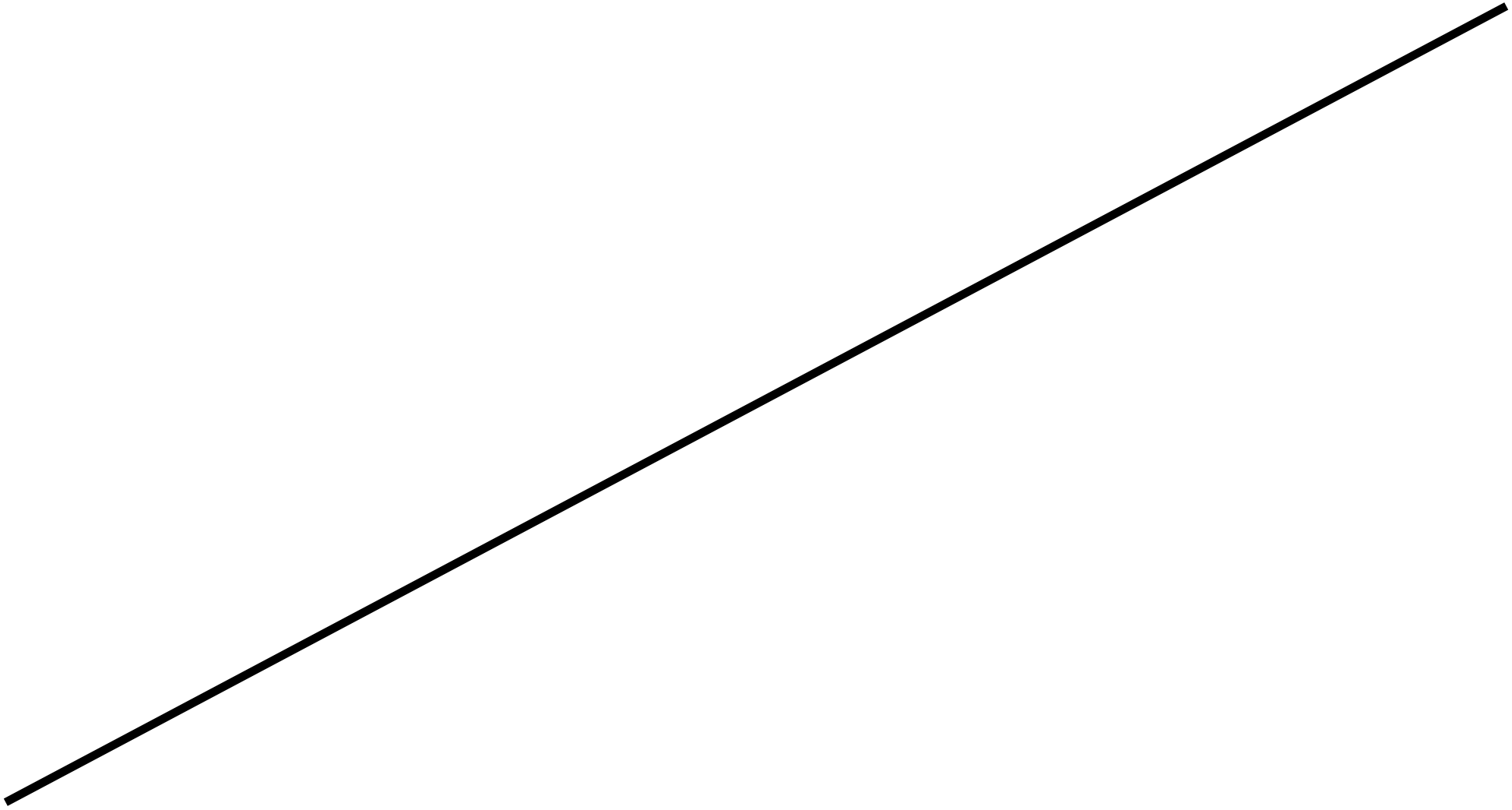






**D**

S





$$Q_e = 4000$$

$$P_e = 0.50$$



Floor: \$0.8

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CS at  
Equilibrium



after  
floor is  
imposed  
CS

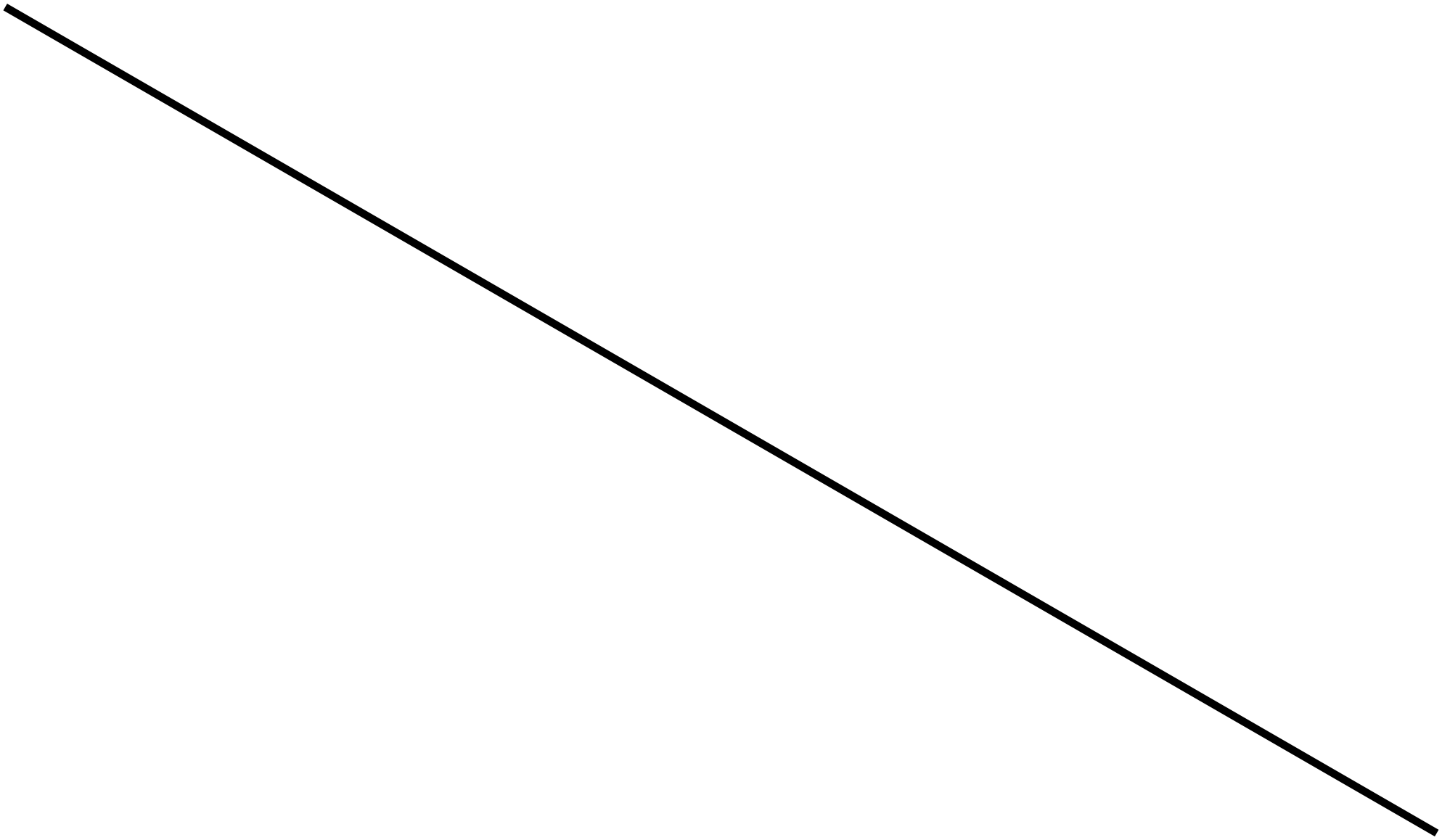




$$Q^d = 100$$

A large red triangle with a dark red outline, pointing downwards, occupies the left half of the image. The text "CS lost" is written in white inside the triangle.

CS lost









**D**

S



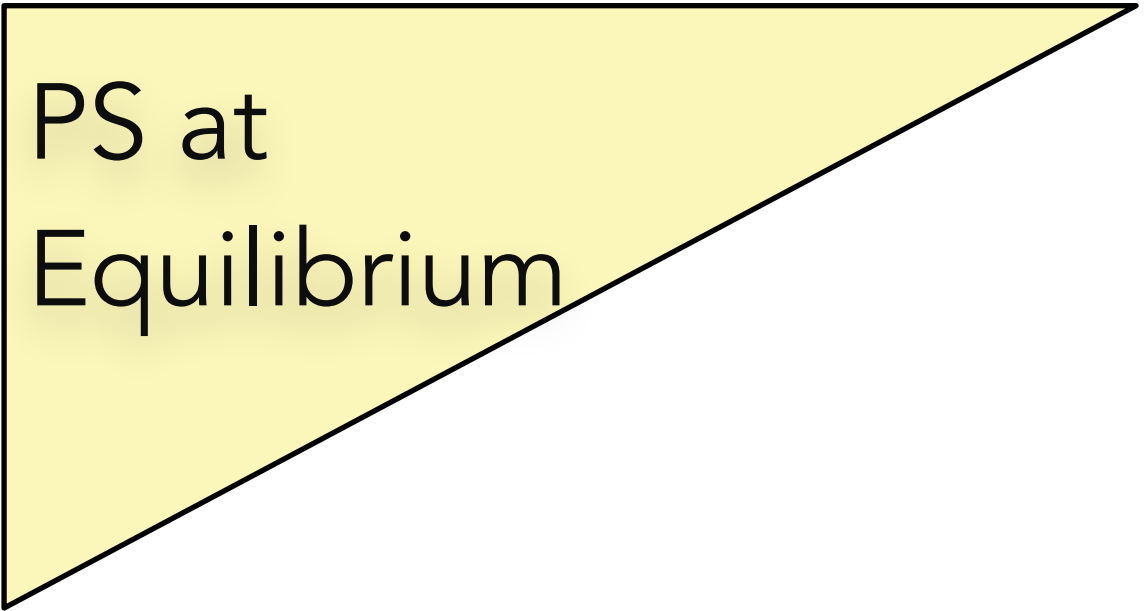
$$Q_e = 400$$

$$P_e = 0.50$$

Floor: 0.8







PS at  
Equilibrium





$$Q^d = 100$$

A red pennant with a light blue border. The text "PS lost" is written in white, sans-serif font across the middle of the pennant.

PS lost

PS after  
floor is  
imposed



after  
floor is  
imposed  
CS

CS lost





The imposition of a Floor

Results in a **net loss of surplus** to society as a whole: everyone loses

Society had a whole pie to share between producers and consumers

Society now has a **smaller**  
pie to share between  
producers and consumers

A large pink arrow pointing to the right, serving as a background for the text.

Society's  
Surplus



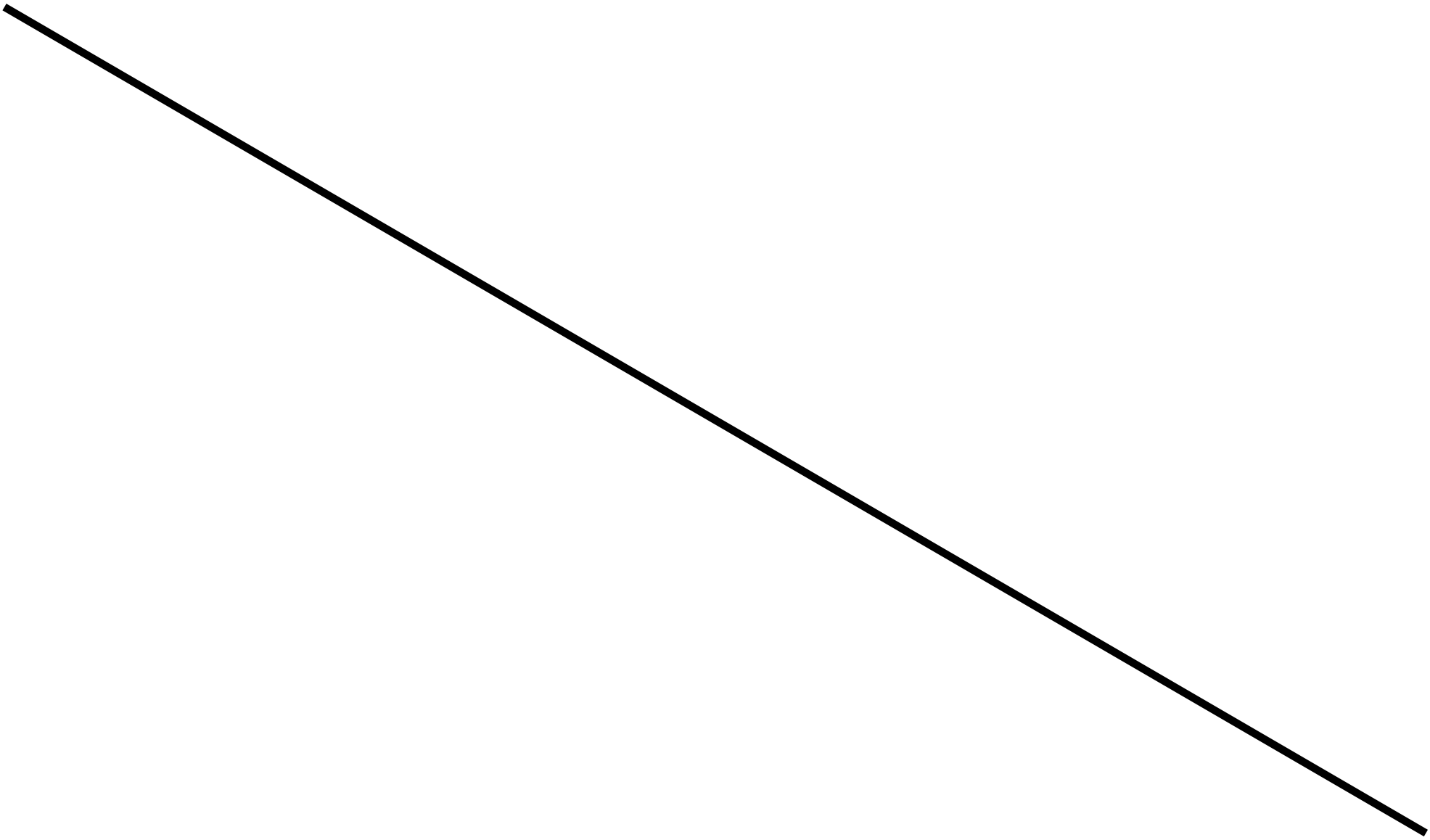
Society's  
Surplus

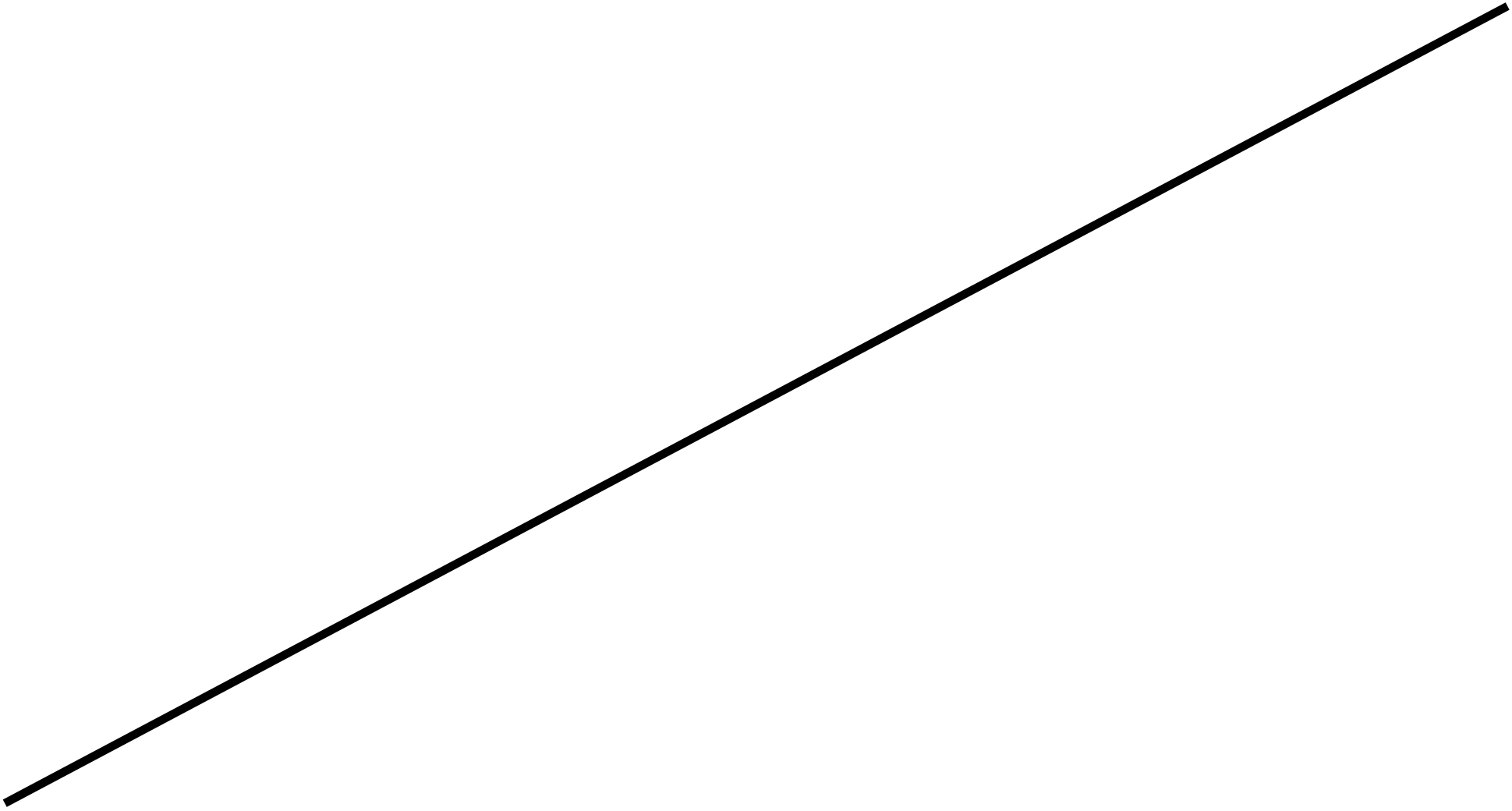
A large red triangle pointing to the right, containing the text "Welfare Loss" in white.

Welfare  
Loss

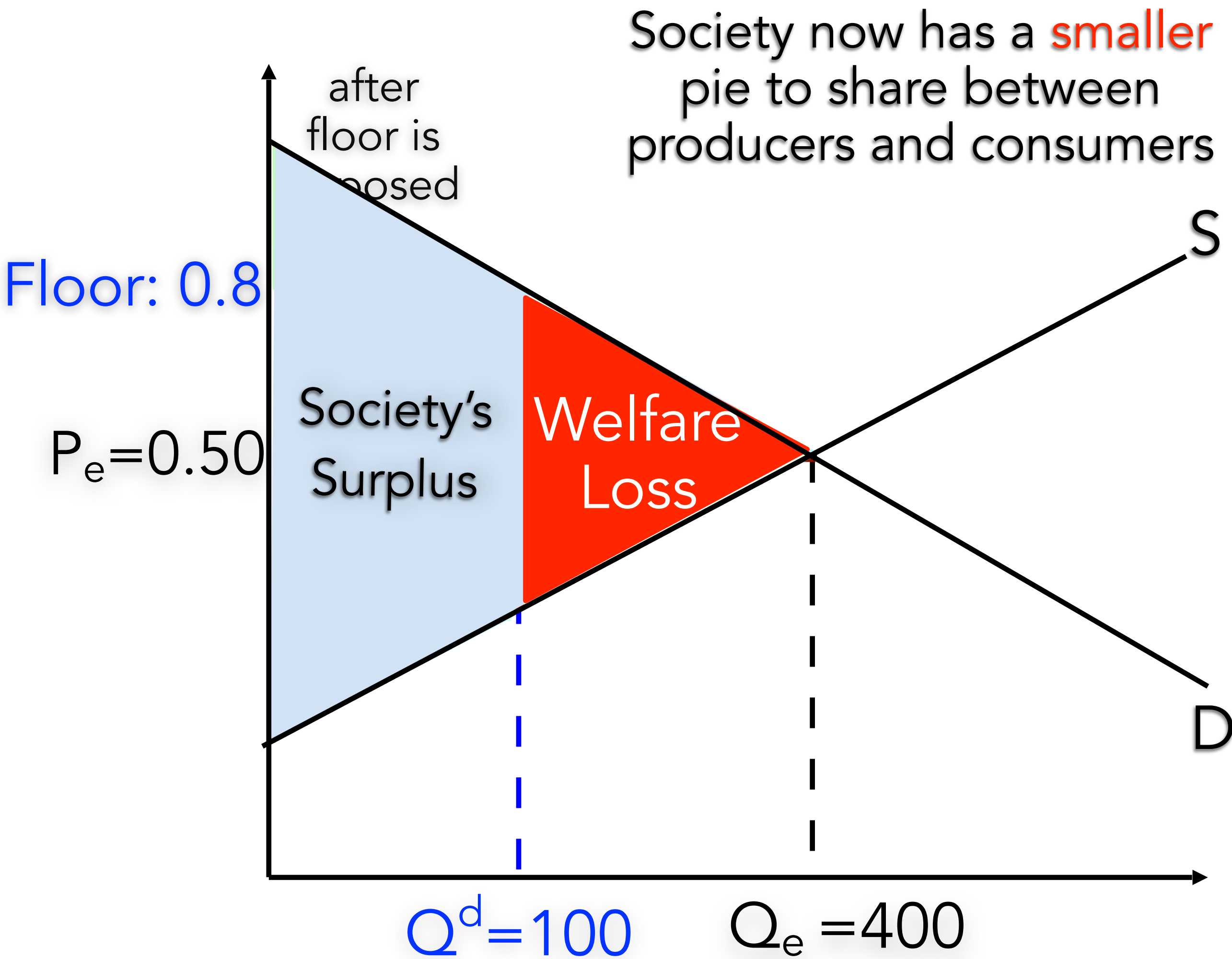








# The imposition of a Floor



Results in a **net loss of surplus** to society as a whole: everyone losses

# Calculating the Size of the Welfare Loss

