



**[Summary]**

**[Tariff: Types, Partial Equilibrium Analysis  
Tariff and Effects of Tariff on Consumer and Producer  
Surplus]**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B.A., 5 <sup>th</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 541 International Economics
<b>Unit No. &amp; Title:</b>	Unit - 3 International Trade Policy
<b>Lecture No. &amp; Title:</b>	1: Tariff: Types, Partial Equilibrium Analysis Tariff and Effects of Tariff on Consumer and Producer Surplus

### **Summary:**

Tariff is an instrument to protect domestic industries from foreign industries. There are mainly three types of tariffs. Import tariff is most common among nations. Tariff affects the nation's domestic consumption and production. An imposition of tariff by a small nation reduces the domestic consumption of importable commodity and increases the production of domestic production. An import tariff also reduces the imports of the nation. An imposition of a tariff decreases the consumer surplus and raises producer surplus.