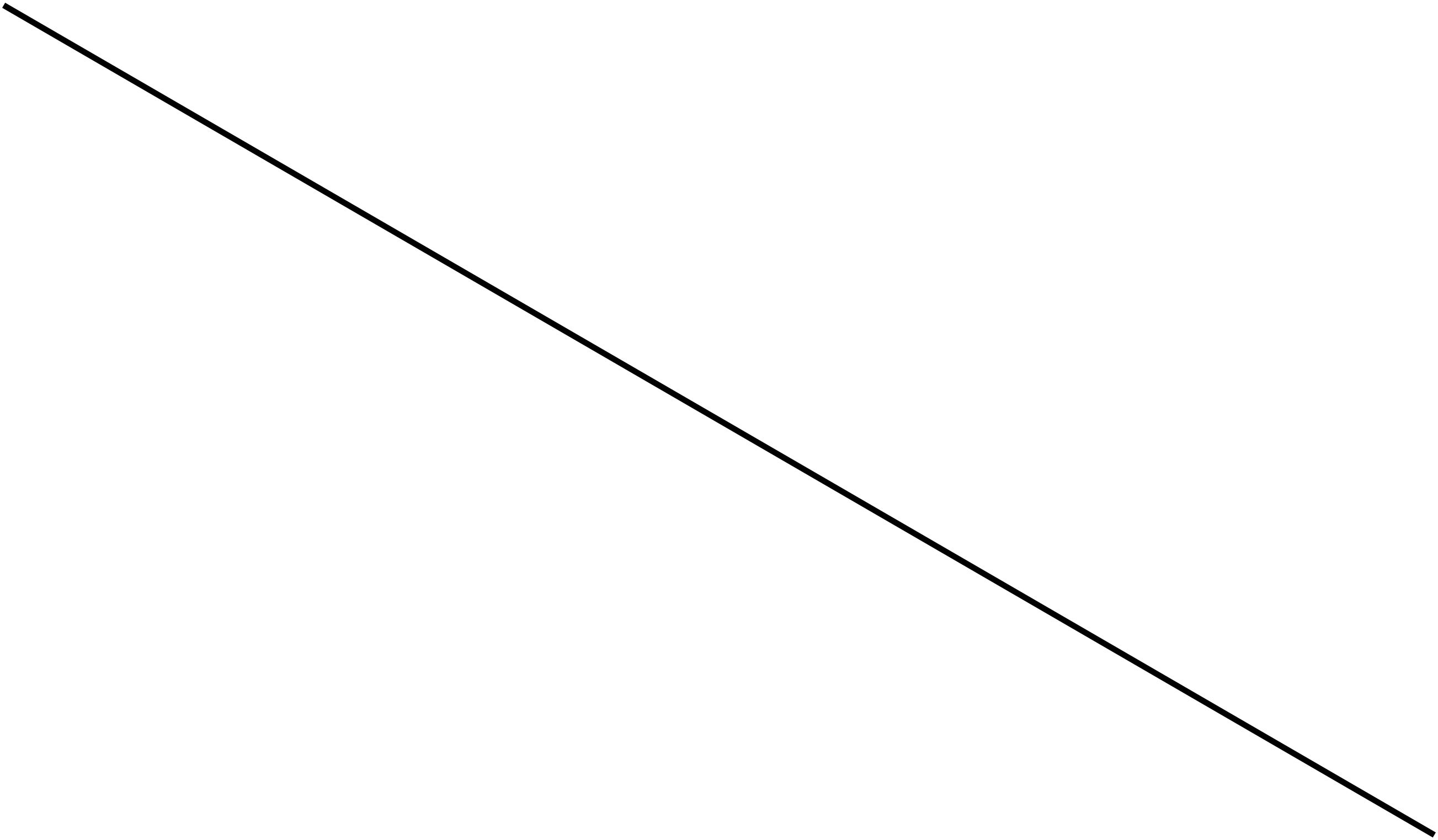


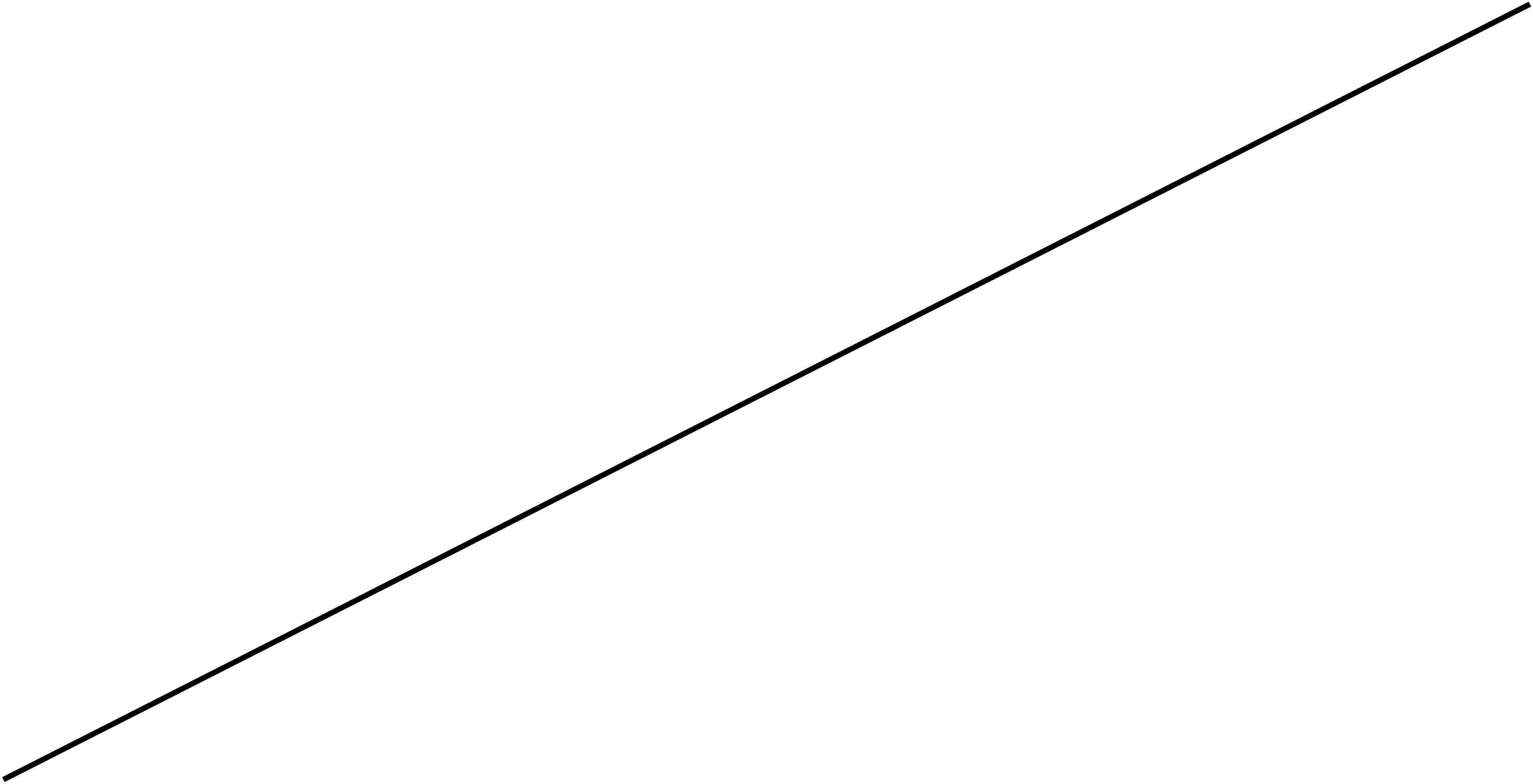
A price Floor prohibits prices below





S

Price Floor: 0.8







$$Q_e = 400$$

$$P_e = 0.50$$



Price Floor: The
minimum price is
\$0.80/pound



Price Floor

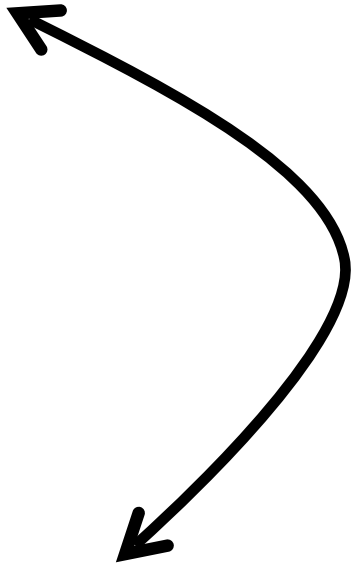
All these prices are
now prohibited

Prevents price
from reaching
equilibrium



A black and white graphic of a speech bubble. The bubble has a thick black outline and a small tail pointing towards the top right. Inside the bubble, the text "The equilibrium price is no longer allowed" is written in a black, sans-serif font, centered and arranged in four lines.

The
equilibrium price
is no longer
allowed



Price Floor: The minimum price is \$0.80/pound

A price Floor prohibits prices **below**

Price Floor: 0.8

Price Floor

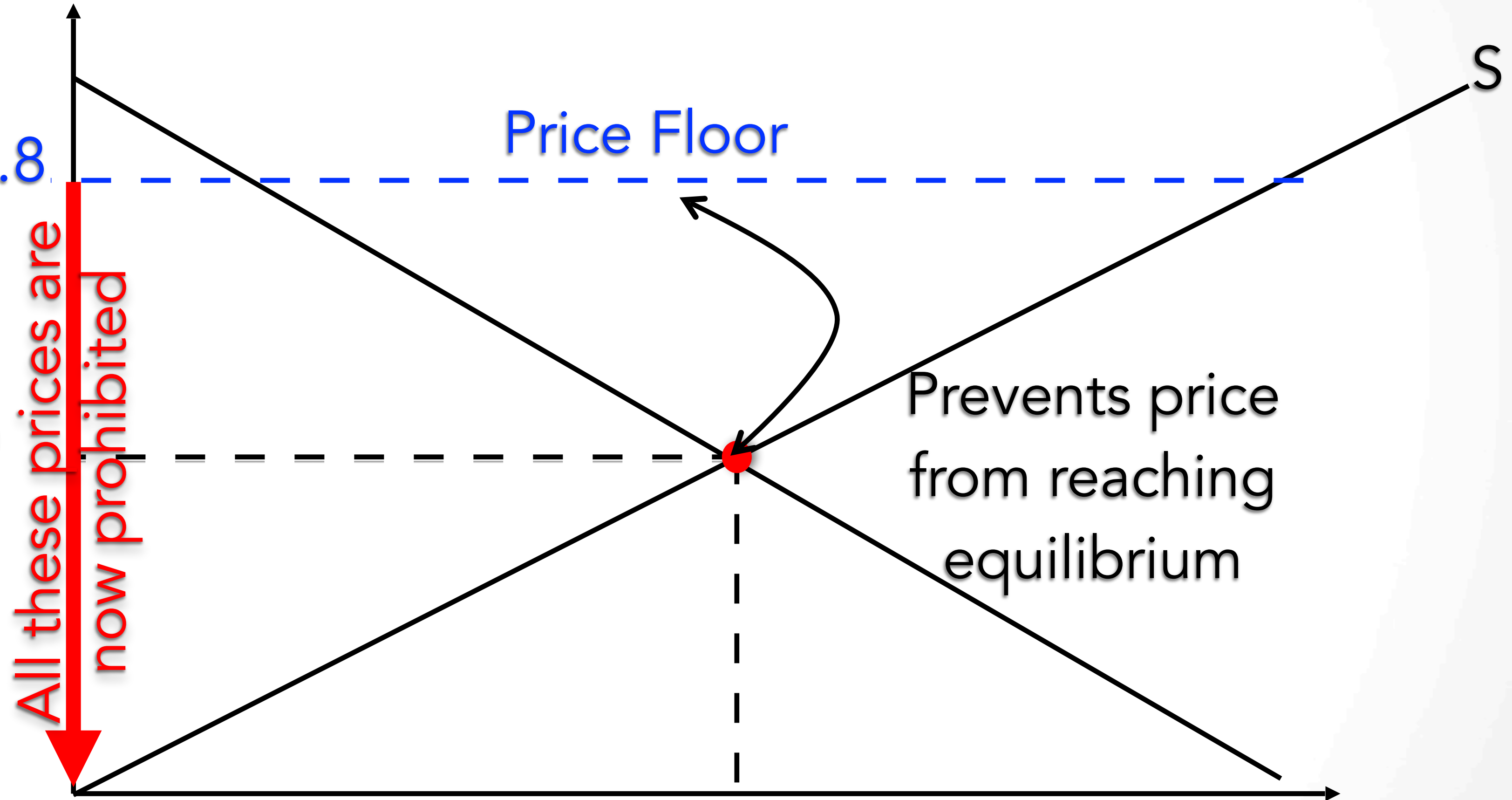
$P_e = 0.50$

All these prices are now prohibited

Prevents price from reaching equilibrium

The equilibrium price is no longer allowed

$Q_e = 400$



To be effective, a price **Floor** must prohibit **the equilibrium price**

