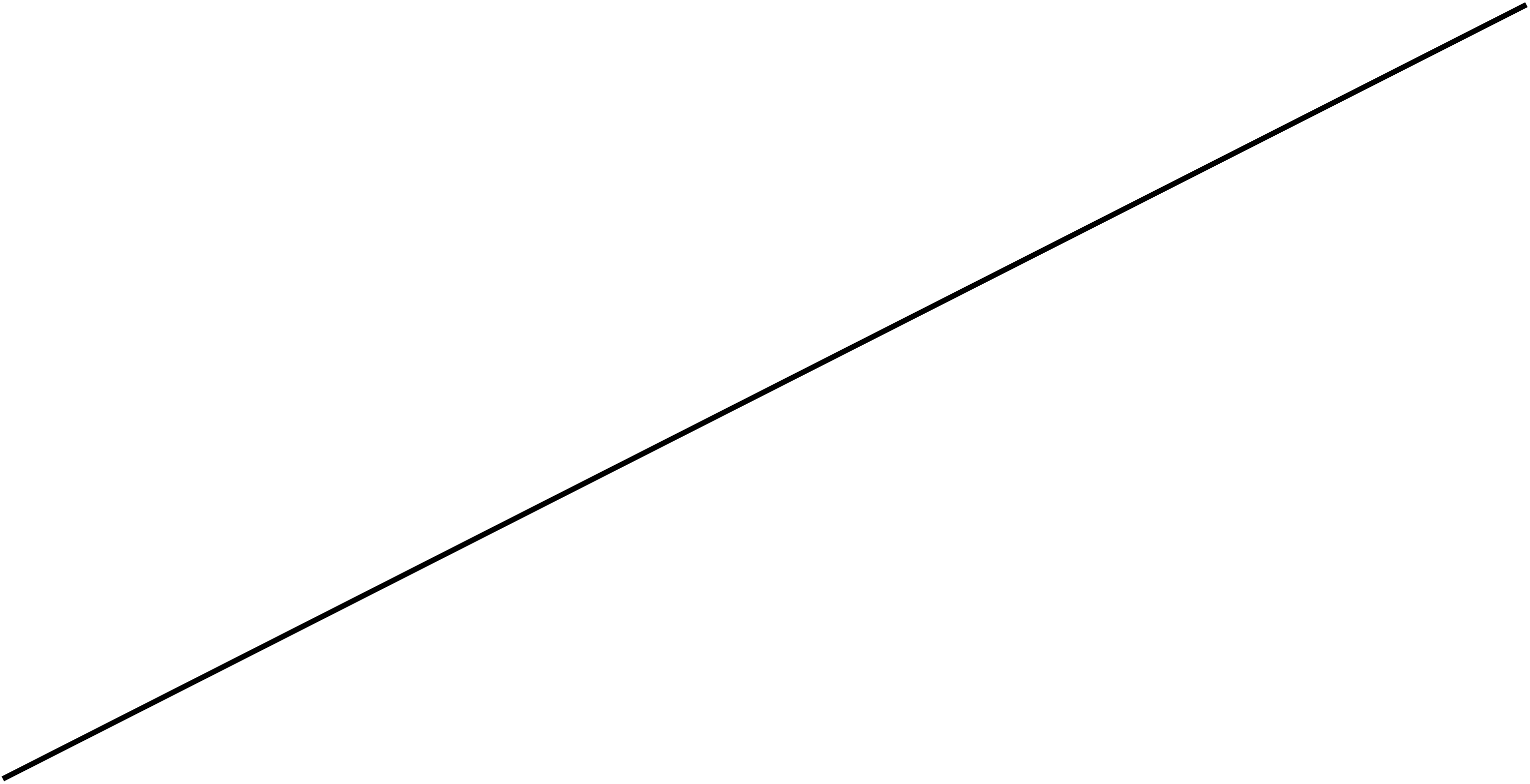


S

Price Floor: 0.3











$$Q_e = 400$$

$$P_e = 0.50$$



Price Floor: The minimum  
price is \$0.30/pound



# Price Floor

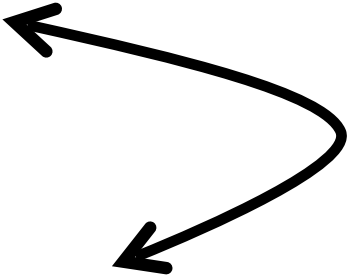
Does not prevent  
price from reaching  
equilibrium





A large, black-outlined speech bubble with a white fill and a subtle drop shadow. Inside the bubble, the text "The equilibrium price is still allowed" is written in a black, sans-serif font. The words "is" and "still allowed" are highlighted in red.

The  
equilibrium price is  
still allowed



To be effective, a price **Floor** must prohibit **the equilibrium price**

All these  
prices are now  
prohibited



To be effective, a price Floor  
must be placed above the  
equilibrium price

A Price Ceiling placed  
below the equilibrium price  
is not effective

To be effective, a price **Floor** must prohibit **the equilibrium price**

Price Floor: The minimum price is **\$0.30/pound**

The equilibrium price **is still allowed**

