

Price Floor







\$6



40



CS

\$8

20

PS



Tax to Consumers

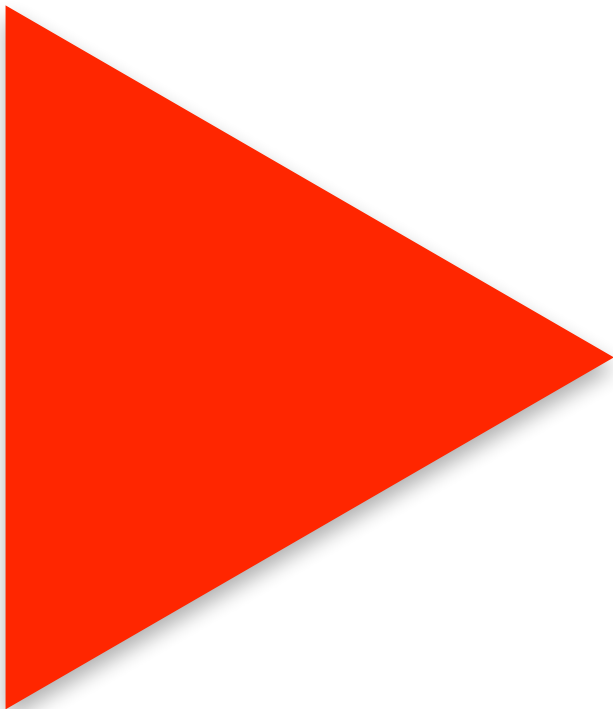
Subsidy to Producers

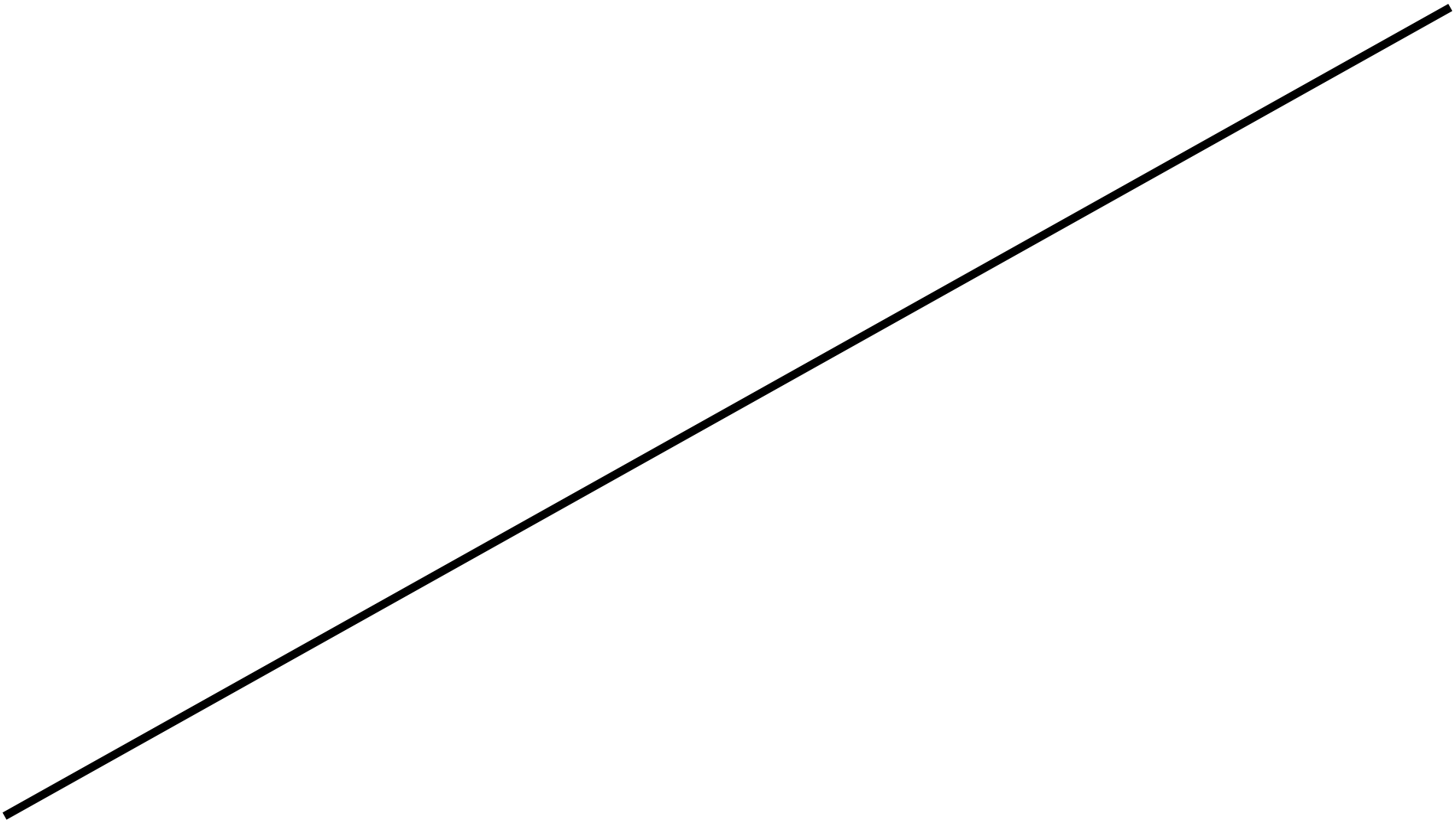


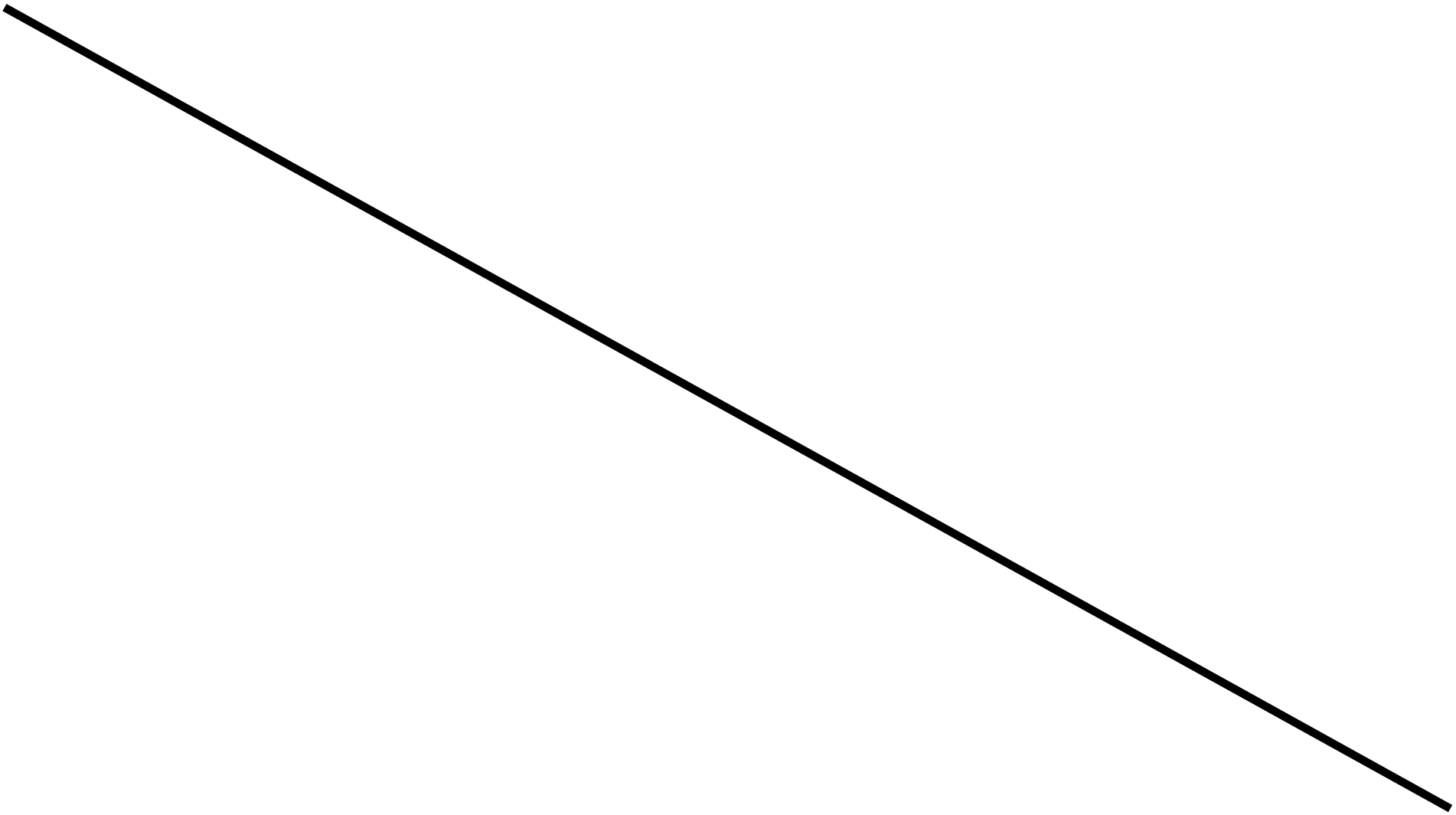
CS



PS







WL

Tax/
Subsidy





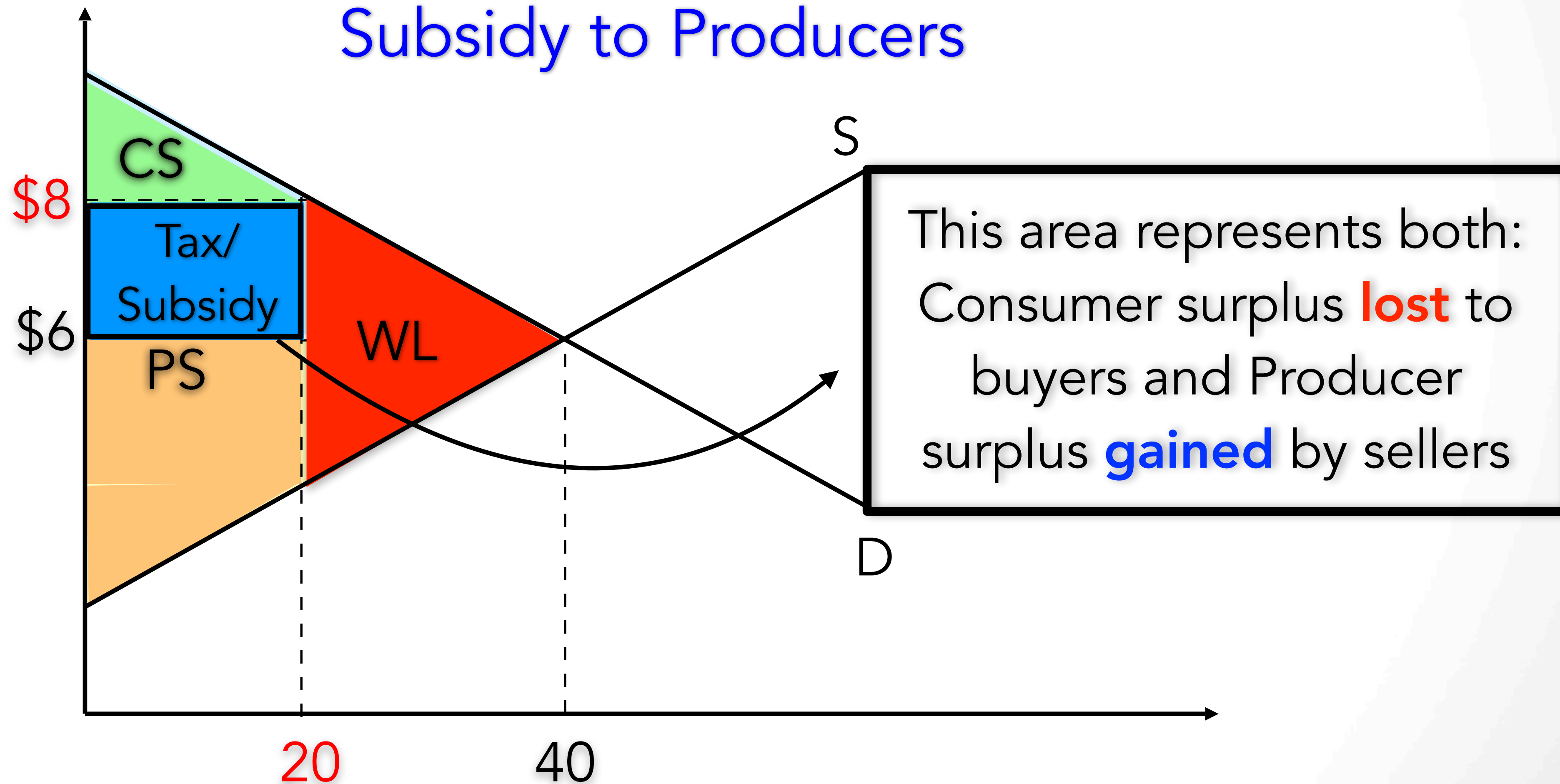
This area represents both:
Consumer surplus **lost** to
buyers and Producer
surplus **gained** by sellers



Price Floor

Tax to Consumers

Subsidy to Producers



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

