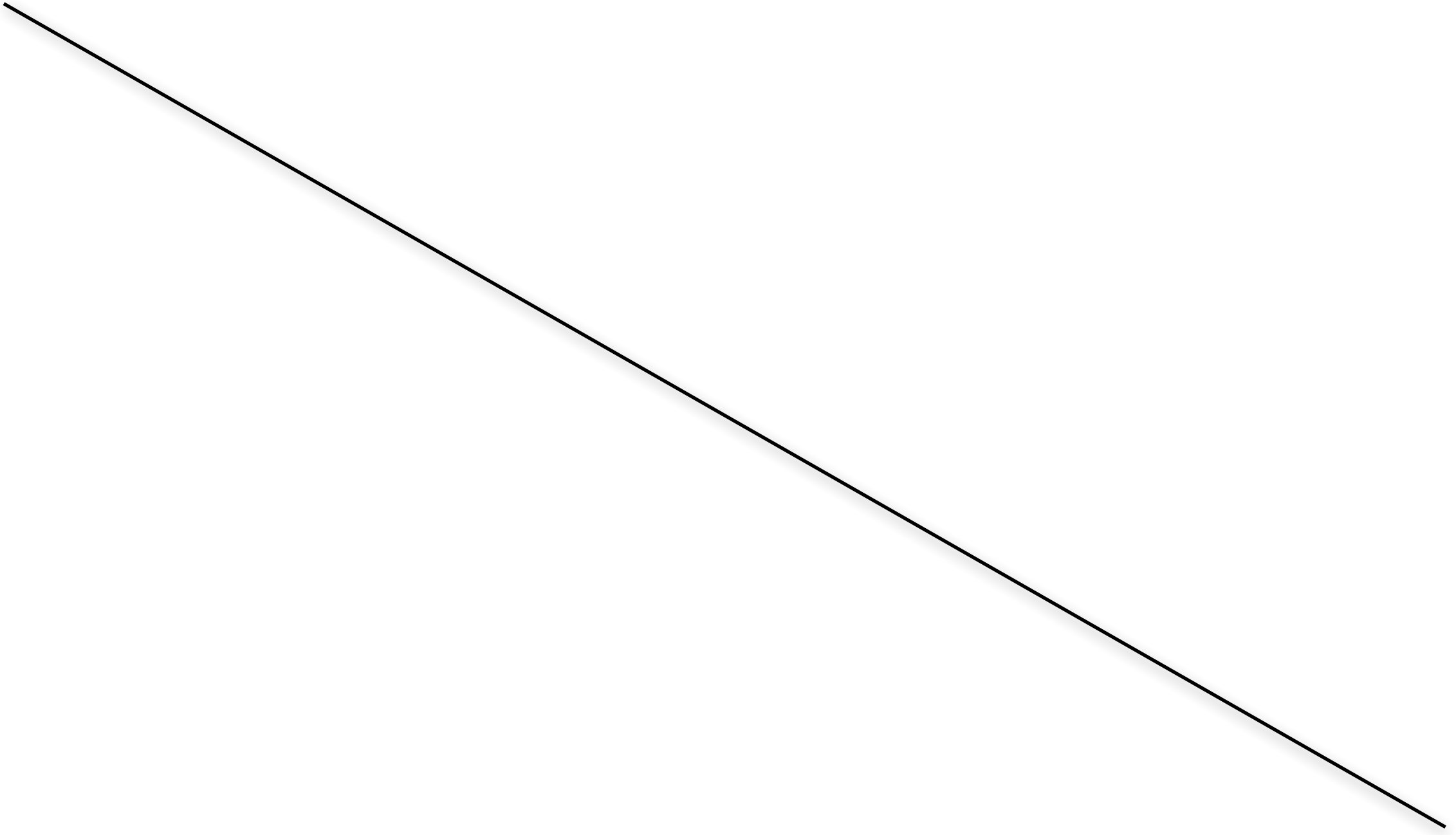
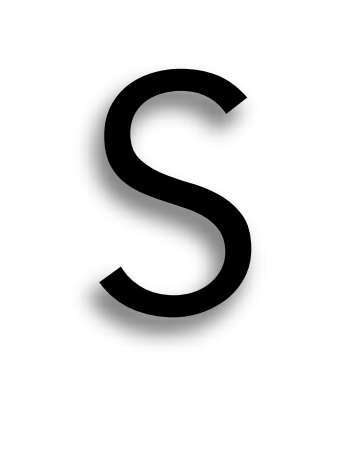
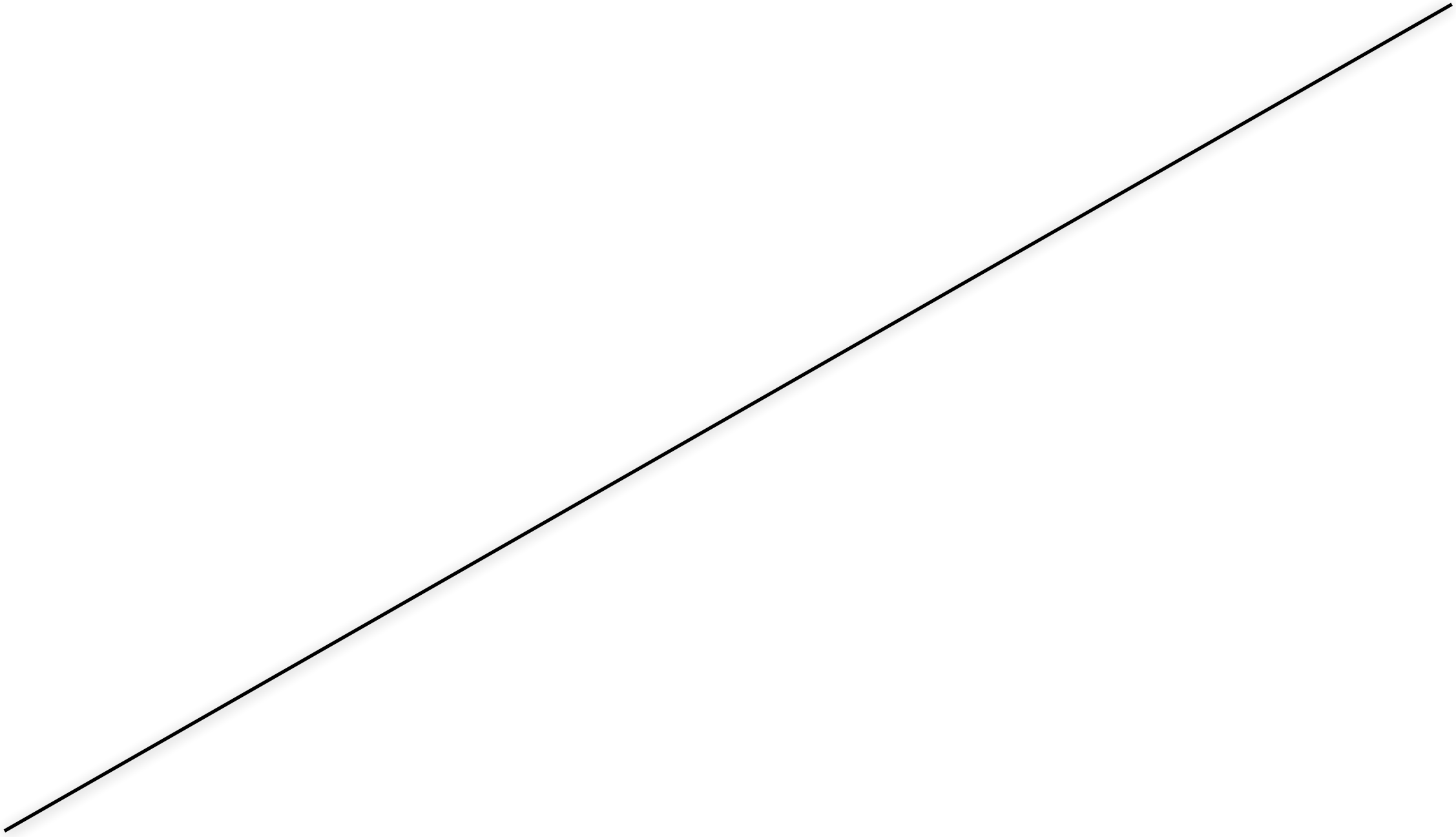
The imposition of a Floor (for example price supports)





Floor $0.8



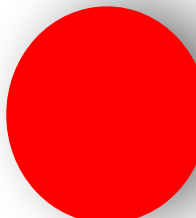
$$Q^s = 800$$

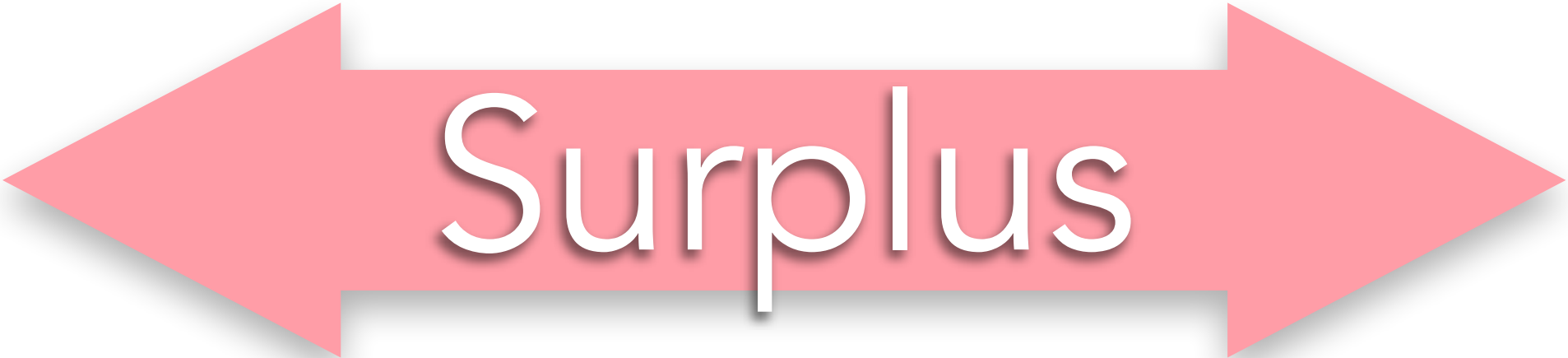
$$Q^d = 100$$

$$Q_e = 600$$

$P_e = \$0.50$

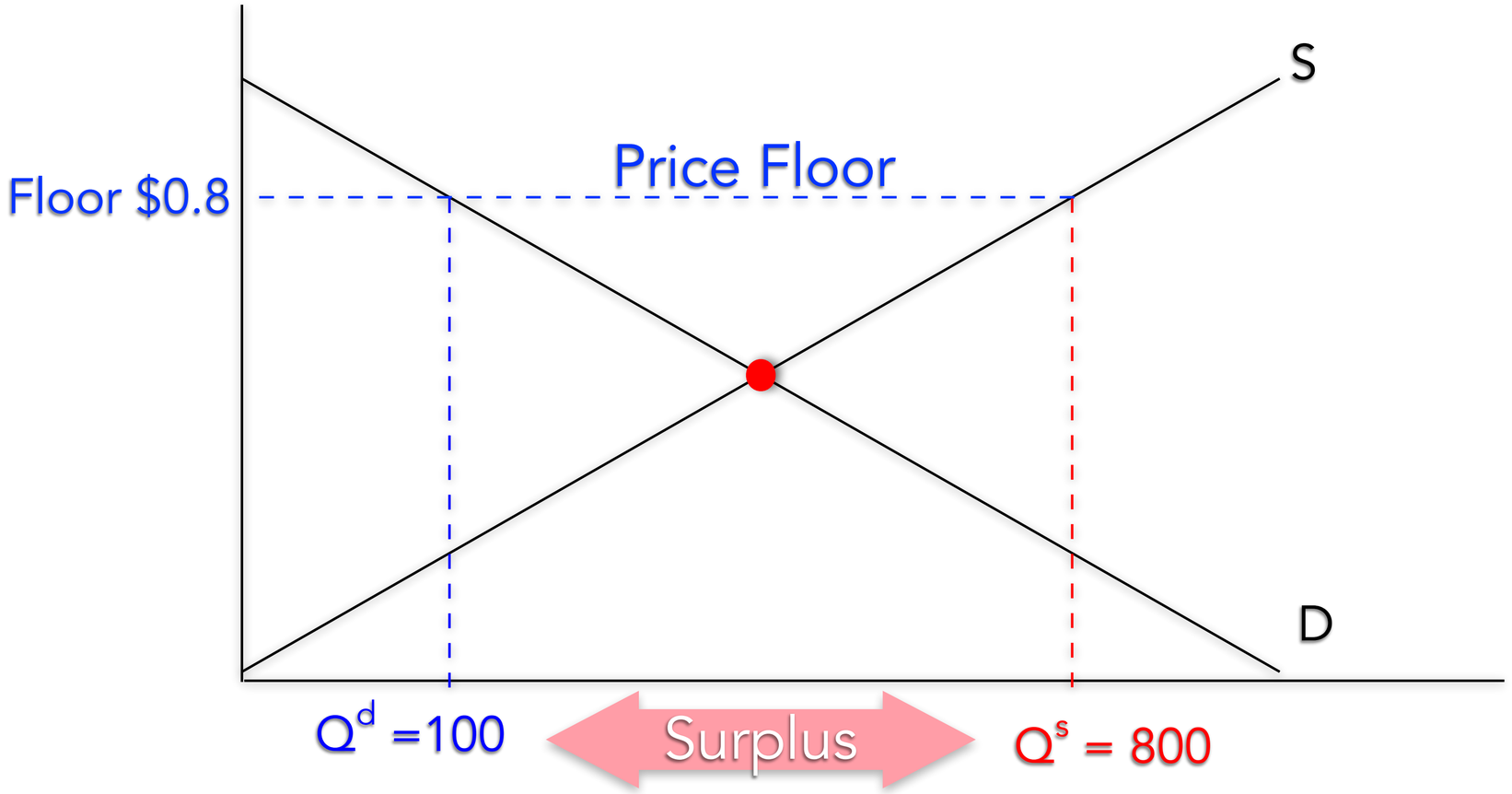
Price Floor



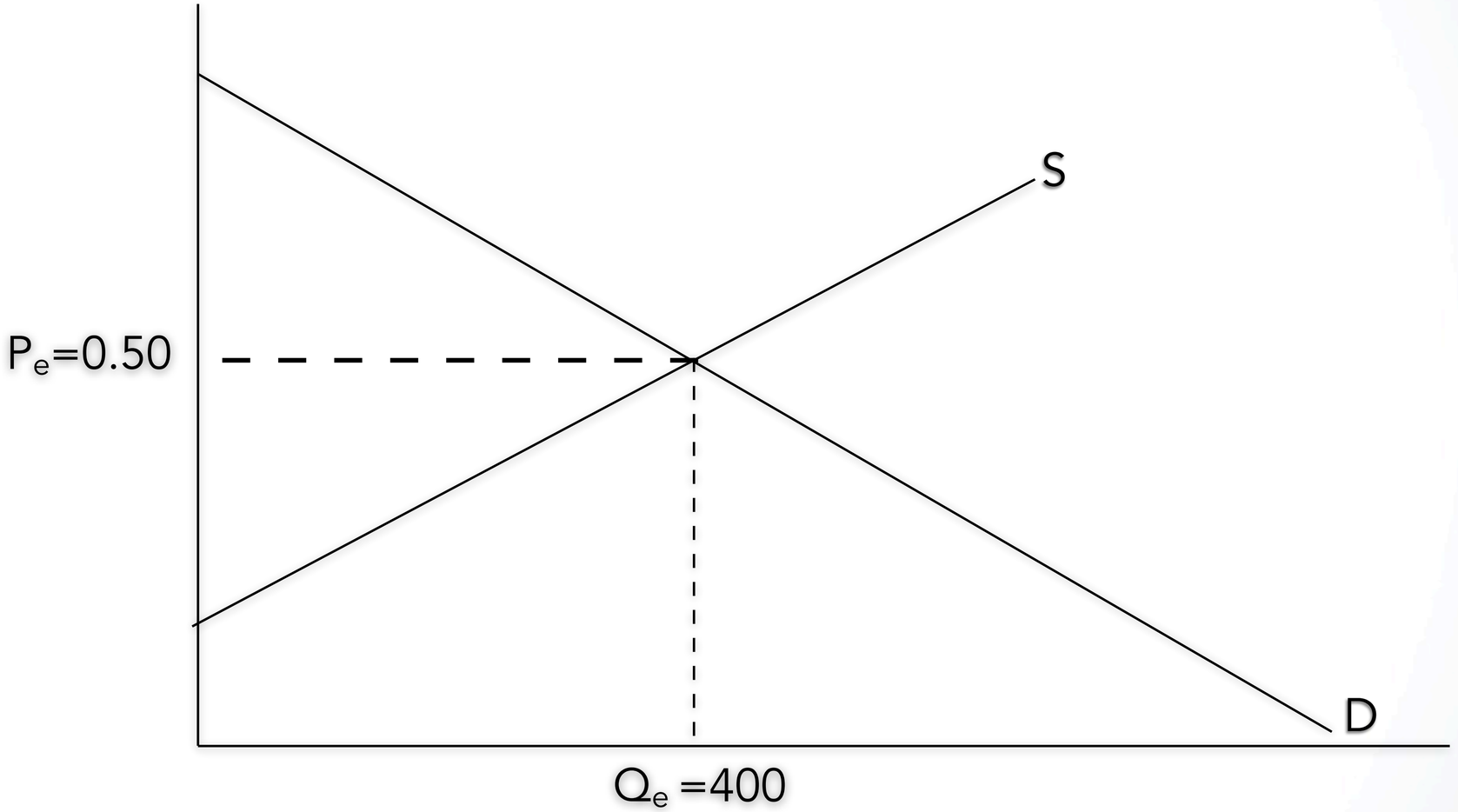

Surplus

Cause a surplus to appear where there was none

The imposition of a Floor (for example price supports)



Cause a surplus to appear where there was none


S
P_e=0.50
D
Q_e =400