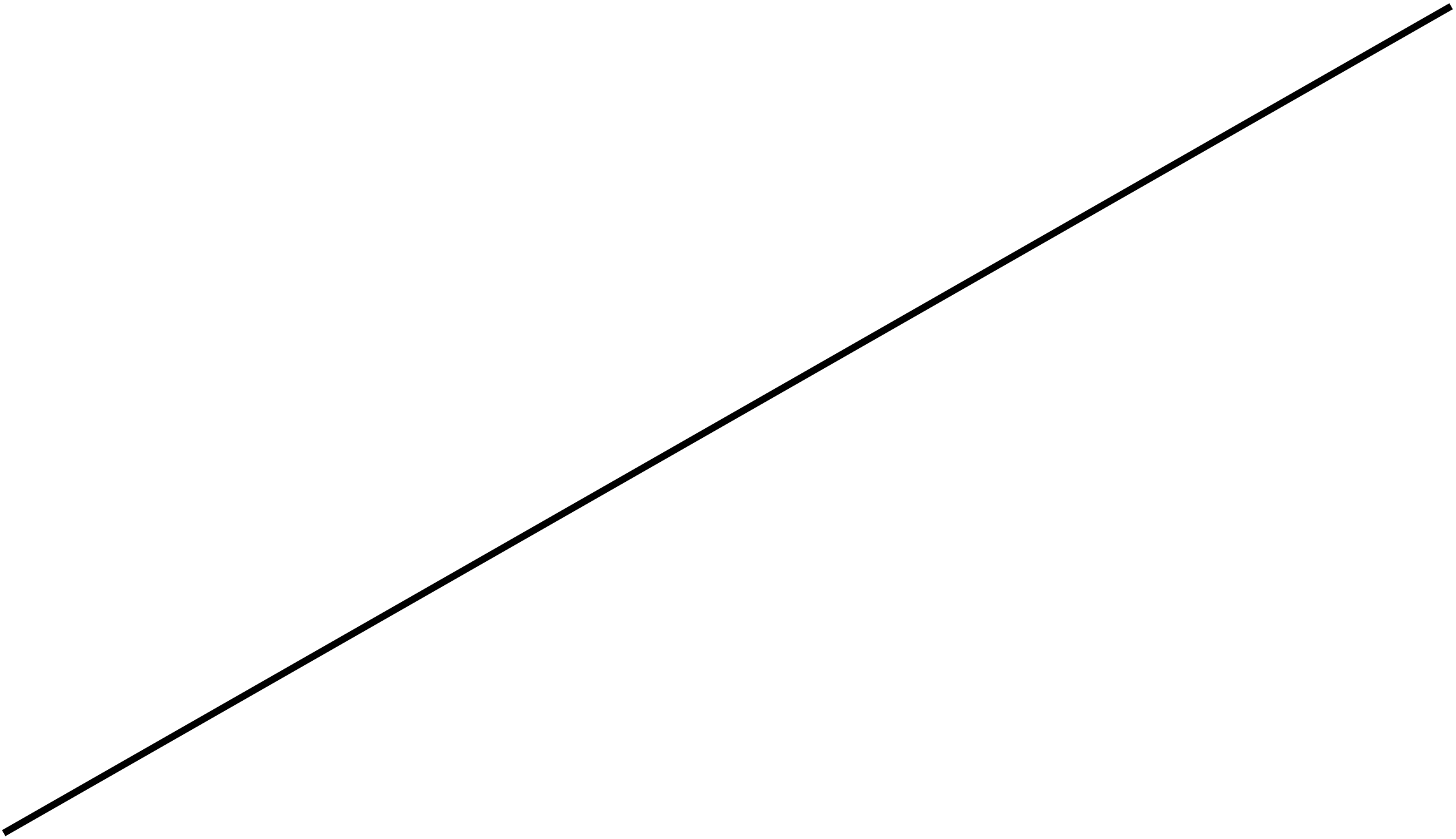


D

S

Floor \$0.8







$$Q^s = 100$$





$$Q_e = 600$$

$$P_e = 0.5$$

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]







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

Welfare  
Loss

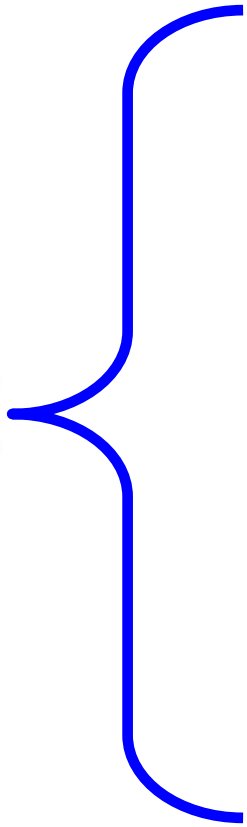
# Calculating the Size of the Welfare Loss

$$W_L = \text{Base} \times \text{Height} \times \frac{1}{2}$$

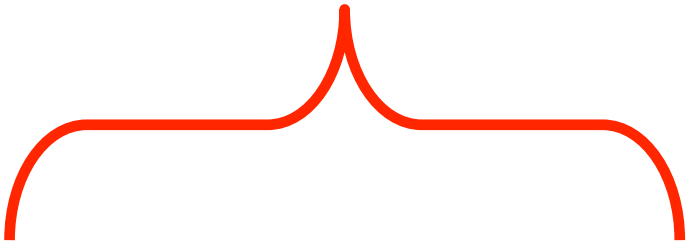
$$WL = (0.8 - 0.2) \times (600 - 100) \times 1/2$$

$$WL = (0.6 \times 500) \times \frac{1}{2} = \$150$$

$$0.8 - 0.2$$



600-100



Base

Height

A red triangle is shown with its base on the left and its apex on the right. A horizontal black double-headed arrow spans the width of the triangle, from the left edge to the right edge. The word "Base" is written vertically to the left of the triangle, and the word "Height" is written horizontally above the arrow.





0.2

# Calculating the Size of the Welfare Loss

