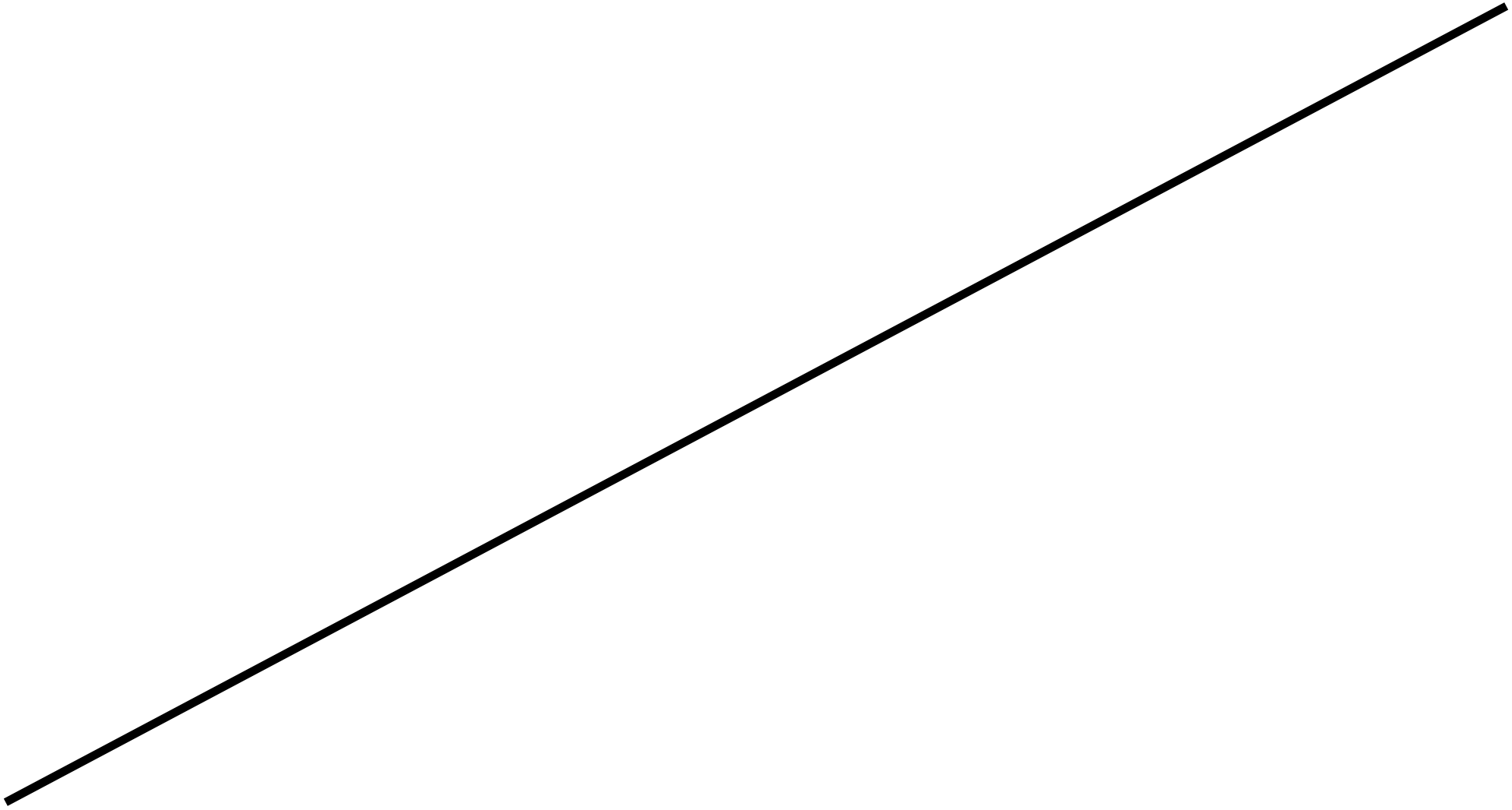




D

S





$$Q_e = 4000$$

$$P_e = 0.50$$

Floor: \$0.8





CS at
Equilibrium



after
floor is
imposed
CS

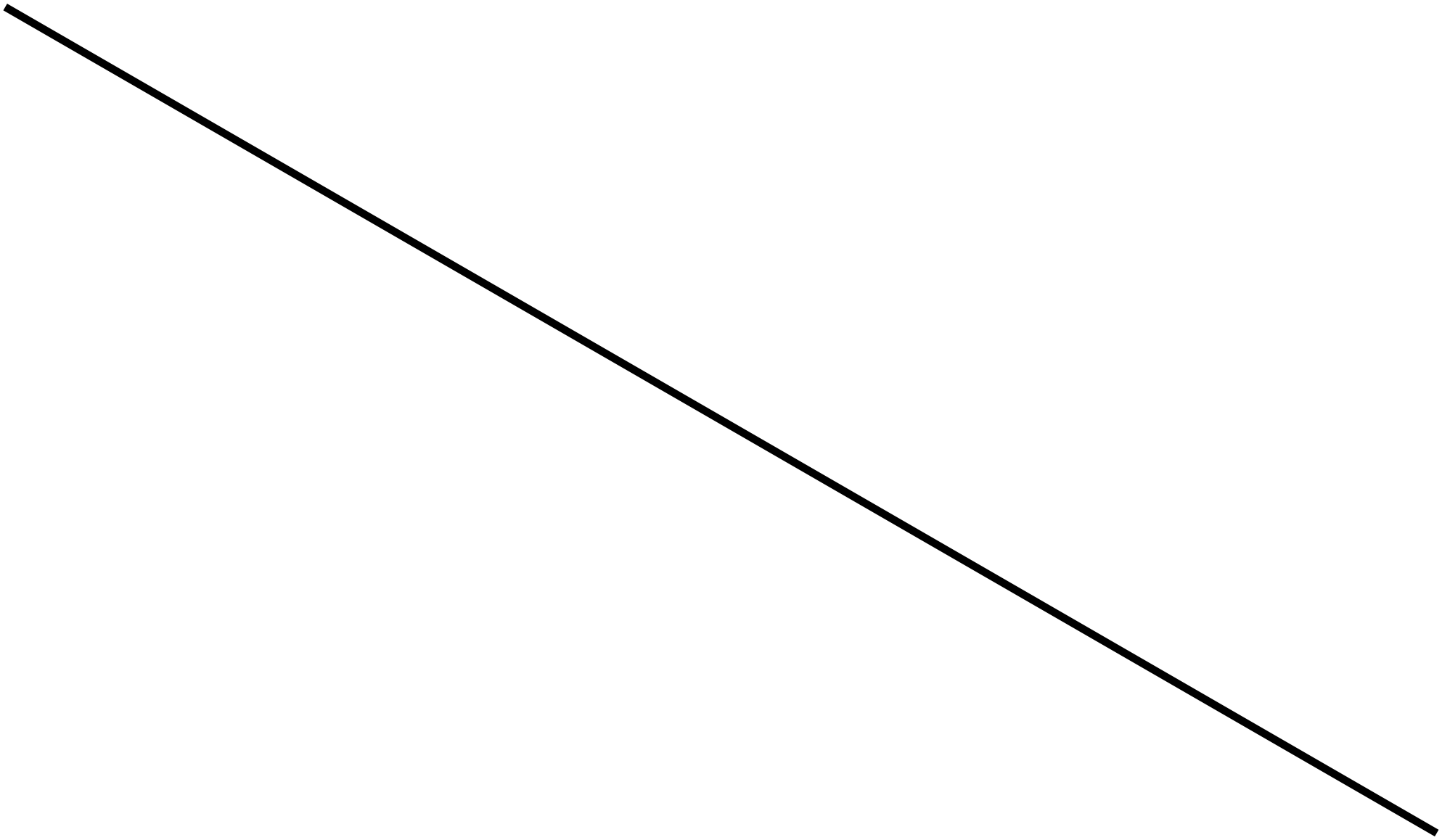




$$Q^d = 100$$

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

CS lost







D

S

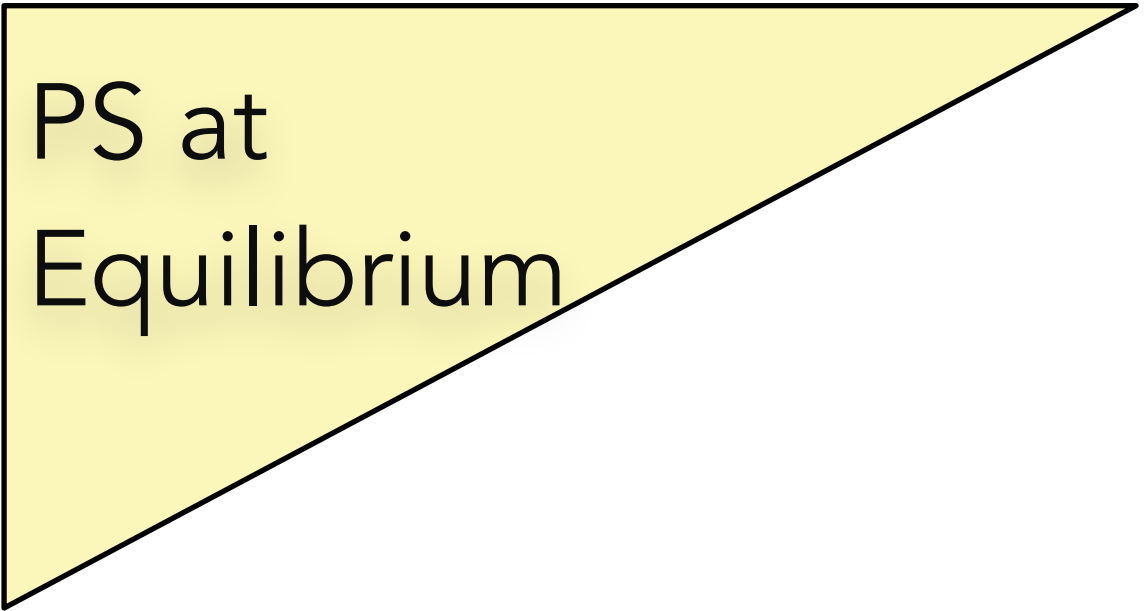


$$Q_e = 400$$

$$P_e = 0.50$$

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, solid pink arrow pointing from the left edge of the frame towards the right edge. The arrow is centered vertically and has a simple, clean design with no outline or internal details.

Society's
Surplus

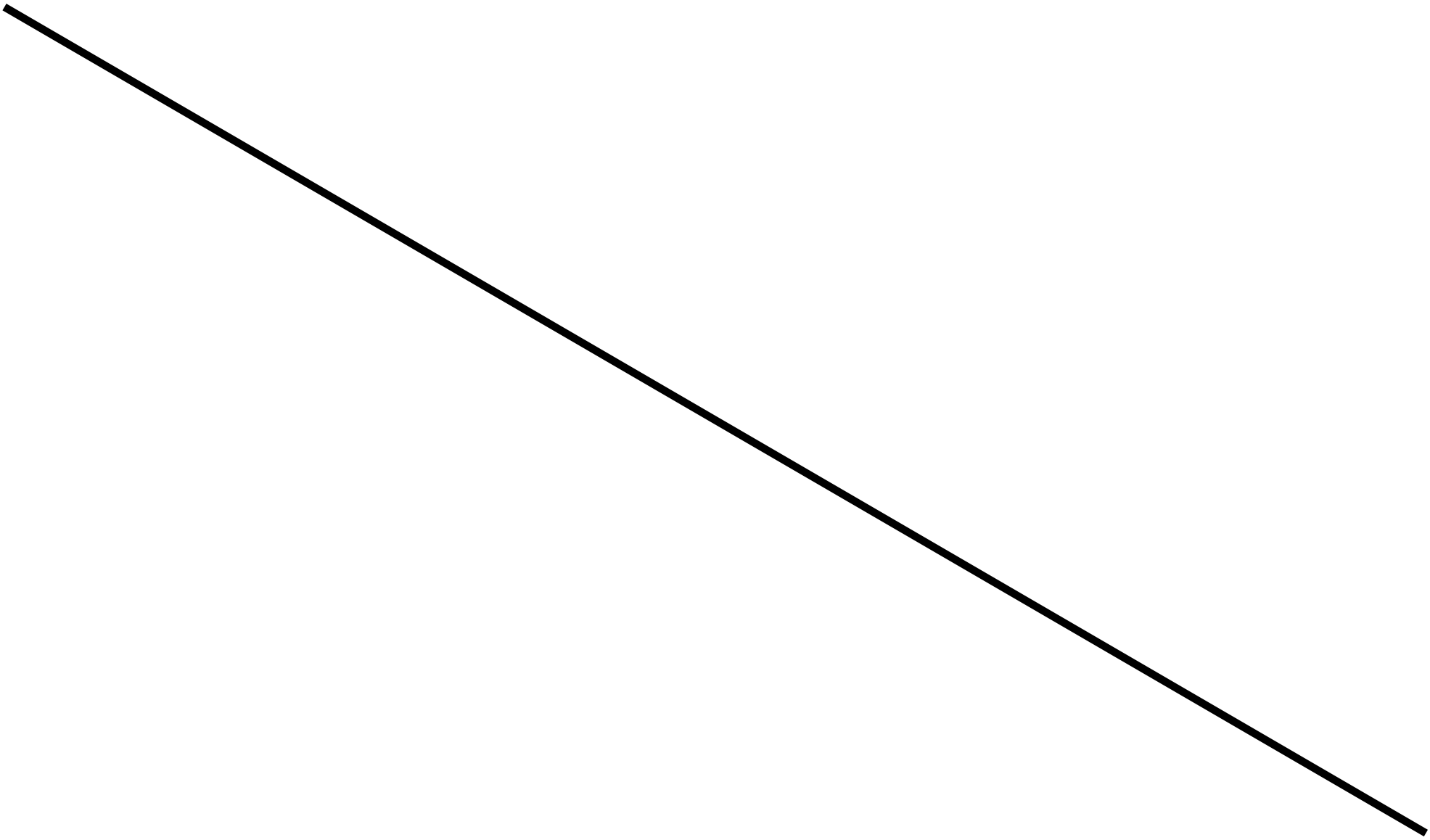


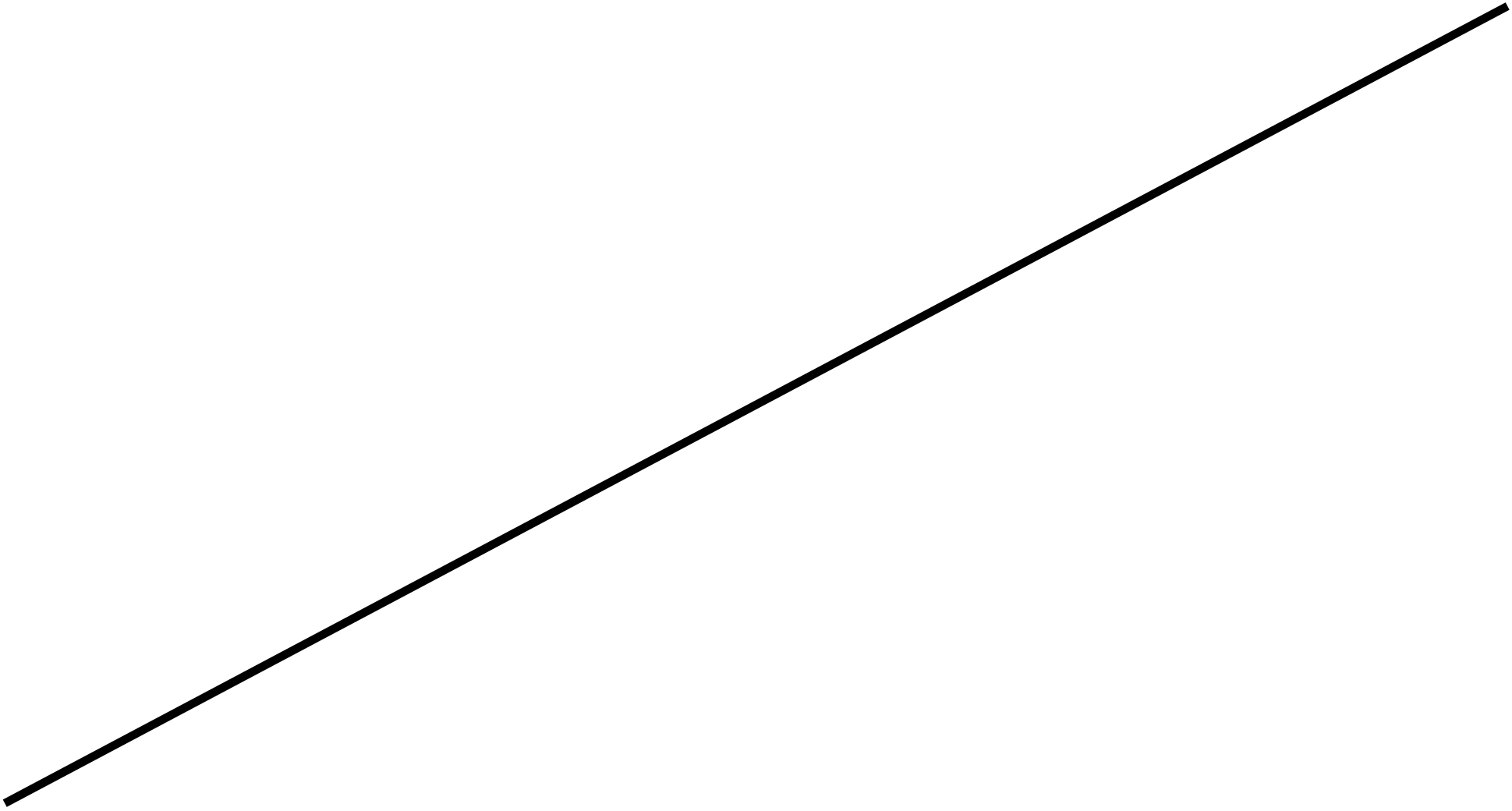
Society's
Surplus

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

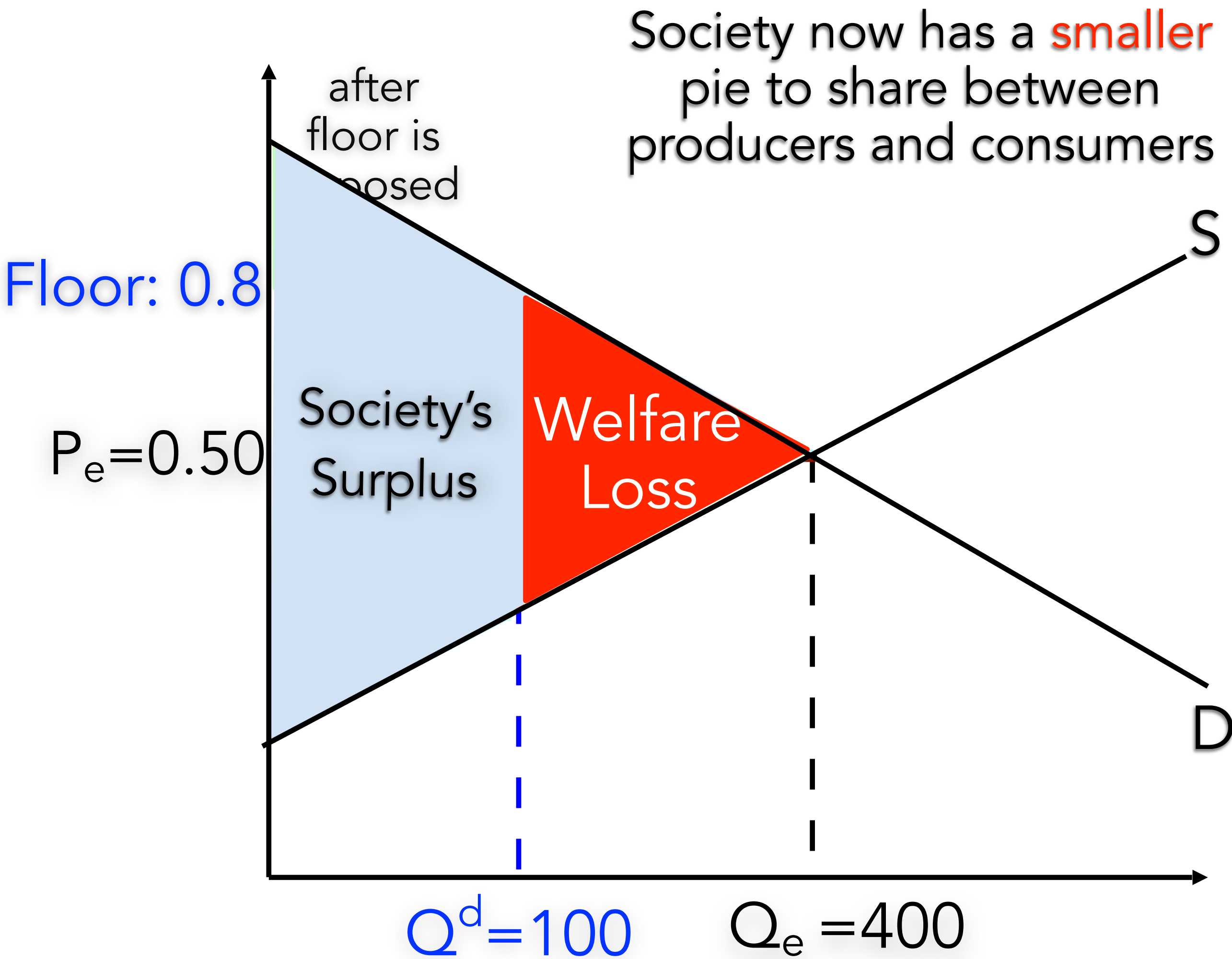
Welfare
Loss







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

