

Price



Equil.  
Price

Price  
With  
Ceiling

O

Ceiling Quantity  
Supplied

Equilibrium  
Quantity

Ceiling Quantity  
Demanded

Quantity

Supply

Equilibrium  
Consumer Surplus  
 $= A + B + C$

Ceiling Consumer  
Surplus  
 $= A + B + D$

C

B

E

D

DWL = C+E

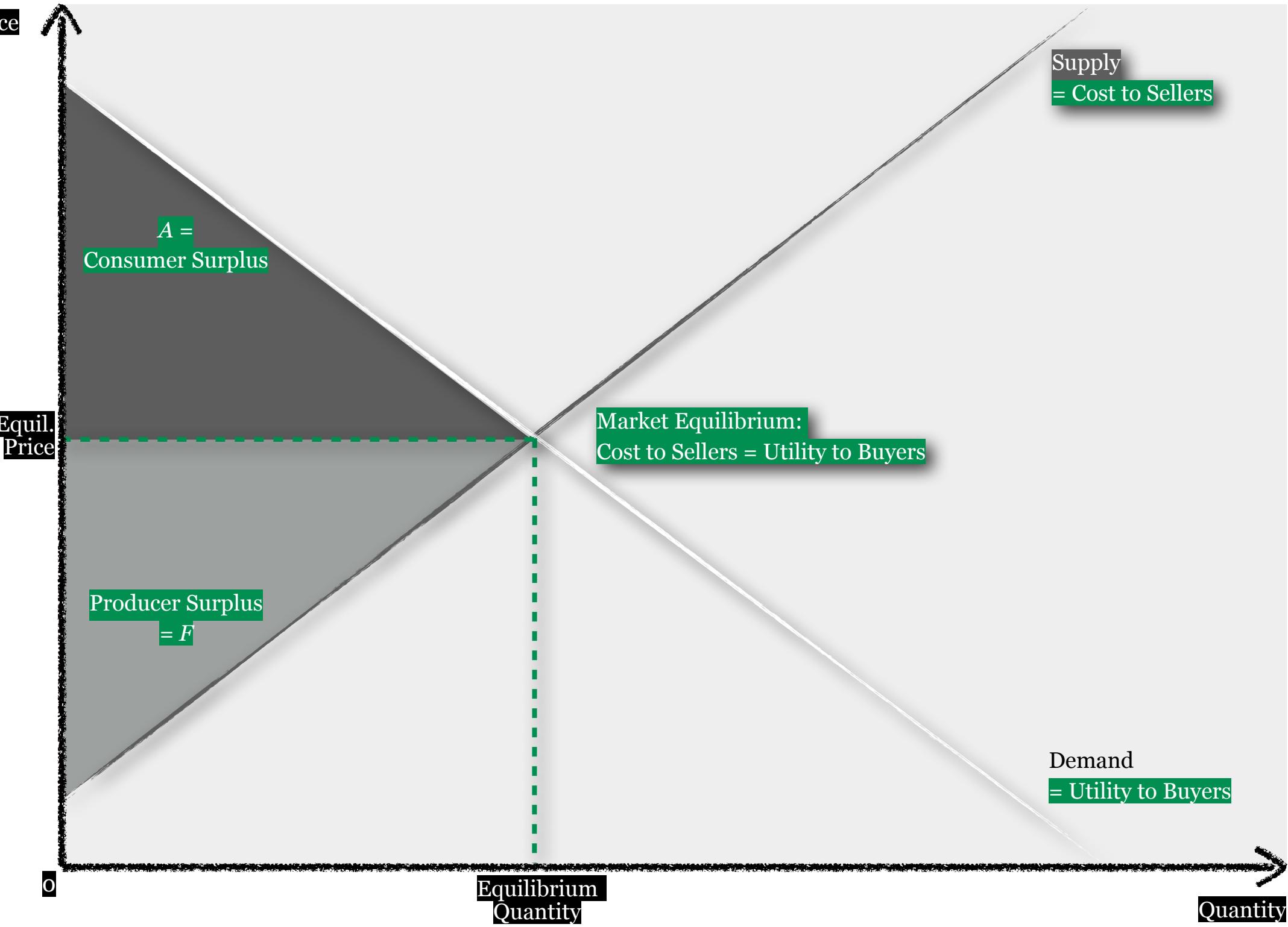
Price Ceiling

Ceiling Producer  
Surplus  
 $= F$

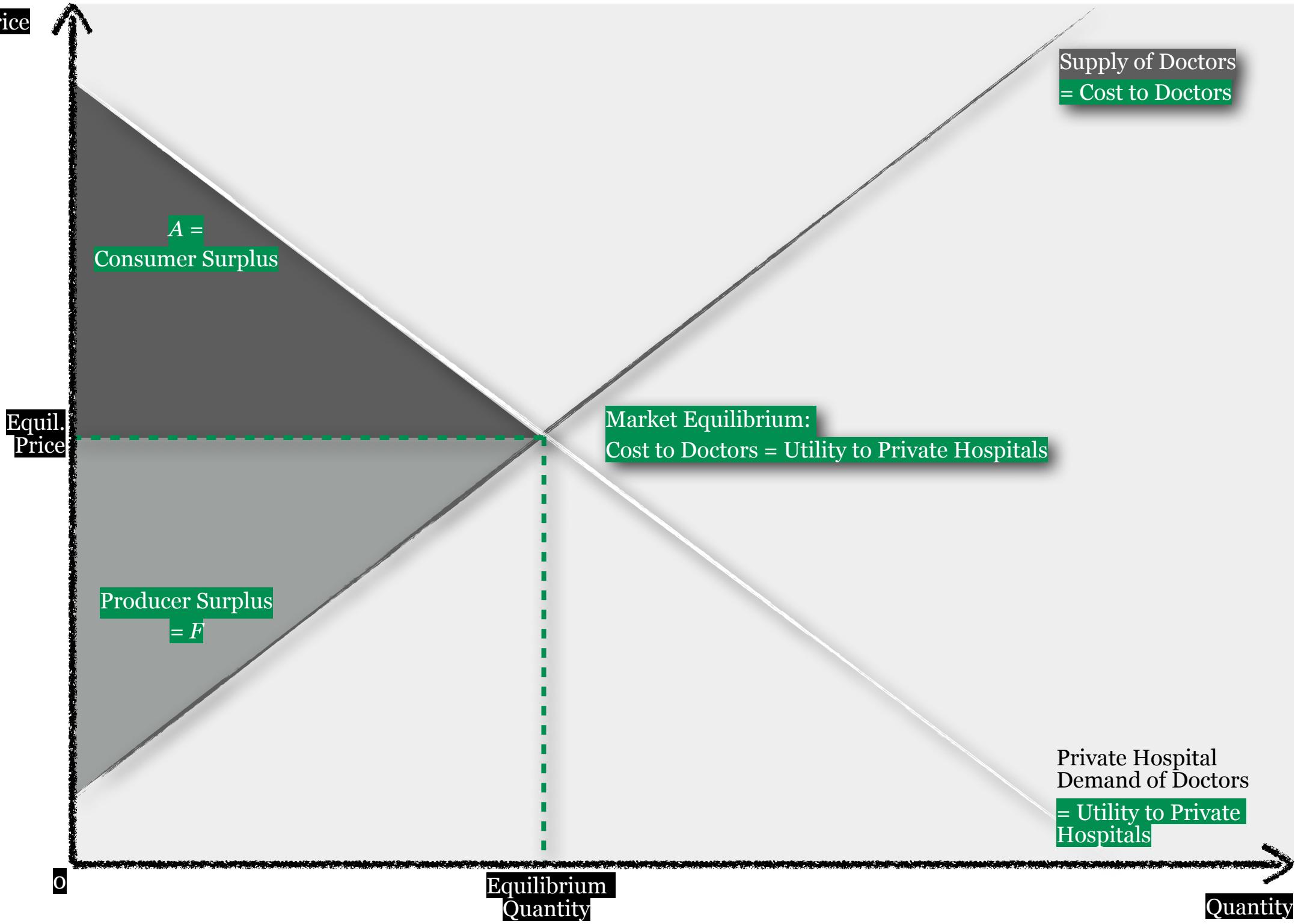
Excess  
Demand

Equilibrium  
Producer Surplus  
 $= D + E + F$

Price



Price



Supply of Doctors  
= Cost to Doctors

$A =$   
Consumer Surplus

Market Equilibrium:  
Cost to Doctors = Utility to Private Hospitals

Producer Surplus  
 $= F$

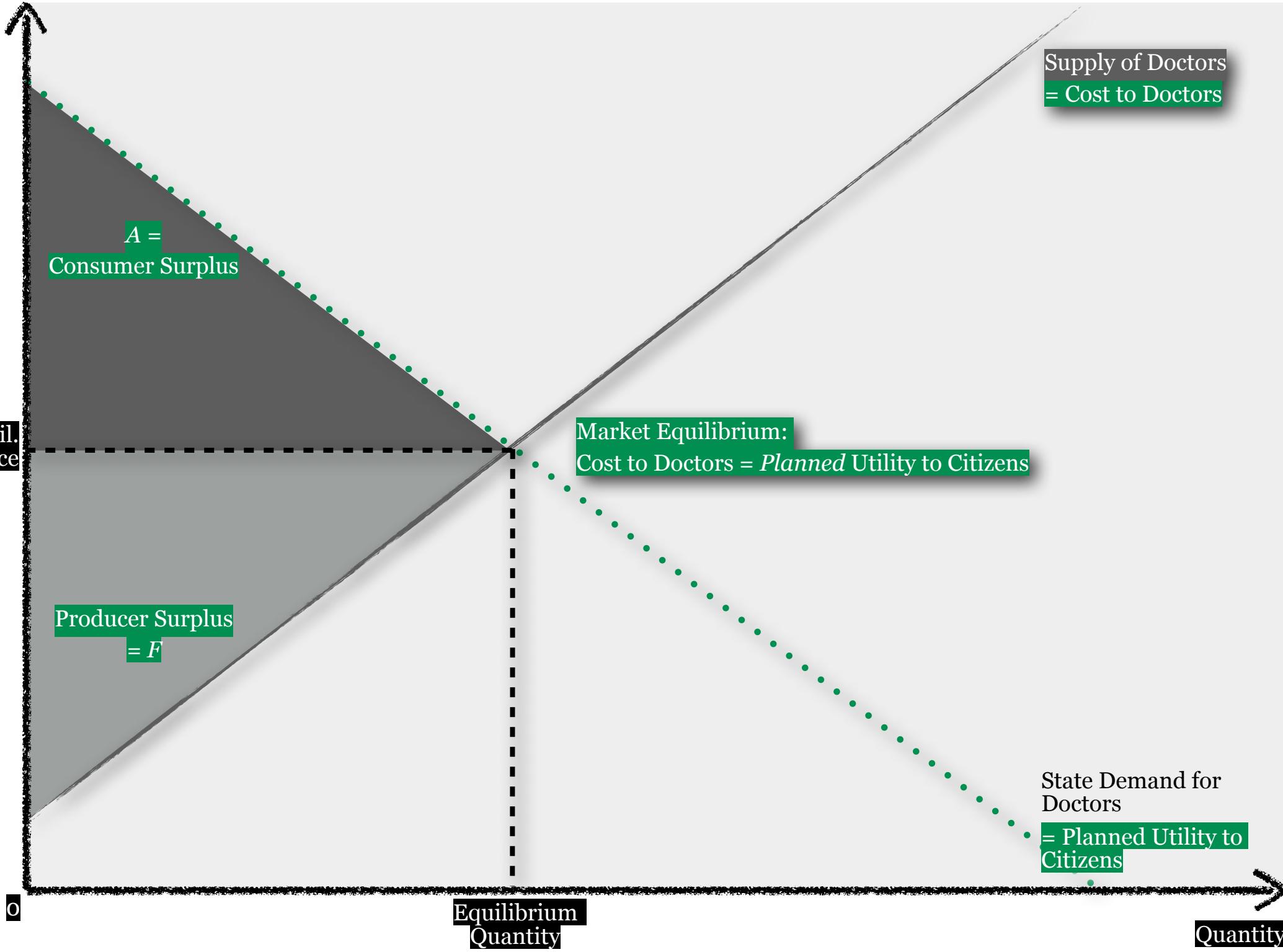
Private Hospital  
Demand of Doctors  
= Utility to Private  
Hospitals

Equilibrium  
Quantity

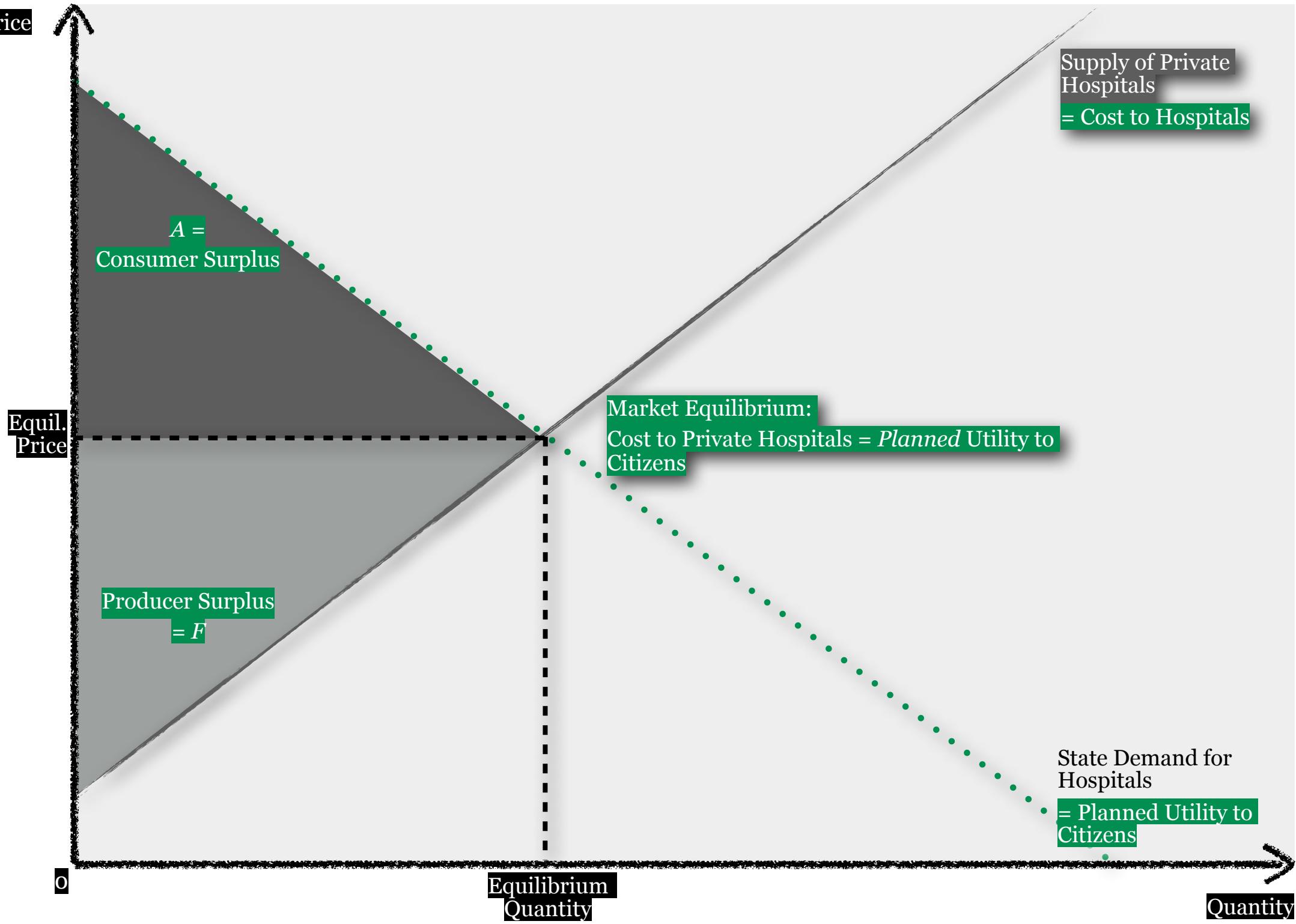
Quantity

Price

Equil.  
Price



Price





Price



Supply

Perfectly Elastic,  $E_s=\infty$

Demand

Perfectly Elastic,  $E_d=\infty$

Quantity



