



Price Floor







\$6



40





CS

\$8

20

PS



Tax to Consumers

Subsidy to Producers

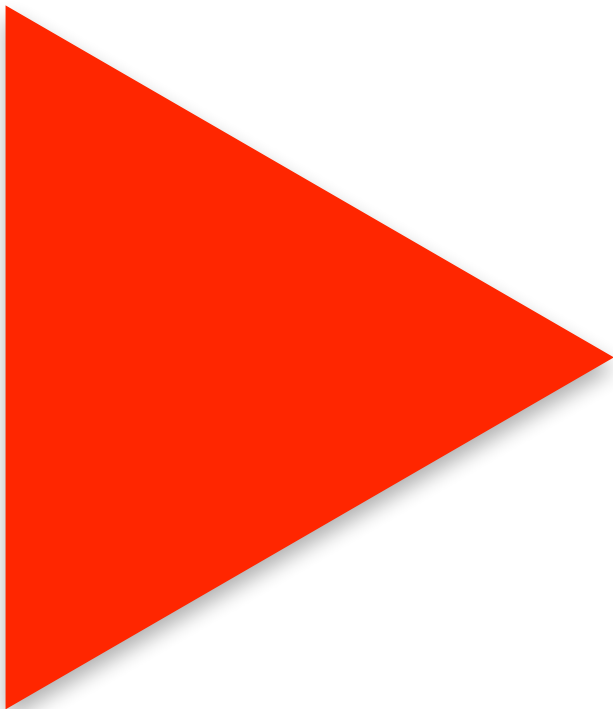


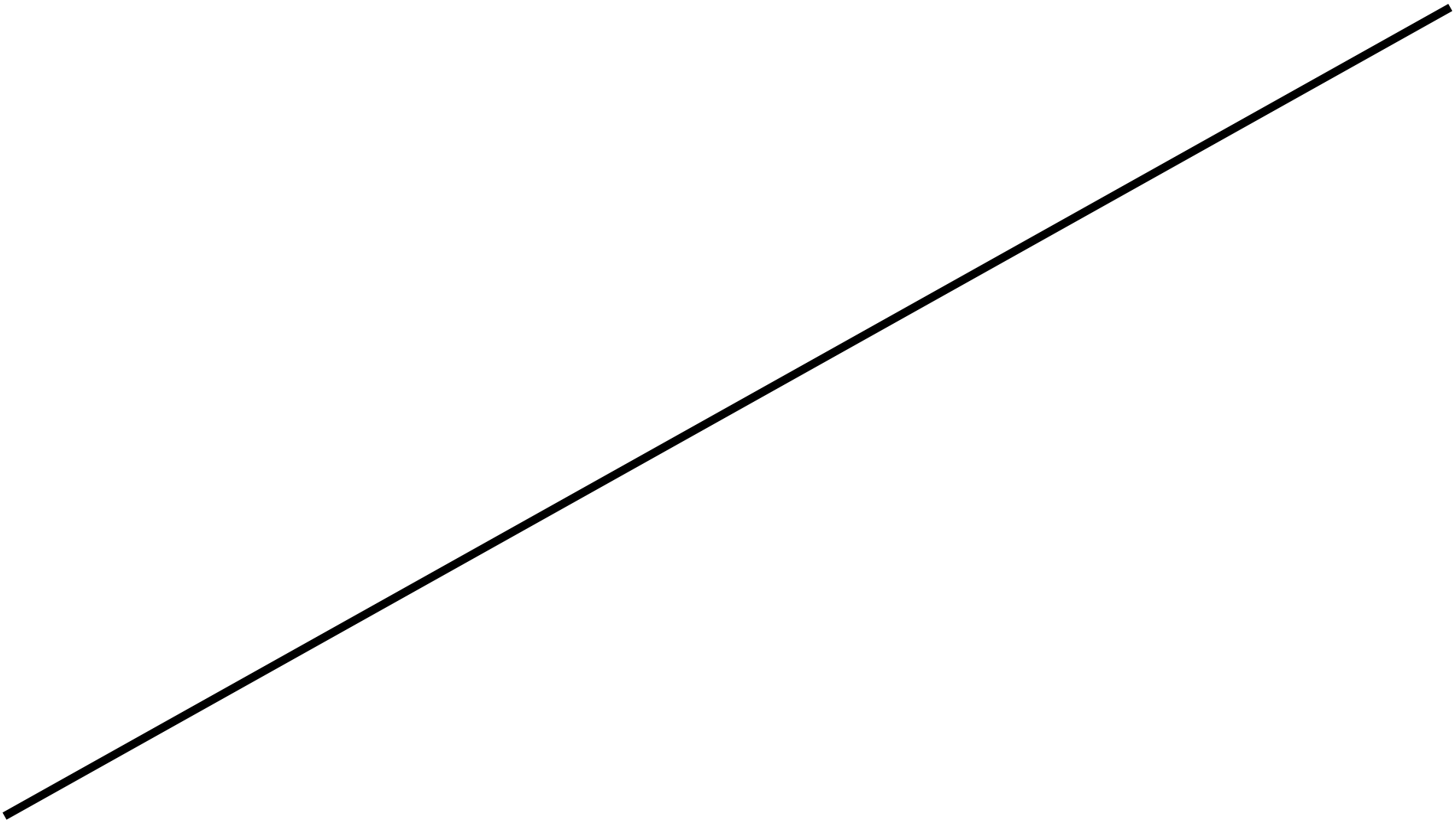
CS

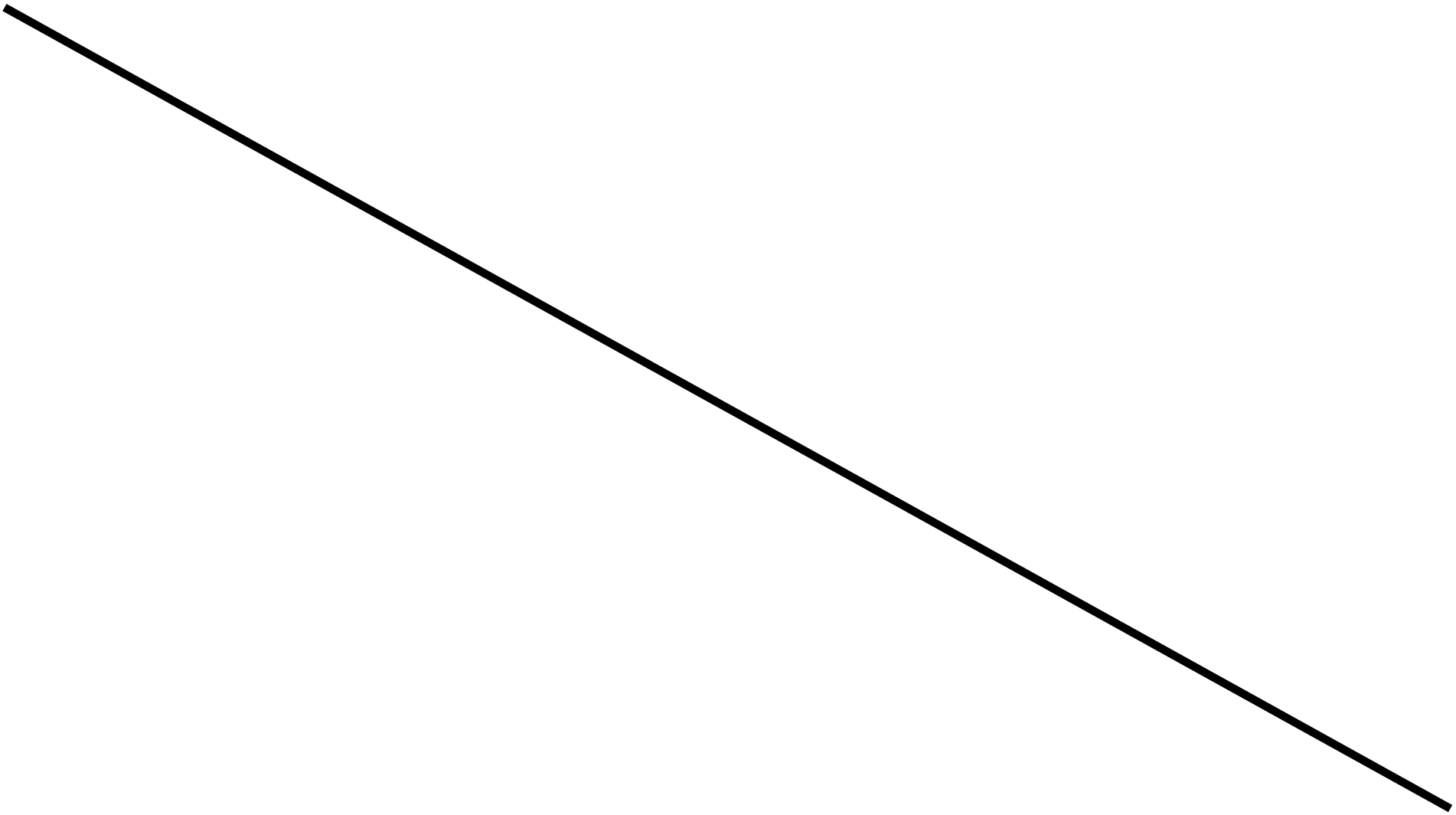




PS







**WL**

Tax/  
Subsidy







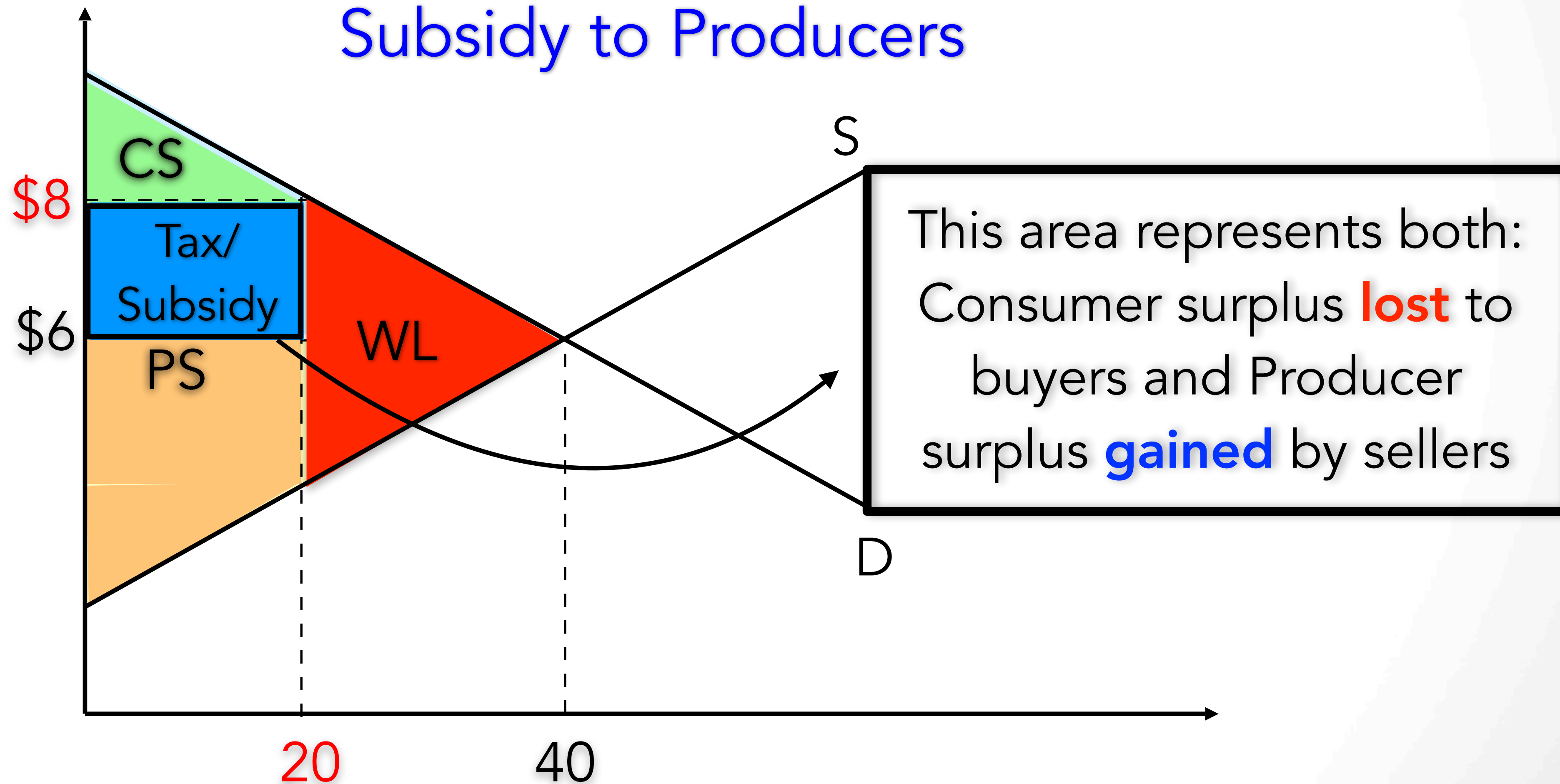
This area represents both:  
Consumer surplus **lost** to  
buyers and Producer  
surplus **gained** by sellers



# Price Floor

Tax to Consumers

Subsidy to Producers



A price **Ceiling** prohibits prices **above**

