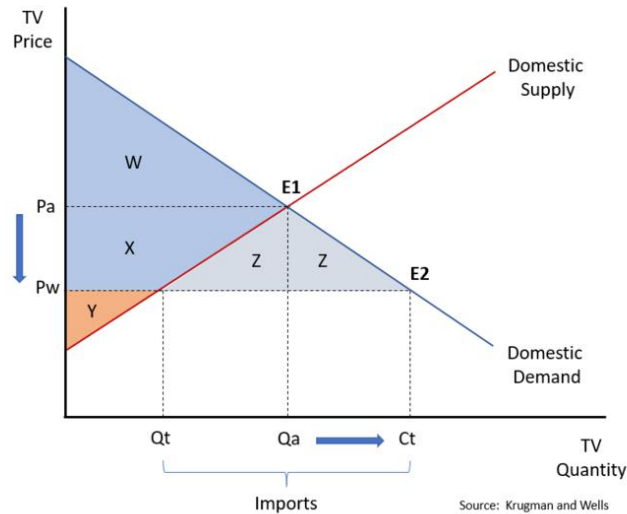
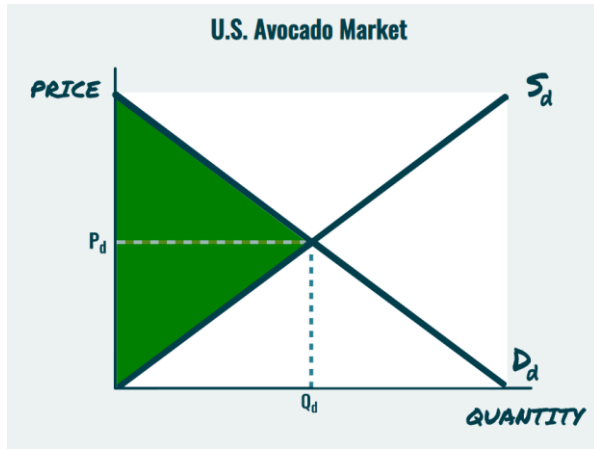


Effect of Free Trade on Consumer and Producer Surplus

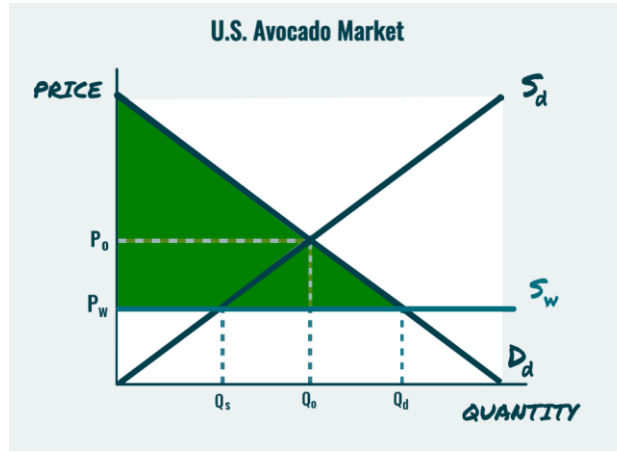


- 1. According to the graph, free trade has what effect on the following concepts in the market for tvs?**
 - **Consumer Surplus**
 - **Producer Surplus**
 - **Total Surplus**
- 2. Which letter(s) represent the gains from trade?**
- 3. Which letter(s) represent the lost producer surplus?**

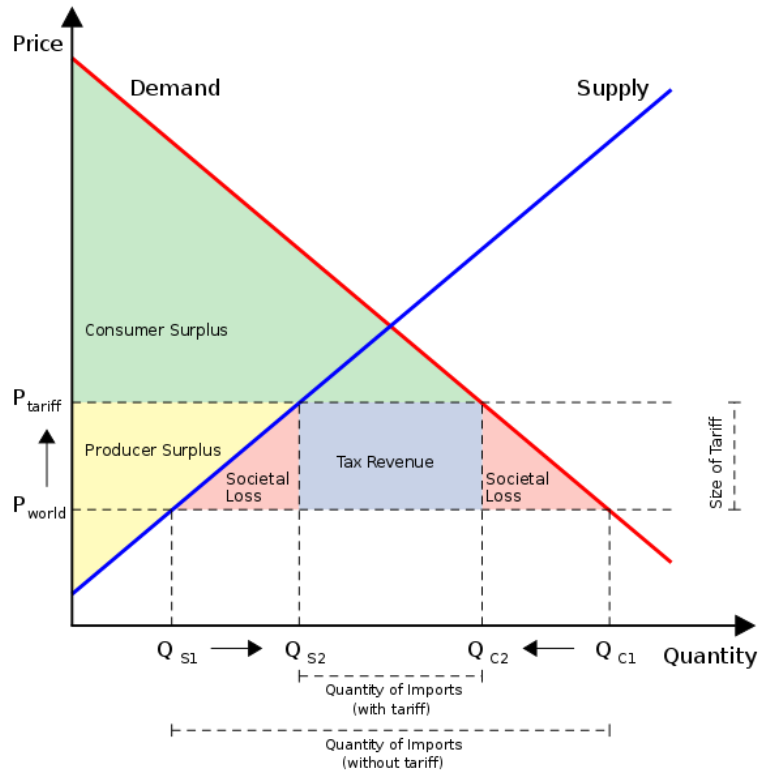
Total Surplus



Consumer Surplus Gains from Trade



Tariff Imposed on avocados



Suppose avocado producers in the US lobby for tariffs imposed on imported avocados.

How did the following change:

- **Consumer surplus**
- **Producer surplus**
- **Total surplus**
- **Deadweight loss (societal loss)**
- **Government**