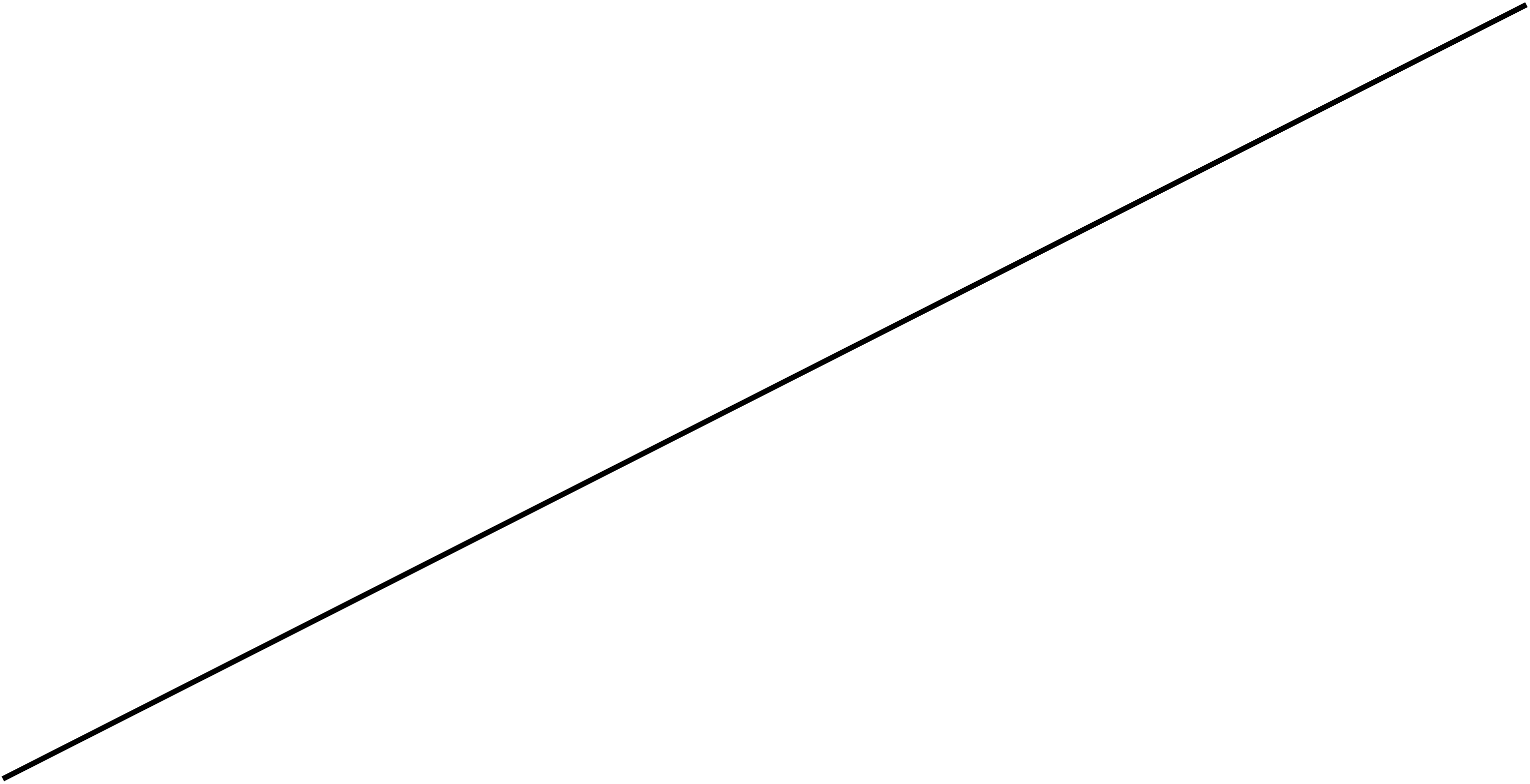


S

Price Floor: 0.3







$$Q_e = 400$$

$$P_e = 0.50$$



Price Floor: The minimum
price is \$0.30/pound



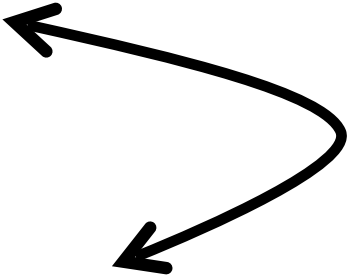
Price Floor

Does not prevent
price from reaching
equilibrium



A large, black-outlined speech bubble with a white fill and a subtle drop shadow. Inside the bubble, the text "The equilibrium price is still allowed" is written in a black, sans-serif font. The words "is" and "still allowed" are highlighted in red.

The
equilibrium price is
still allowed



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

All these
prices are now
prohibited



To be **effective**, a price **Floor**
must be placed **above** the
equilibrium price

A Price Ceiling placed
below the equilibrium price
is not effective

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

Price Floor: The minimum
price is **\$0.30/pound**

The
equilibrium price **is**
still allowed

