

3. Consider the demand for broadband Internet service, given as follows:  $Q^D = 224 - 4P$ , where  $Q$  is the number of subscribers in a given area (in hundreds) and  $P$  is the price in dollars per month. This demand relationship is illustrated in the diagram on the right. Assume that the price of broadband service is \$25 per month. Determine the following, paying particular attention to the units in which quantity is denominated:

- The total number of subscribers at that price
- The total amount paid by subscribers for broadband service, area  $B$
- The consumer surplus received by subscribers, area  $A$
- The total value to consumers of the broadband service they received, areas  $A$  and  $B$
- Recalculate part (d) using calculus and confirm that your answer is the same as in part (d).

