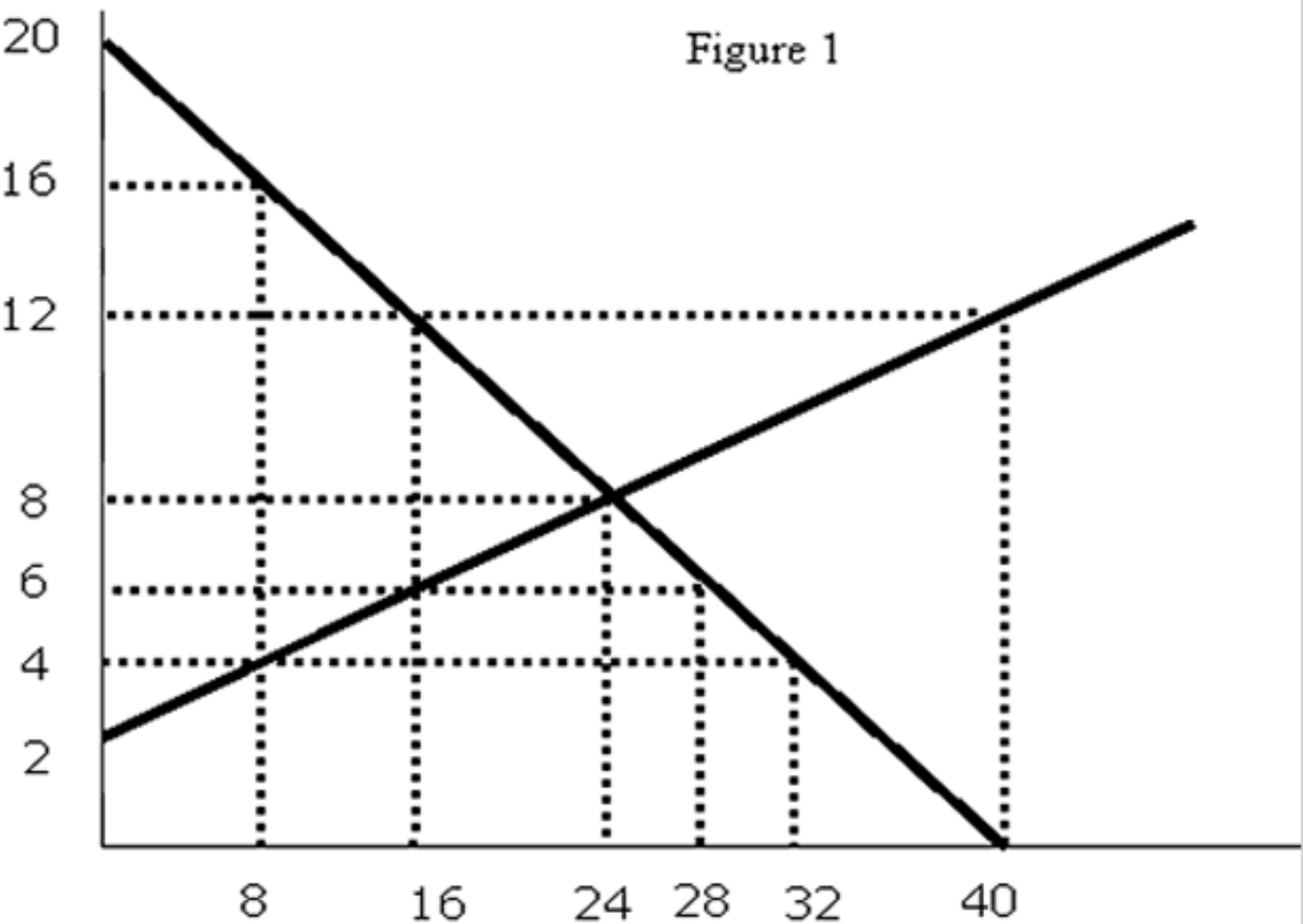




Figure 1

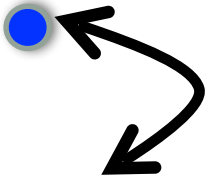


**Government imposes a Price
Floor at \$6**

**Prohibit
prices
below \$6**



**All these prices
are prohibited**



Does not prevent
equilibrium price

A Price Floor at \$6 is not
effective

Government imposes a Price Floor at \$6

