





**D**

S



$$Q_e = 400$$

$$P_e = 0.50$$

Price Floor: 0.8



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

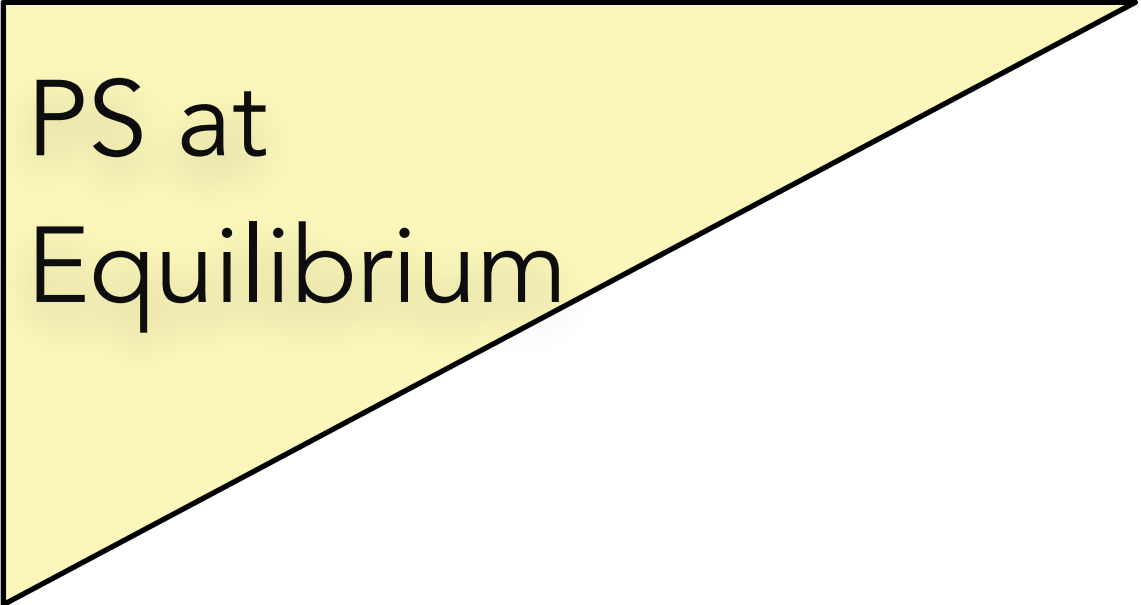
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



PS at  
Equilibrium

$$Q^d = 1000$$





$$Q^s = 8000$$





The quantity sold  
drops to 100



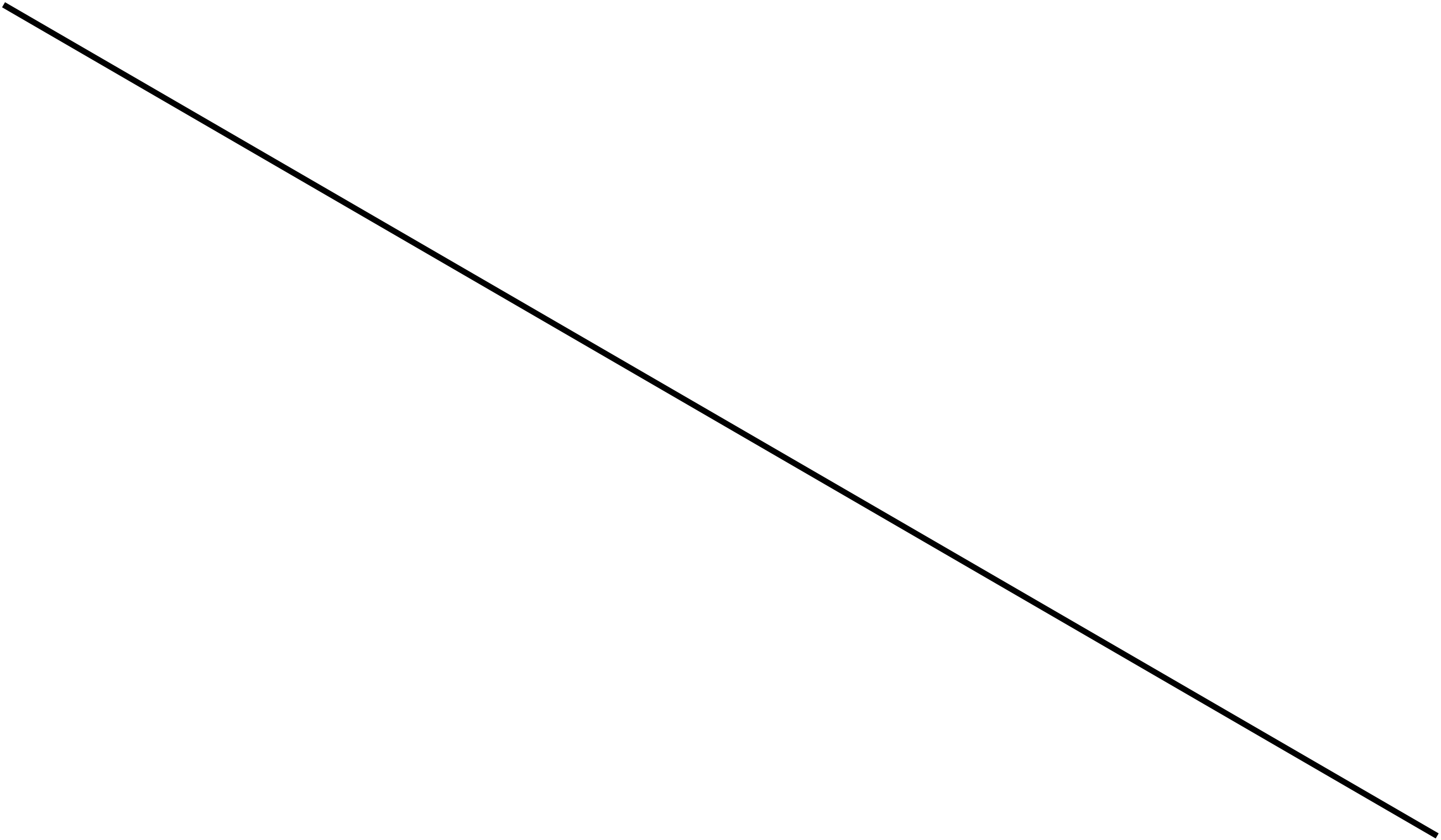
Producers can **only** get  
Producer Surplus on  
**100 units**



$$Q^d = 100$$

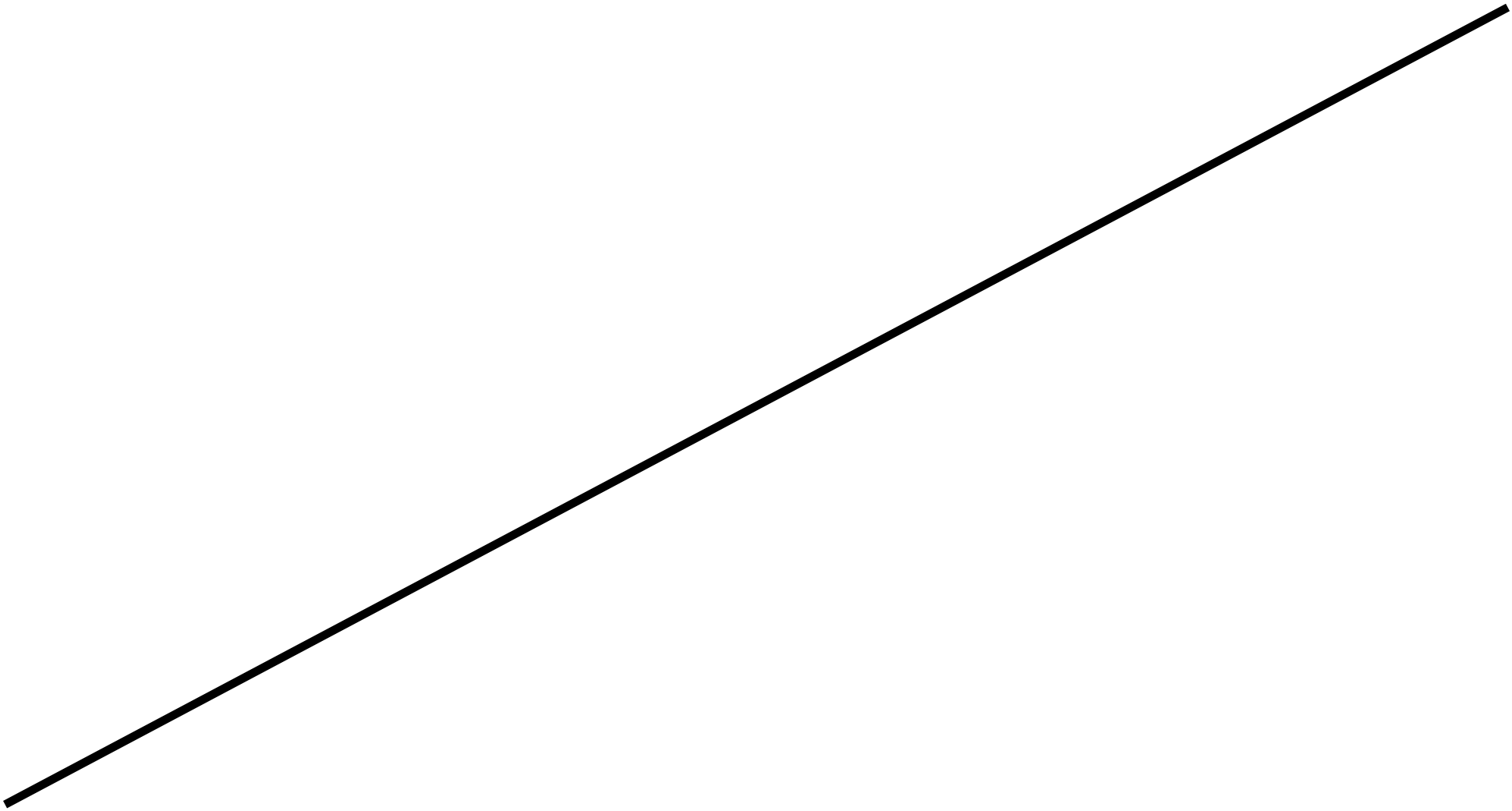
A red pennant with a light blue border. The text "PS lost" is written in black, sans-serif font inside the pennant.

PS lost





PS after  
floor is  
imposed



PS

gained



The imposition of a Floor

Results in a decrease in the number of units sold by producers

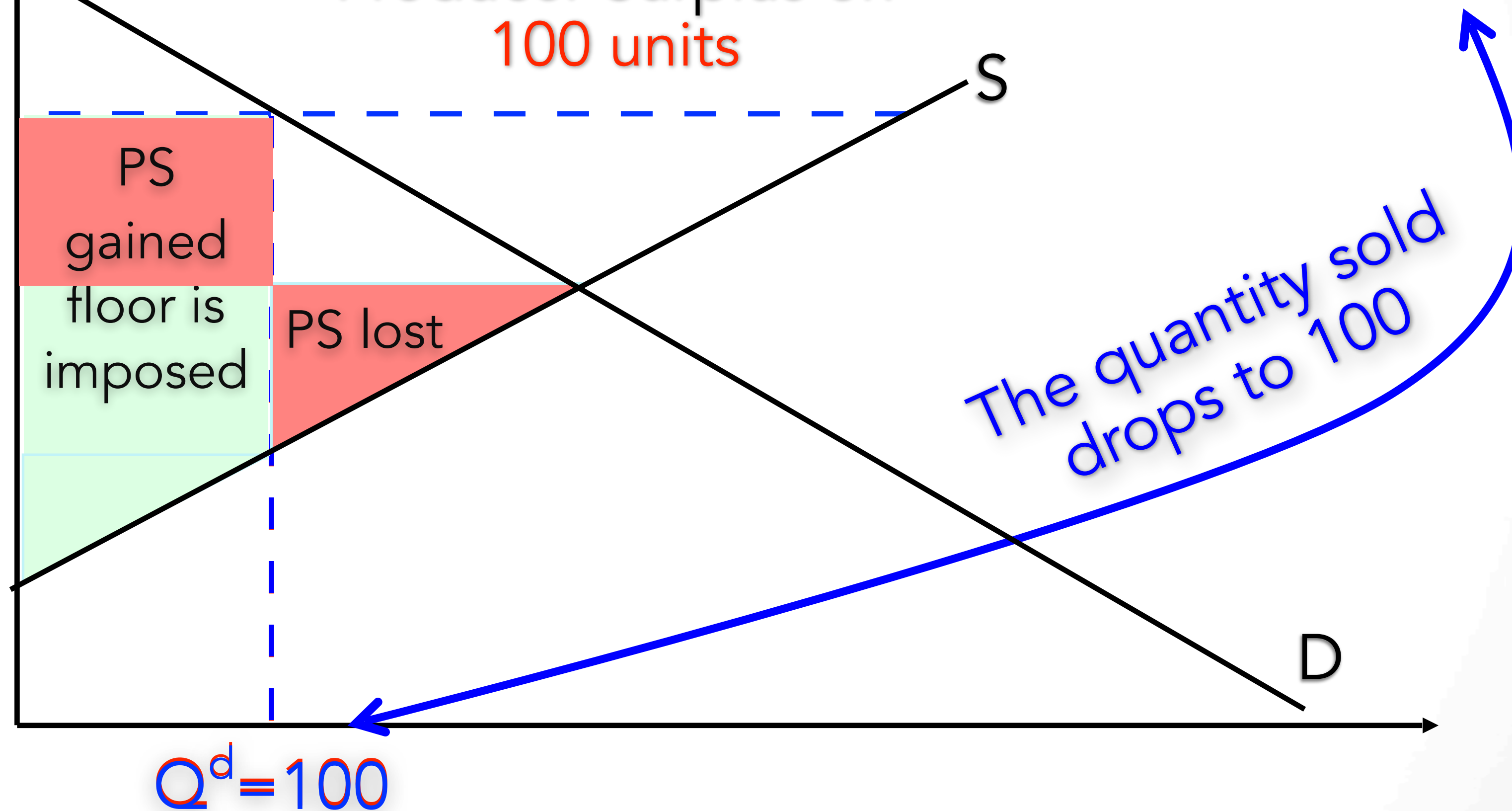
Producers get a **higher price** on the fewer units they sell

# The imposition of a Floor

Producers get a **higher price** on the fewer units they sell

Producers can **only** get Producer Surplus on **100 units**

Price Floor: 0.8



Results in a **decrease** in the number of units sold by producers

