Figure 19–2

Rose Market with Imports:
U.S. Domestic Market for Roses

Price of roses, per box

$P_A$

$P_W$

Quantity of roses, boxes

$Q_T$  $Q_A$  $C_T$

Imports

Domestic quantity supplied with trade

Domestic quantity demanded with trade

Autarky Price

World Price

Domestic Supply

Domestic Demand

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 19-3

Impact of Imports on Consumer and Producer Surplus

<table>
<thead>
<tr>
<th>Changes in Surplus</th>
<th>Gain</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Surplus</td>
<td>X + Z</td>
<td></td>
</tr>
<tr>
<td>Producer Surplus</td>
<td></td>
<td>-X</td>
</tr>
<tr>
<td>Change in Total Surplus</td>
<td></td>
<td>+ Z</td>
</tr>
</tbody>
</table>

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 19-4

World Price and Exports: U.S. Domestic Market for Computers

Price of computer

Domestic Supply

World Price

Autarky Price

Domestic Demand

Quantity of computers

$P_A$

$P_W$

$0$

$C_T$

$Q_A$

$Q_T$

Domestic quantity demanded with trade

Imports

Domestic quantity supplied with trade

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 19-5

Impact of Exports on Consumer and Producer Surplus

<table>
<thead>
<tr>
<th>Changes in Surplus</th>
<th>Gain</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Surplus</td>
<td></td>
<td>-X</td>
</tr>
<tr>
<td>Producer Surplus</td>
<td></td>
<td>X+Z</td>
</tr>
<tr>
<td>Change in Total Surplus</td>
<td></td>
<td>+Z</td>
</tr>
</tbody>
</table>

Imports
Quantity of computers

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 19–6

Tariff

Price of roses, per box

Price with Tariff

World Price

Domestic Supply

Domestic Demand

Imports after tariff

Imports before tariff

Q1 → Q2 → C2 → C1

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 19-7

Impact of Tariff on Surplus

<table>
<thead>
<tr>
<th>Changes in Surplus</th>
<th>Gain</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Surplus</td>
<td></td>
<td>-(A+B+C+D)</td>
</tr>
<tr>
<td>Producer Surplus</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>Gov’t Revenue</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>Change in Total Surplus</td>
<td></td>
<td>-(B + D)</td>
</tr>
</tbody>
</table>

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