## Consumer and producer surplus / Price Ceilings / Price floors

1. Consumer and Producer Surplus
   1. Consumer Surplus
      1. Difference between maximum price that the consumer is willing to pay and the market price
      2. CS = ½ b\*h
   2. Producer Surplus
      1. The difference between the minimum price the producer is willing to sell it for and the market price
      2. PS = ½ b\*h
2. Price Ceilings and Floors
   1. Price Ceilings
      1. A legal maximum at which the product can be sold
      2. Below equilibrium
      3. Surplus of demand = shortage
      4. Demand goes up
      5. Supply goes down
   2. Price Floor
      1. A legal minimum at which the product can be sold
      2. Above equilibrium
      3. Surplus of labor = unemployment
   3. Excess Burden is due to the price control