PARTIAL EQUILIBRIUM

SMALL COUNTRY
Home Market

LARGE COUNTRY
Home Market

ANALYSIS OF A QUOTA M

WORLD MARKET

WORLD MARKET

PARTIAL EQUILIBRIUM

SMALL COUNTRY
Home Market

LARGE COUNTRY
Home Market

ANALYSIS OF A QUOTA M

WORLD MARKET

WORLD MARKET

PARTIAL EQUILIBRIUM

SMALL COUNTRY
Home Market

LARGE COUNTRY
Home Market

ANALYSIS OF A QUOTA M

WORLD MARKET

WORLD MARKET
PARTIAL EQUILIBRIUM ANALYSIS OF A TARIFF

SMALL COUNTRY
HOME MARKET

P

S

\( p_{w} + t \)

a

b

c

d

M

M

P

P_{w}

P_{w}^{*}

\( p_{w} + t \)

a

b

c

d

M

M

WORLD MARKET

P

S

\( p_{d} = p_{w}^{*} + t \)

E_{s}^{*}

\( p_{w} \)

\( p_{w}^{*} \)

\( p_{d} \)

M

M

Q_{import}

WORLD MARKET

E_{s}^{*}

\( p_{d} \)

\( p_{w} \)

\( p_{w}^{*} \)

\( p_{d} \)

M

M

Q_{import}
PARTIAL EQUILIBRIUM ANALYSIS OF AN EXPORT SUBSIDY

SMALL COUNTRY HOME MARKET

LARGE COUNTRY HOME MARKET

WORLD MARKET

WORLD MARKET

$P_D = P_w(1 + s)$

$Q_{IMPORTS}$

$Q_{EXPORTS}$

$E ightarrow E'$

$P ightarrow P_w$

$P ightarrow P_w'$

$A ightarrow B ightarrow C ightarrow D ightarrow E$

$A' ightarrow B' ightarrow C' ightarrow D' ightarrow E'$

$\text{Producers: } +a + b + c$

$\text{Consumers: } -a - b$

$\text{Export Surplus: } -d - c - d - e - f - g$

$\text{Import Surplus: } +a + d + e + f + g$
**Partial Equilibrium Analysis of an Export Tax**

**Small Country Home Market**

- Graph showing supply and demand for exports with a shift in demand due to an export tax.

**(Large Country Home Market**

- Graph showing supply and demand for exports with a shift in demand due to an export tax.

**World Market**

- Graphs showing the world market for exports with adjusted demand and supply due to the export tax.

**Producers:**
- \(-a-b-c-d-e\)

**Consumers:**
- \(+a+b\)

**Government:**
- \(+d\)

**Net Impact:**
- \(-c-c\)

**Imports & Exports:**

- **Exports:**
  - \(-c-b-c-d-e\)
  - \(+e+b\)
  - \(+F+d\)
  - \(-c-e+F\)

**Imports:**

- **Exports:**
  - \(-c-b-c-d-e\)
  - \(+e+b\)
  - \(+F+d\)
  - \(-c-e+F\)

**Ambiguous**