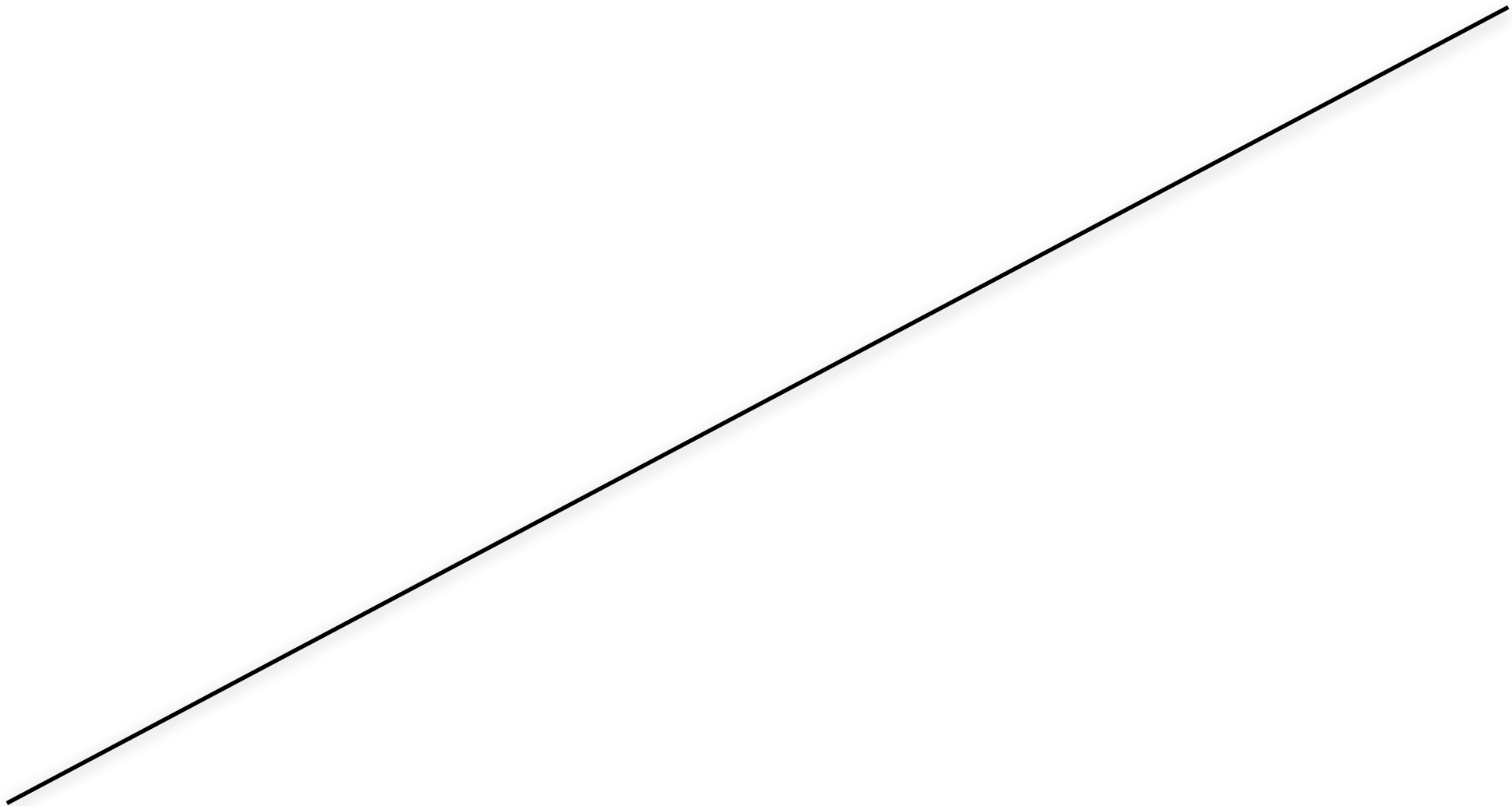






S





$$Q_e = 4000$$

Floor: \$0.8



A large pink triangle occupies the left half of the image, pointing towards the right. A thin red horizontal line is positioned to the left of the text.

CS at
Equilibrium

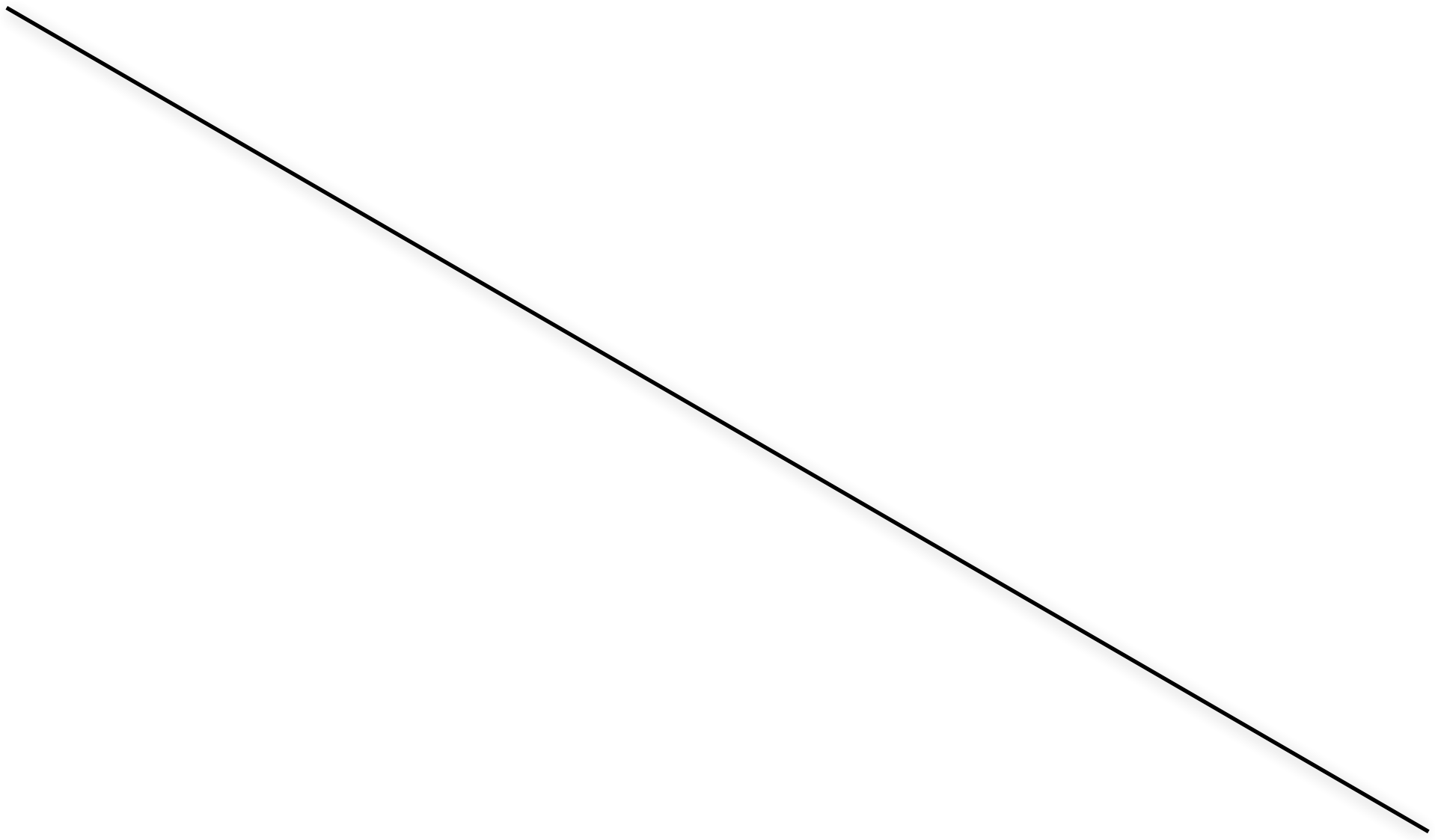




$$Q^s = 100$$



CS lost



$$P_e = 0.50$$





S



$$Q_e = 4000$$

$$P_e = 0.50$$

Floor: \$0.8

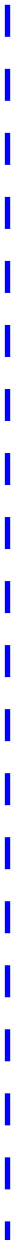


PS at

Equilibrium

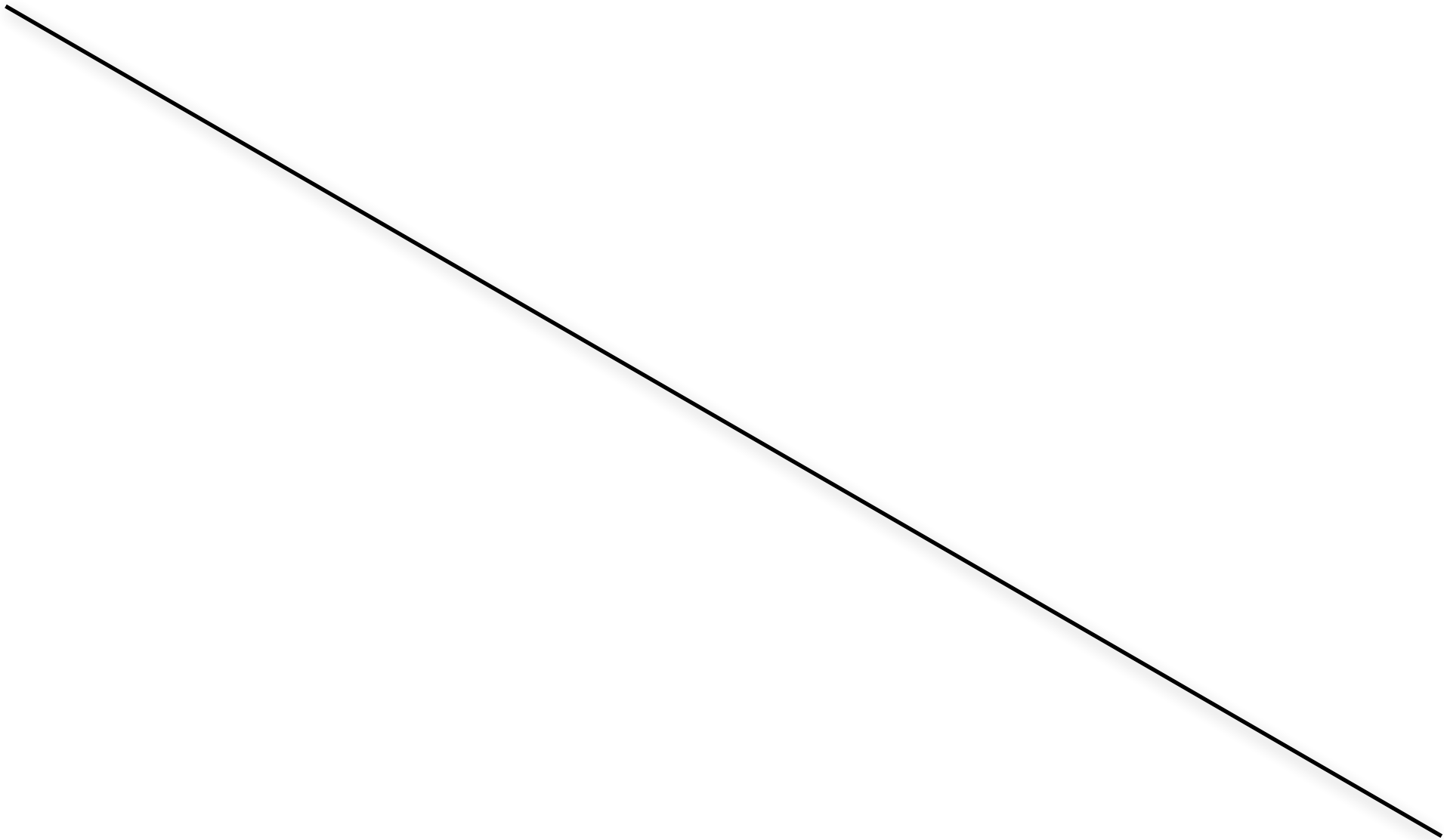


$$Q^s = 100$$





PS lost



CS lost



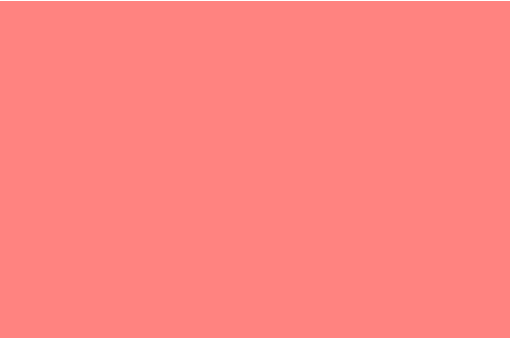




CS lost









Lost

CS











Tax

Consumers

Producers

Ceiling results in taking money from consumers (a tax)

and giving it to producers (a subsidy)

Effect of the Floor on:

Floor has the same effect of imposing a tax on consumers and a subsidy to producers

CS after floor
is imposed



CS

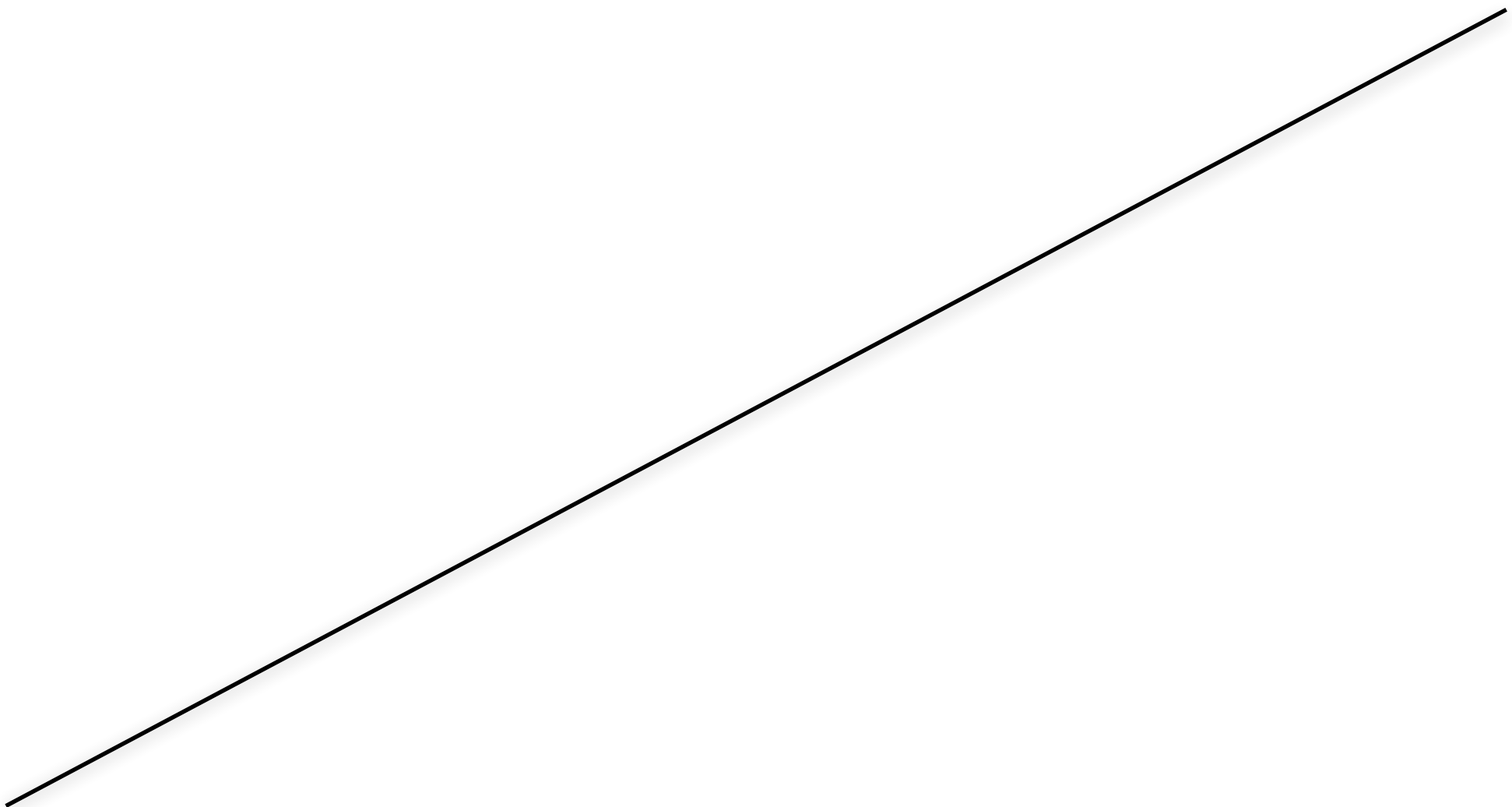
PS after
floor is
imposed

CS lost

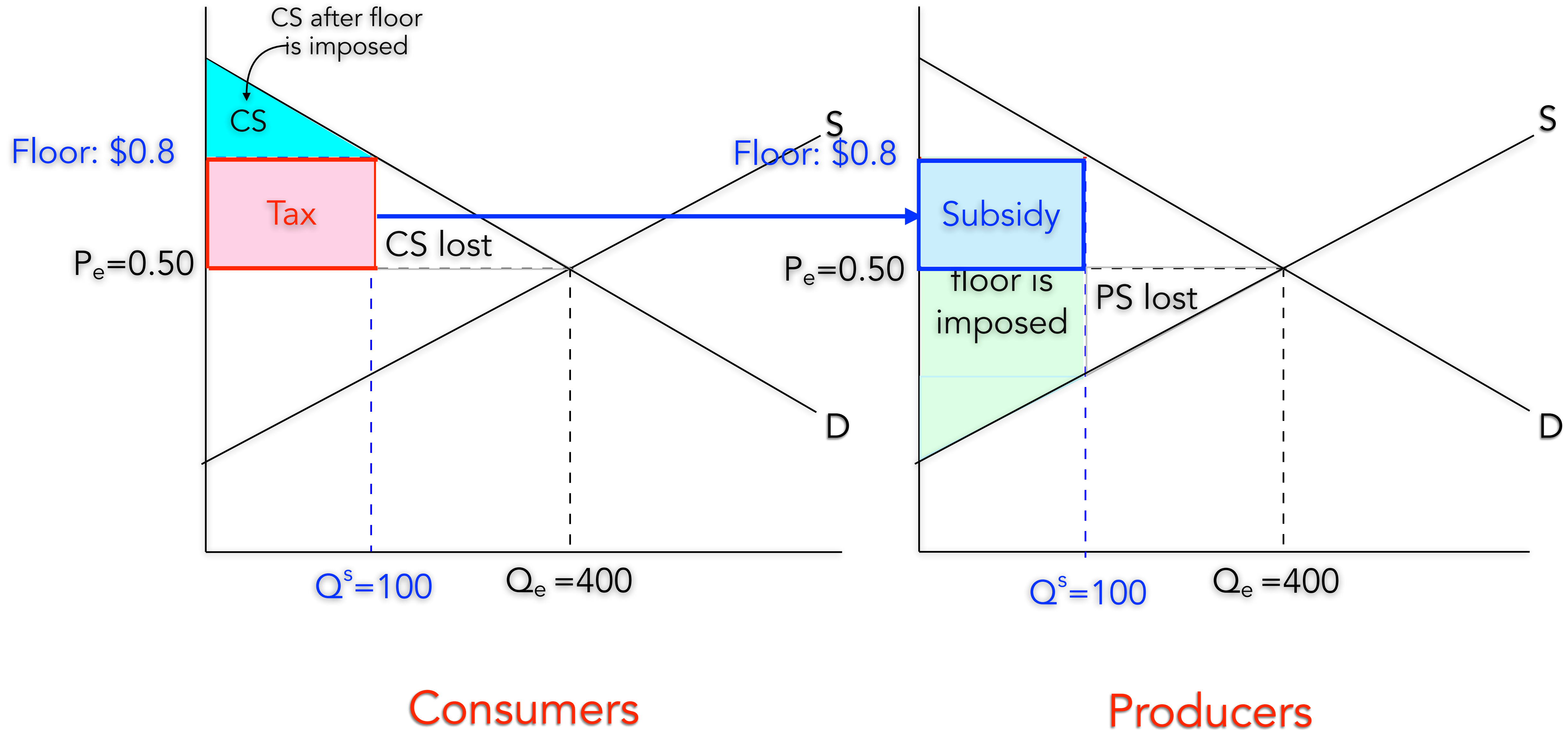
PS

gained

Subsidy



Floor has the same effect of imposing a tax on consumers and a subsidy to producers



Floor has the same effect of imposing a tax on consumers and a subsidy to producers

