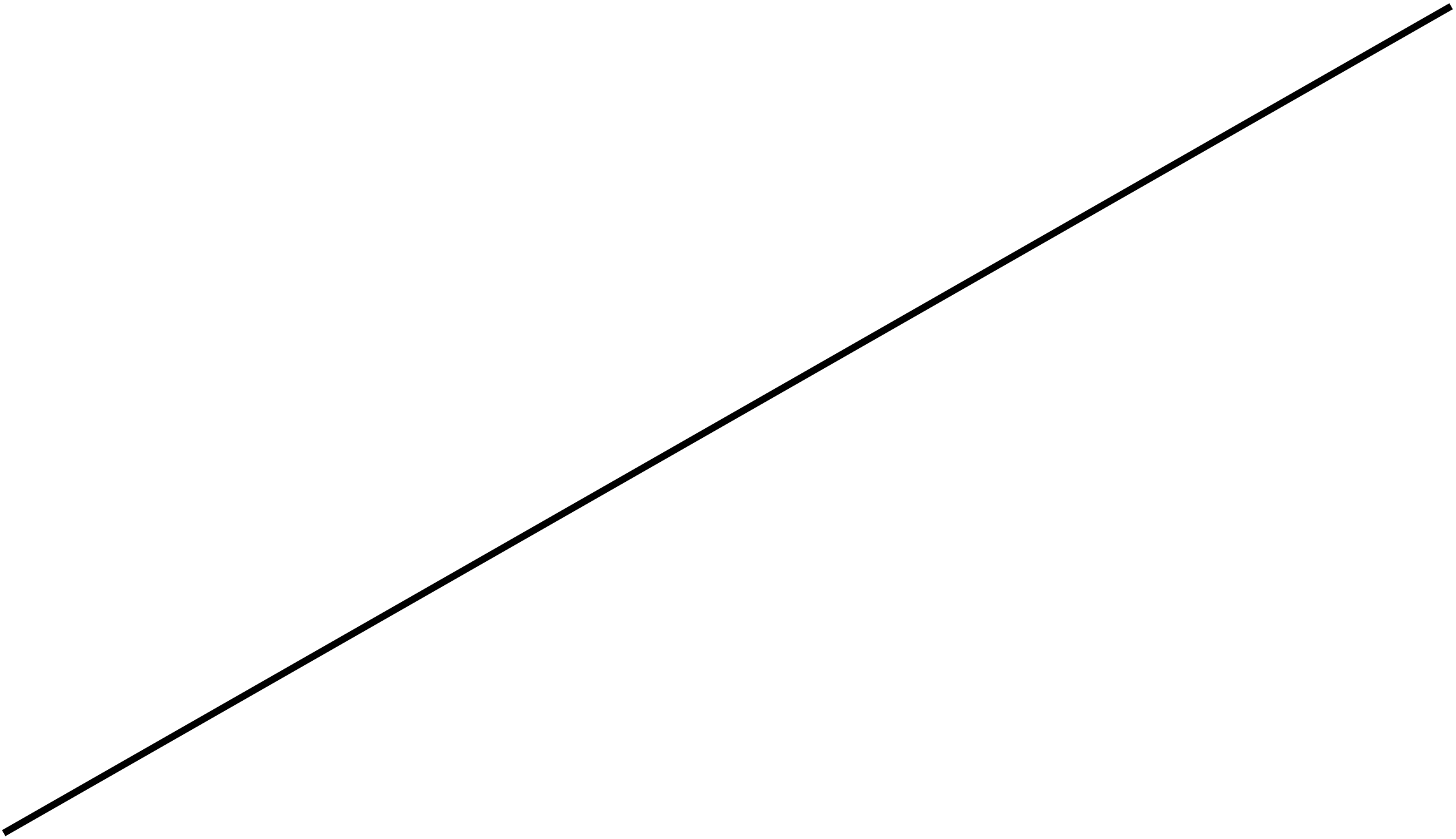


D

S

Floor \$0.8





$$Q^s = 100$$





$$Q_e = 600$$

$$P_e = 0.5$$

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





A large, solid red triangle pointing to the right, serving as a background for the text.

Welfare
Loss

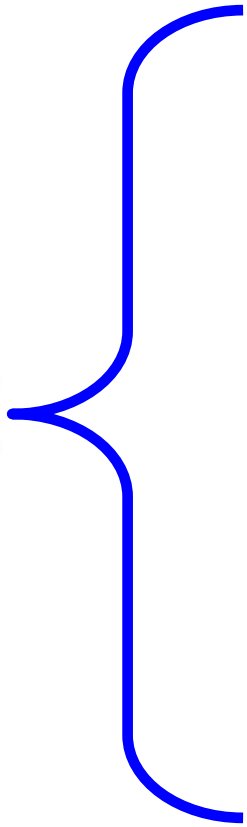
Calculating the Size of the Welfare Loss

$$W_L = \text{Base} \times \text{Height} \times \frac{1}{2}$$

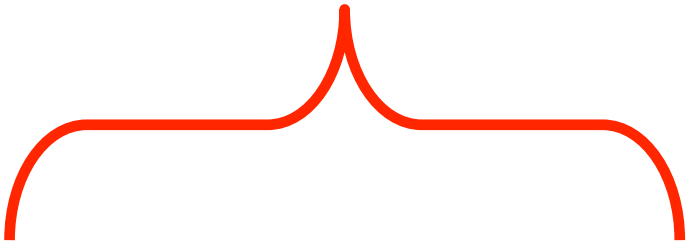
$$WL = (0.8 - 0.2) \times (600 - 100) \times 1/2$$

$$WL = (0.6 \times 500) \times \frac{1}{2} = \$150$$

$$0.8 - 0.2$$



600-100



Base

Height

A diagram of a red triangle pointing to the right. A horizontal black double-headed arrow spans the width of the triangle's base. The word "Base" is written vertically to the left of the arrow, and the word "Height" is written horizontally above the arrow.



0.2

Calculating the Size of the Welfare Loss

