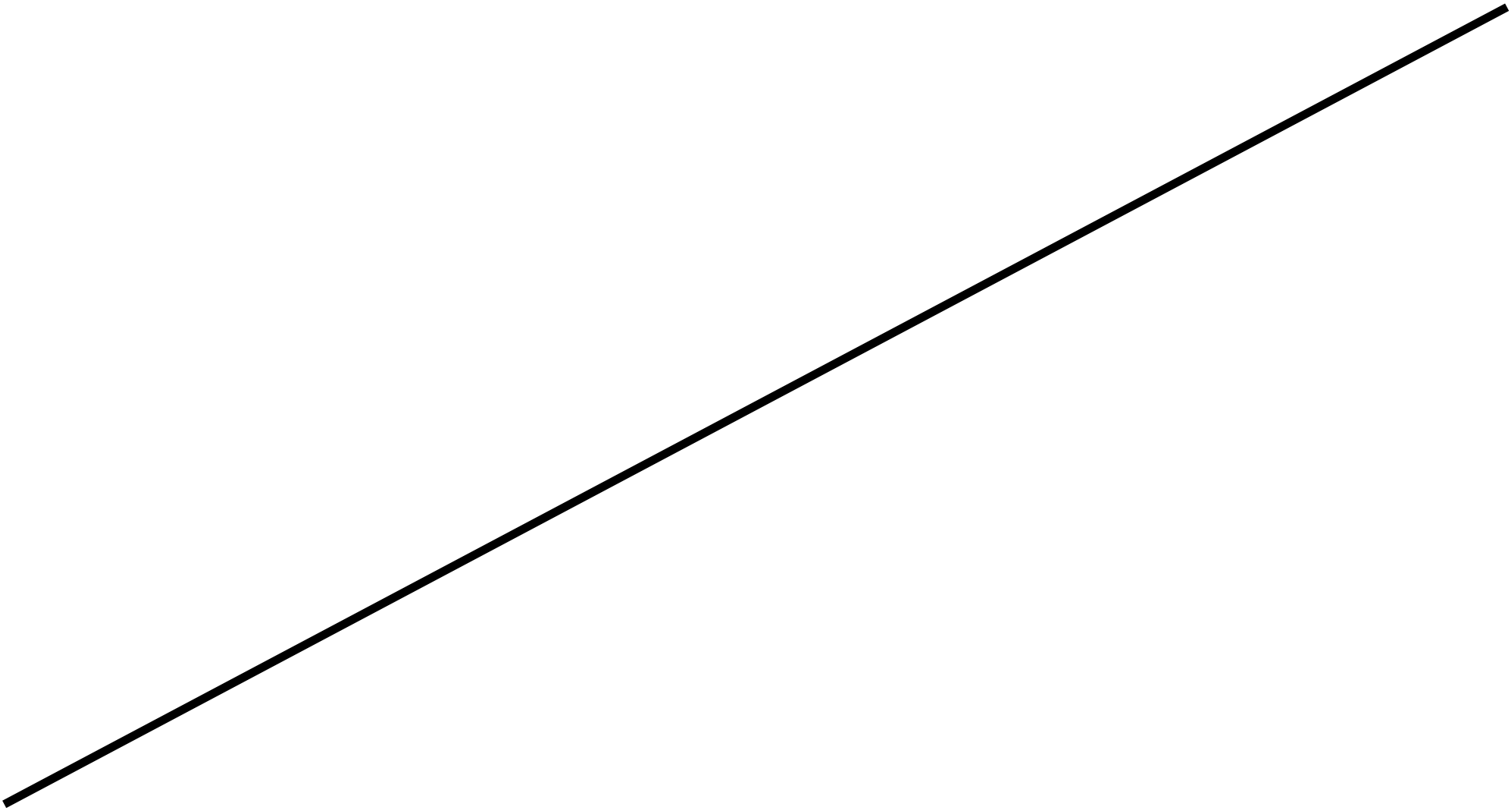




D

S





600

Ceiling: 2,200





CS at
Equilibrium

CS after
ceiling

1. **Introduction**

2. **Background**

3. **Methodology**

4. **Results**

5. **Discussion**

6. **Conclusion**

7. **References**

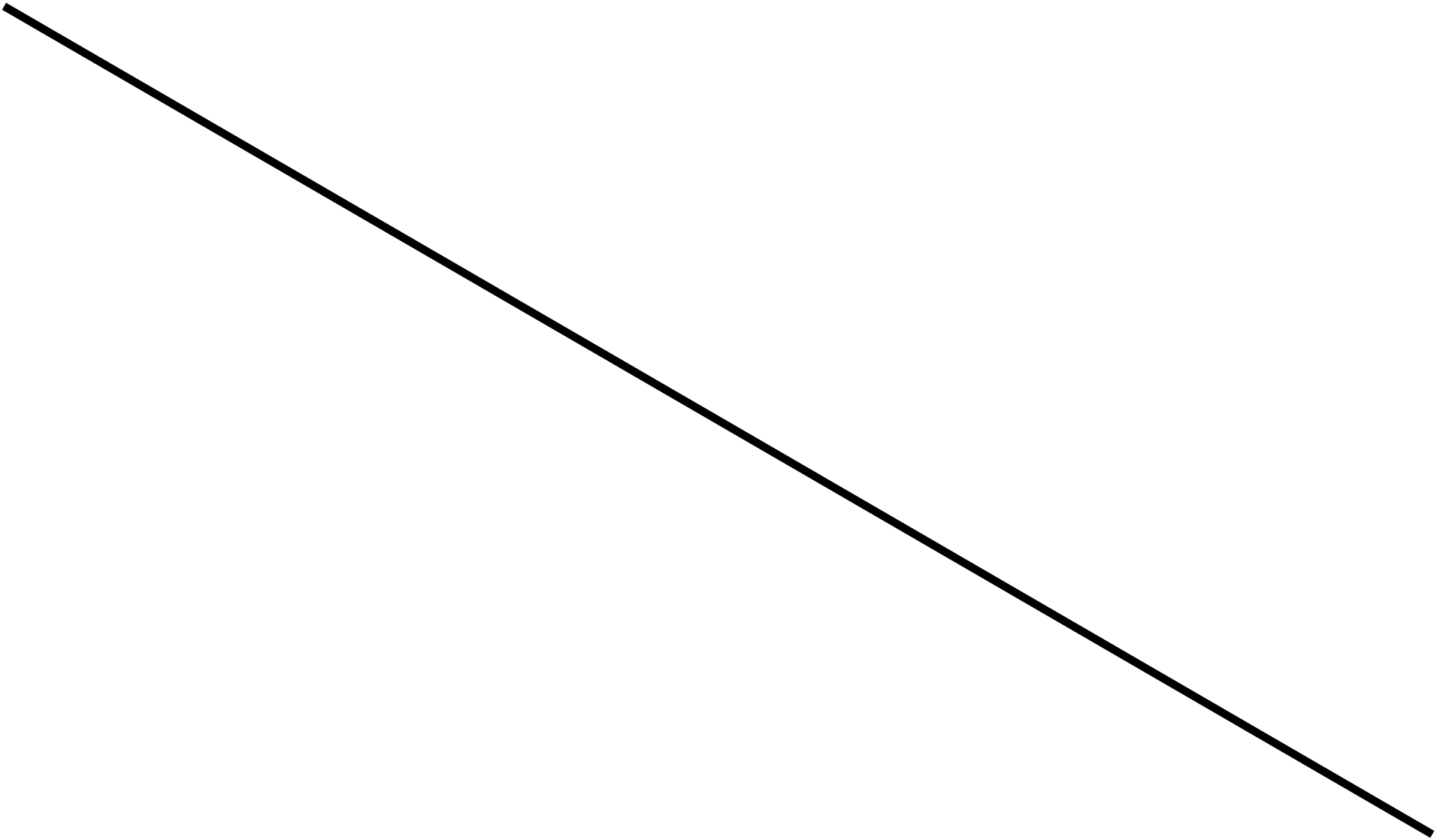
8. **Appendix**



$$Q^s = 300$$



CS lost



CS

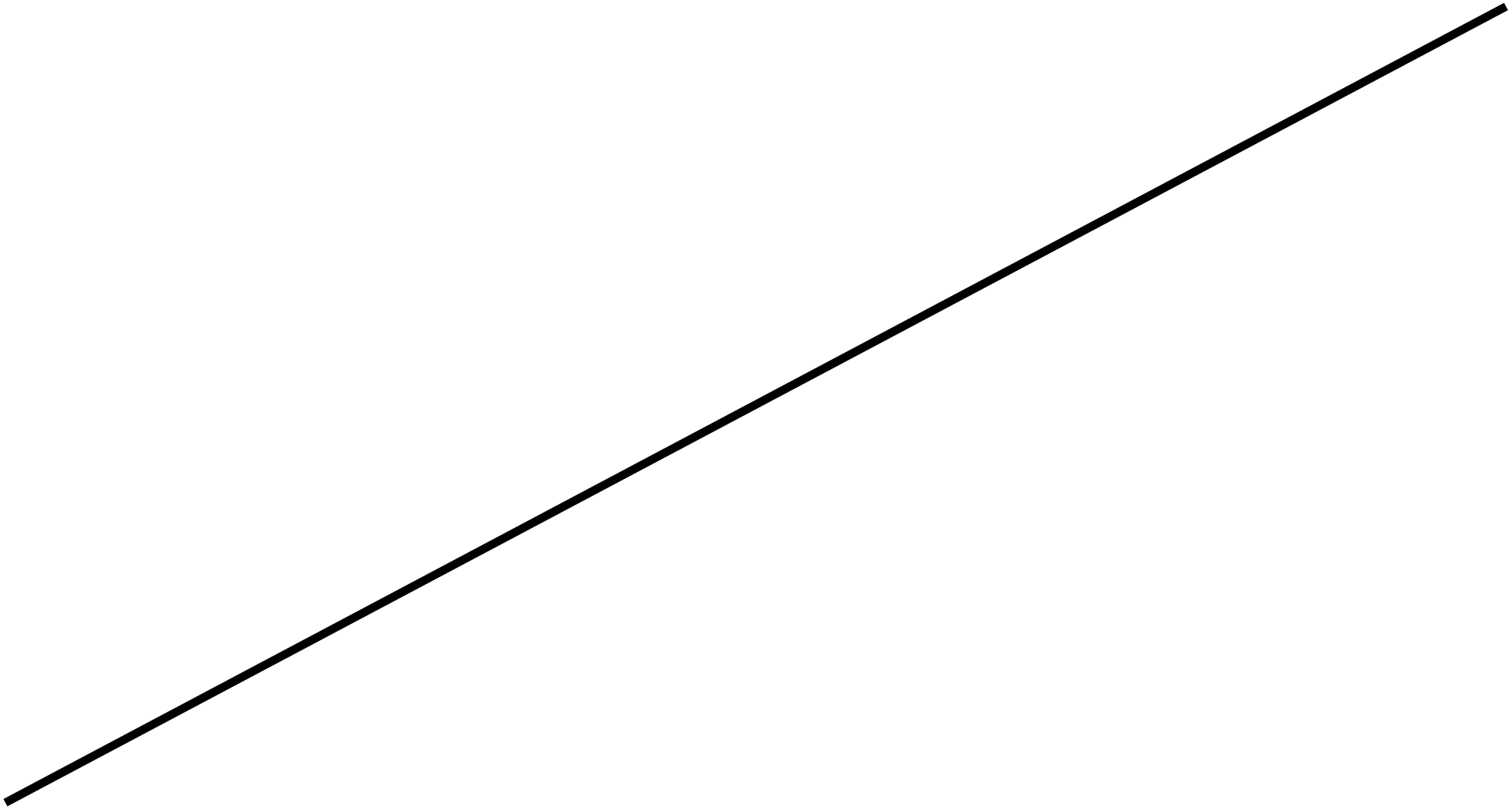
gained

3,900



D

S



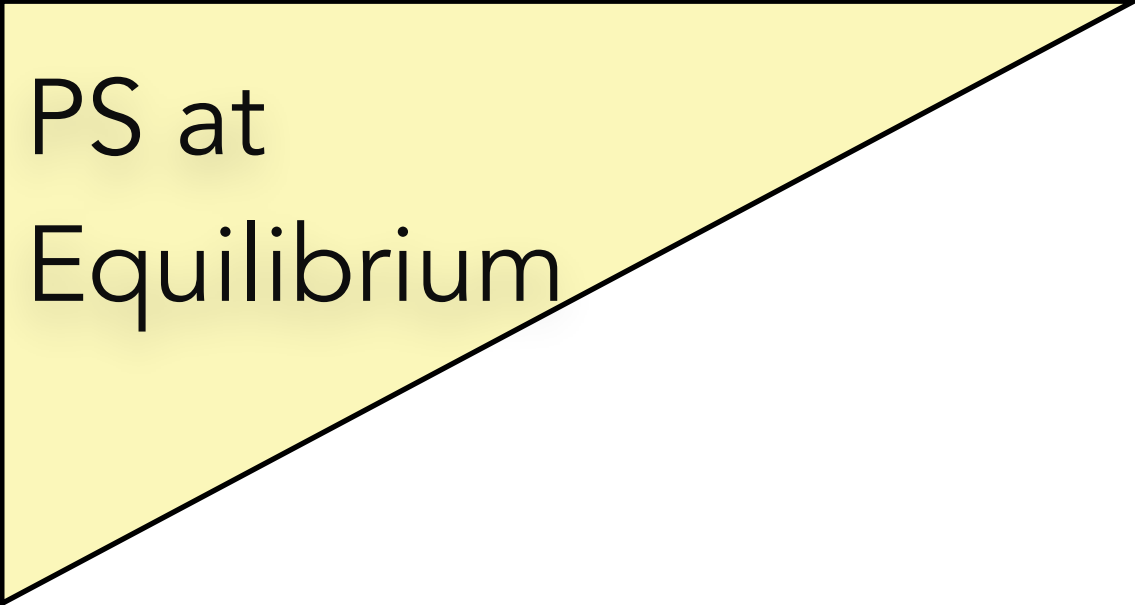


600

3,900

2,200





PS at
Equilibrium

1

2

3

4

5

6

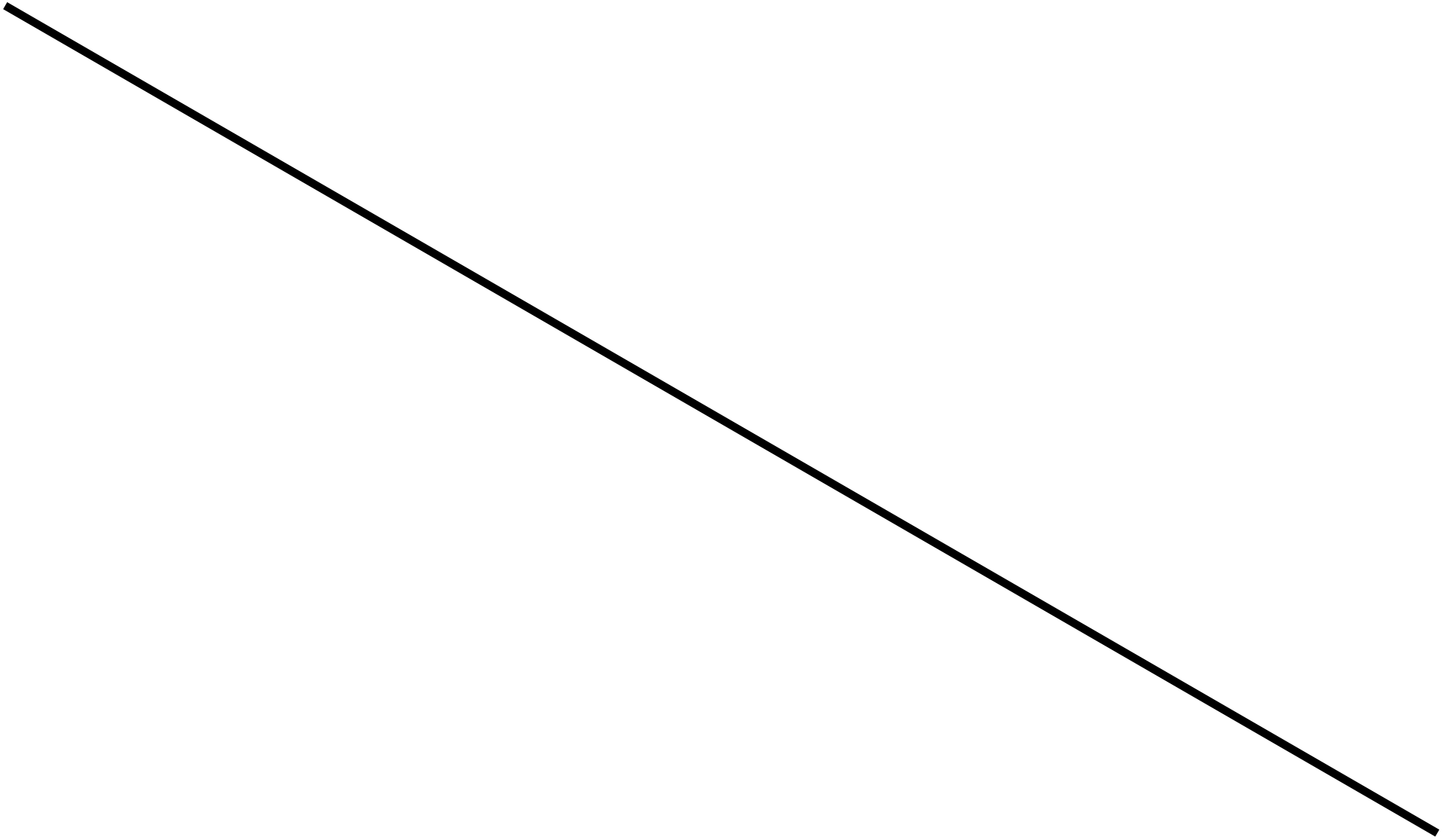
7



$$Q^s = 300$$



PS lost



PS lost



PS after
ceiling

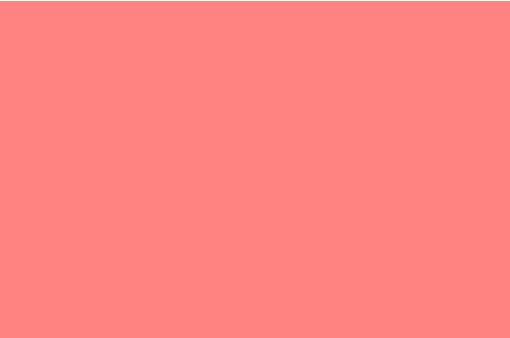






PS lost









Lost PS









CS

gained



Subsidy

Tax

Consumers

Producers

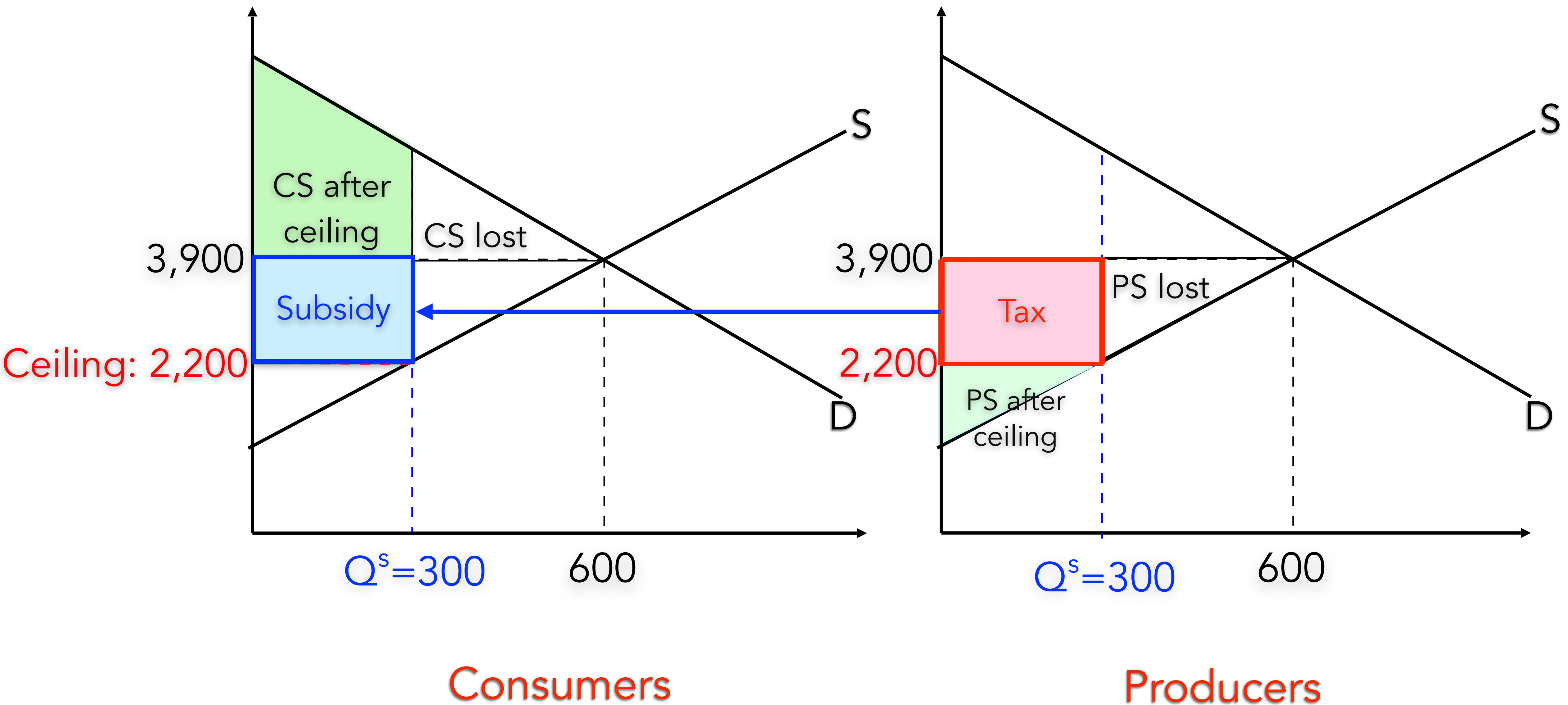
Ceiling results in taking money from producers (a tax)

and giving it to consumers (a subsidy)

Effect of the Ceiling on:

Ceiling has the same effect of imposing a tax on producers and giving a subsidy to consumers

Ceiling has the same effect of imposing a tax on producers and giving a subsidy to consumers



Ceiling has the same effect of imposing a tax on producers and a subsidy to consumers

