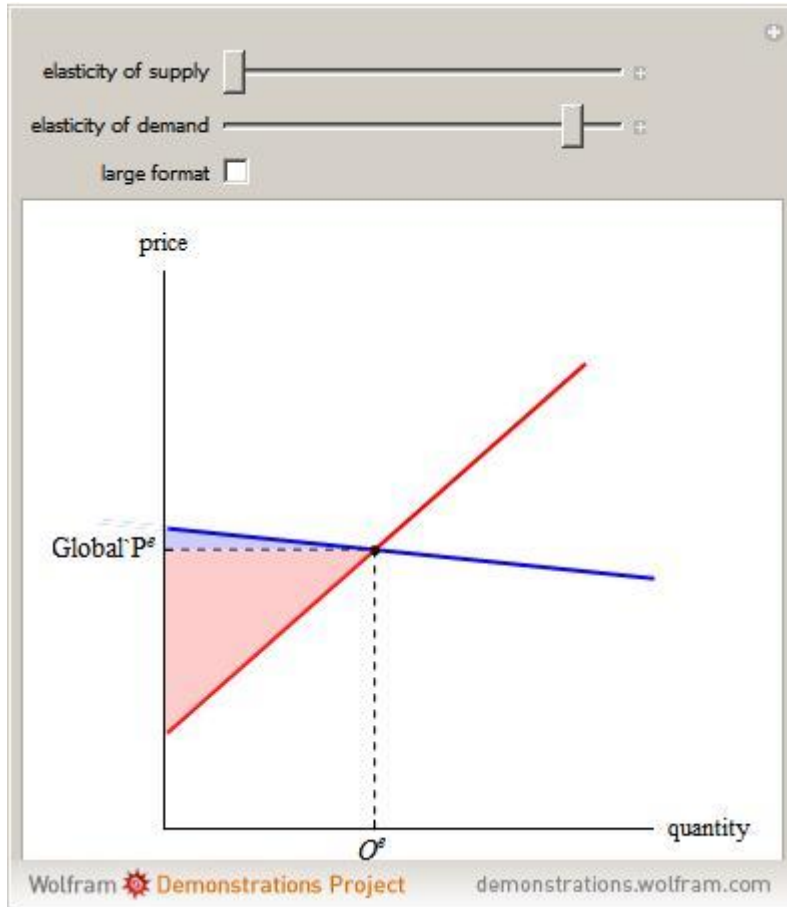


Consumer and Producer Surplus

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The blue shaded consumer surplus is the area above the price line and below the demand curve, while the pink shaded producer surplus is the area below the price line and above the supply curve. Greater elasticities, represented with flatter curves, are associated with smaller surpluses.

