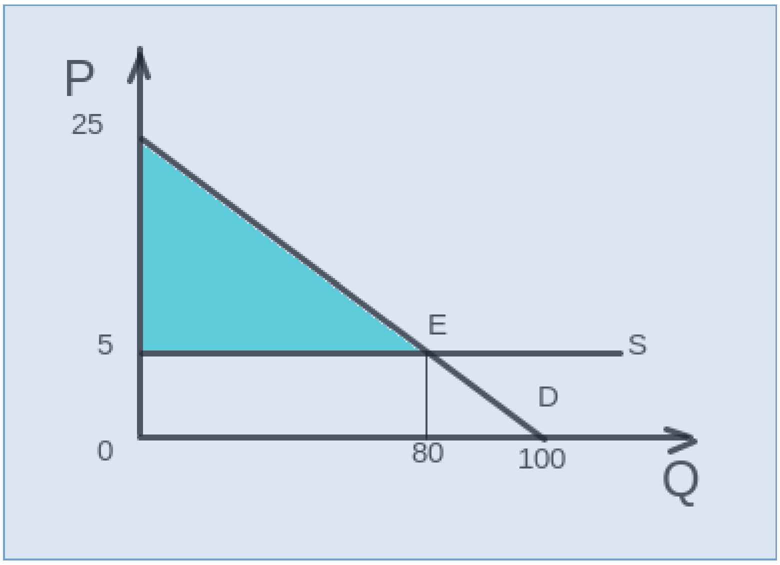
Answer on Question #43630, Economics, Microeconomics



If supply is perfectly elastic at price of rm5, Ps = 5.
The market demand curve for this good is Pd = 25 — 0.25Q
Market is in equilibrium, when Pe = Pd, so
25 — 0.25Q = 5,
Qe = 80 units
Pe = rm5
Consumer surplus (CS) is the area between supply and demand curves (see the graph above).
So, CS = 0.5*80*(25 — 5) = rm800