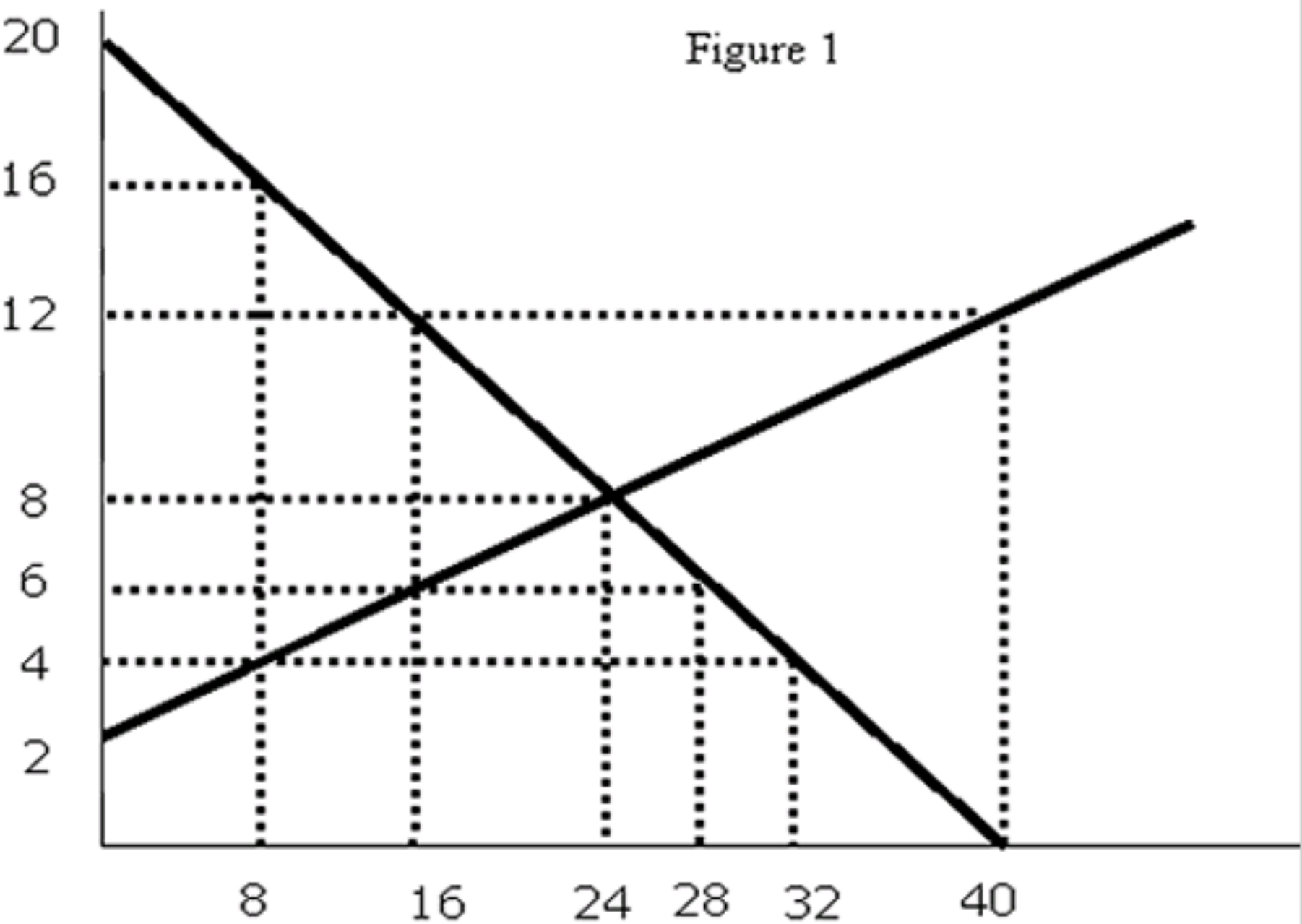






Figure 1



**Government imposes a Price
Ceiling at \$12**

Prohibit

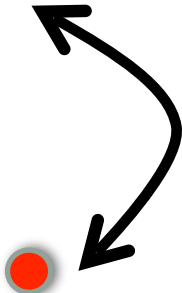
prices

above \$12



All these prices
are prohibited

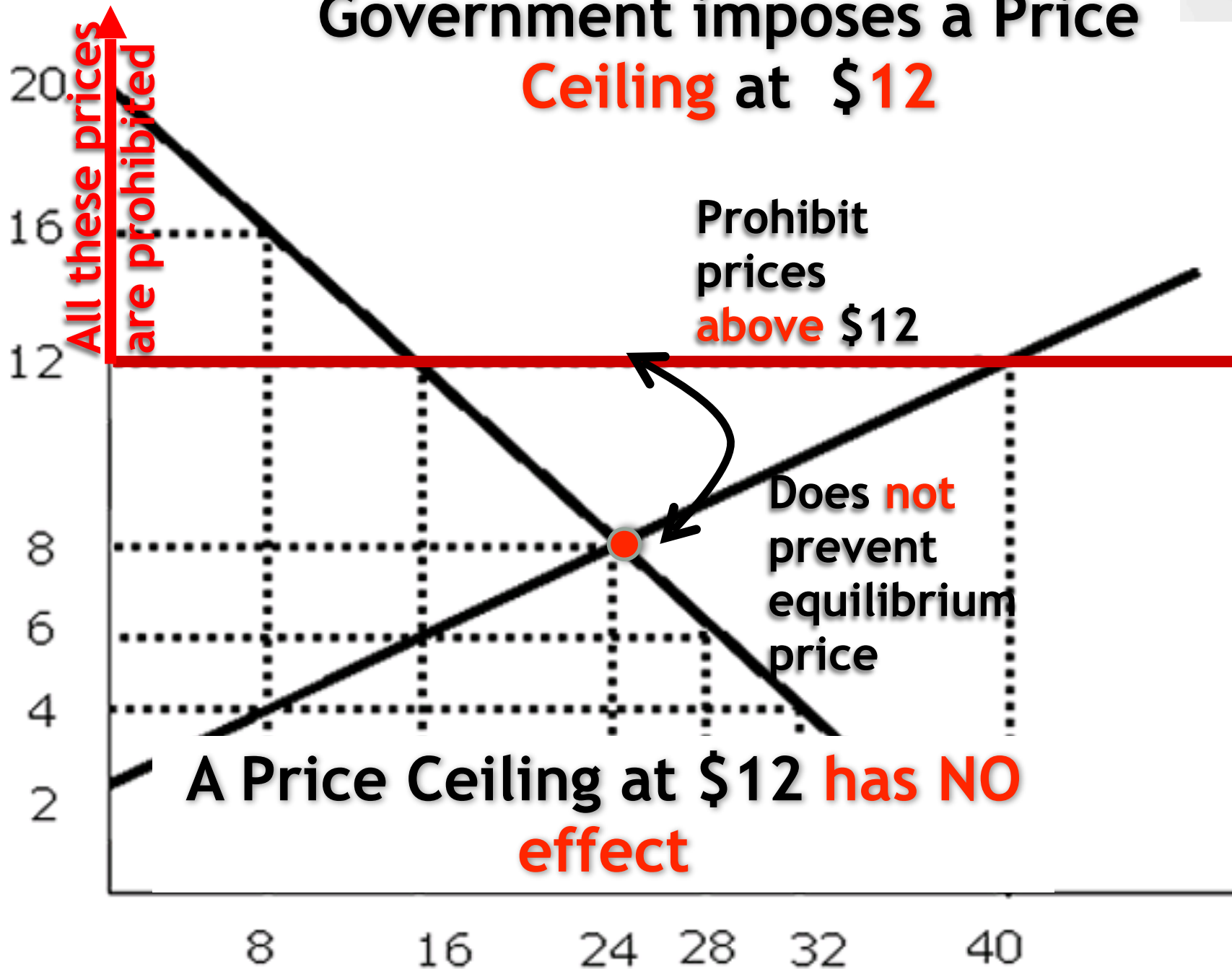




Does **not**
prevent
equilibrium
price

**A Price Ceiling at \$12 has NO
effect**

Government imposes a Price Ceiling at \$12



Government imposes a Price Floor at \$12

