

Producers (landlords) **definitely lose** PS
as a result of the price ceiling



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S



600

3,900

Price Ceiling: 2,200

[REDACTED]

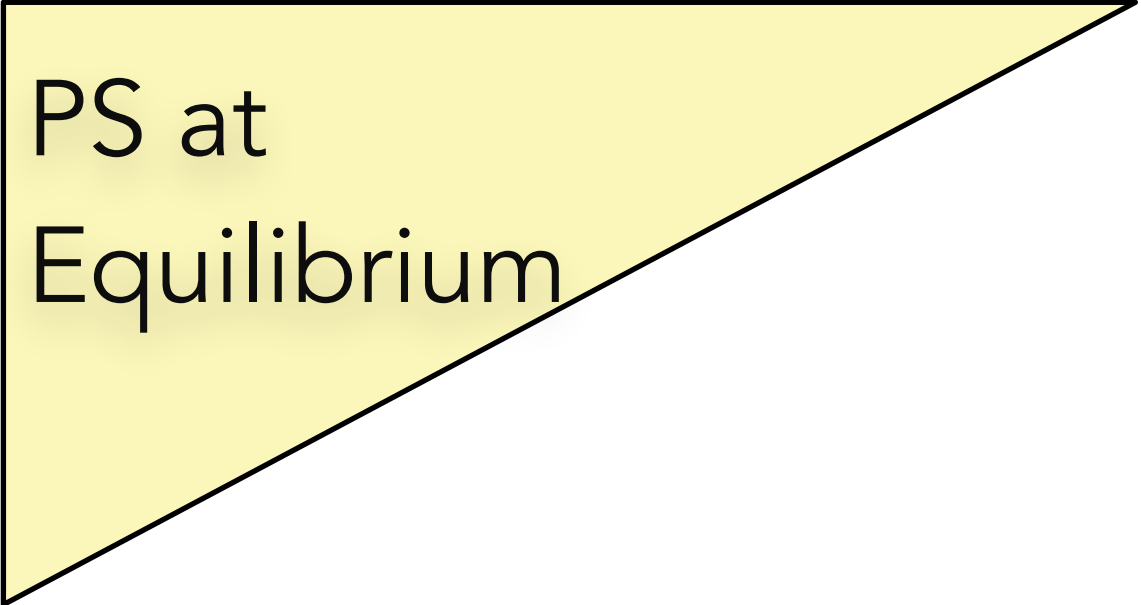
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



PS at
Equilibrium

$$Q^s = 3000$$

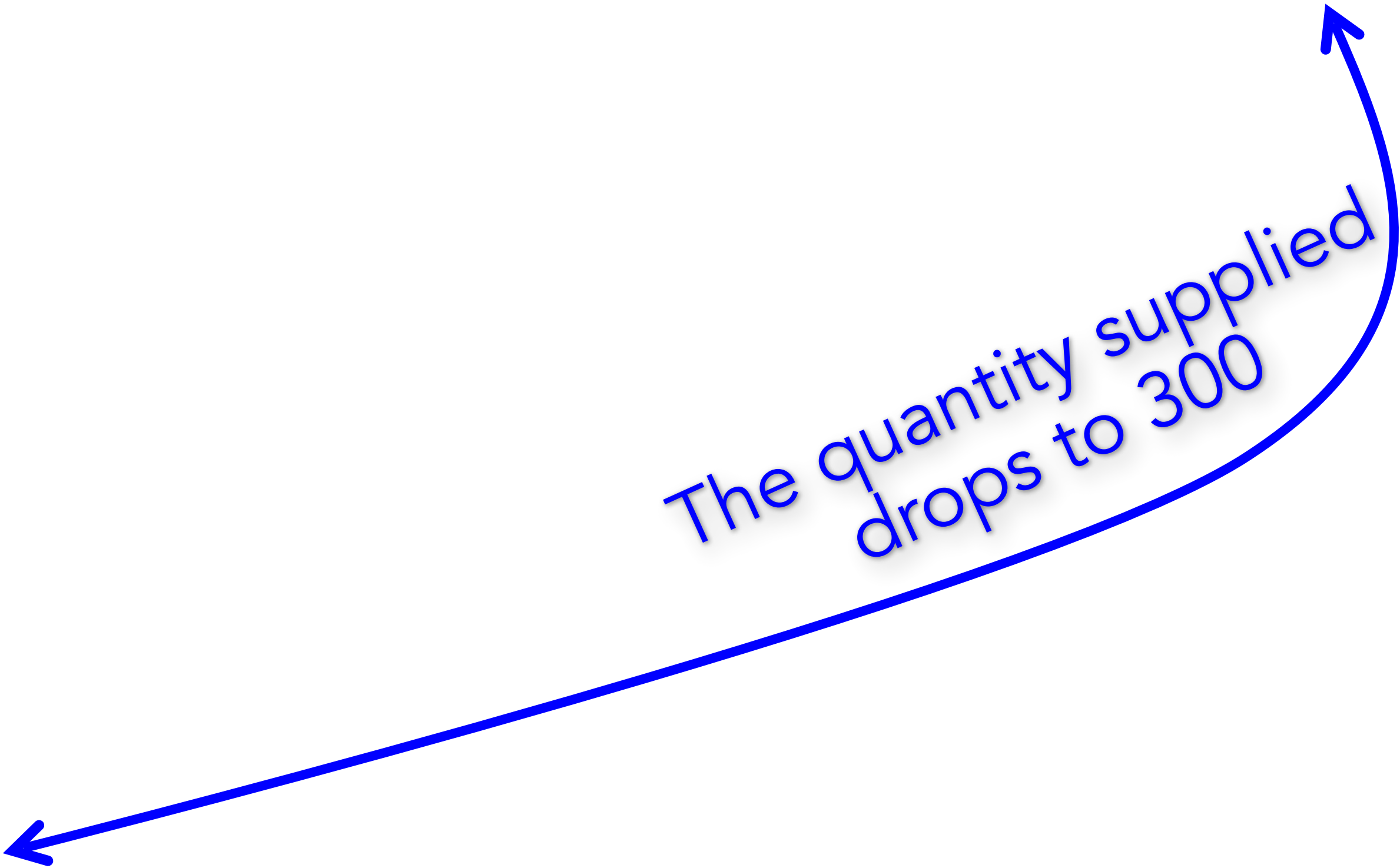




$$Q^d = 9000$$



PS: Area *above supply* and *below* the price
(rent) the producer (landlord) receives



The quantity supplied
drops to 300

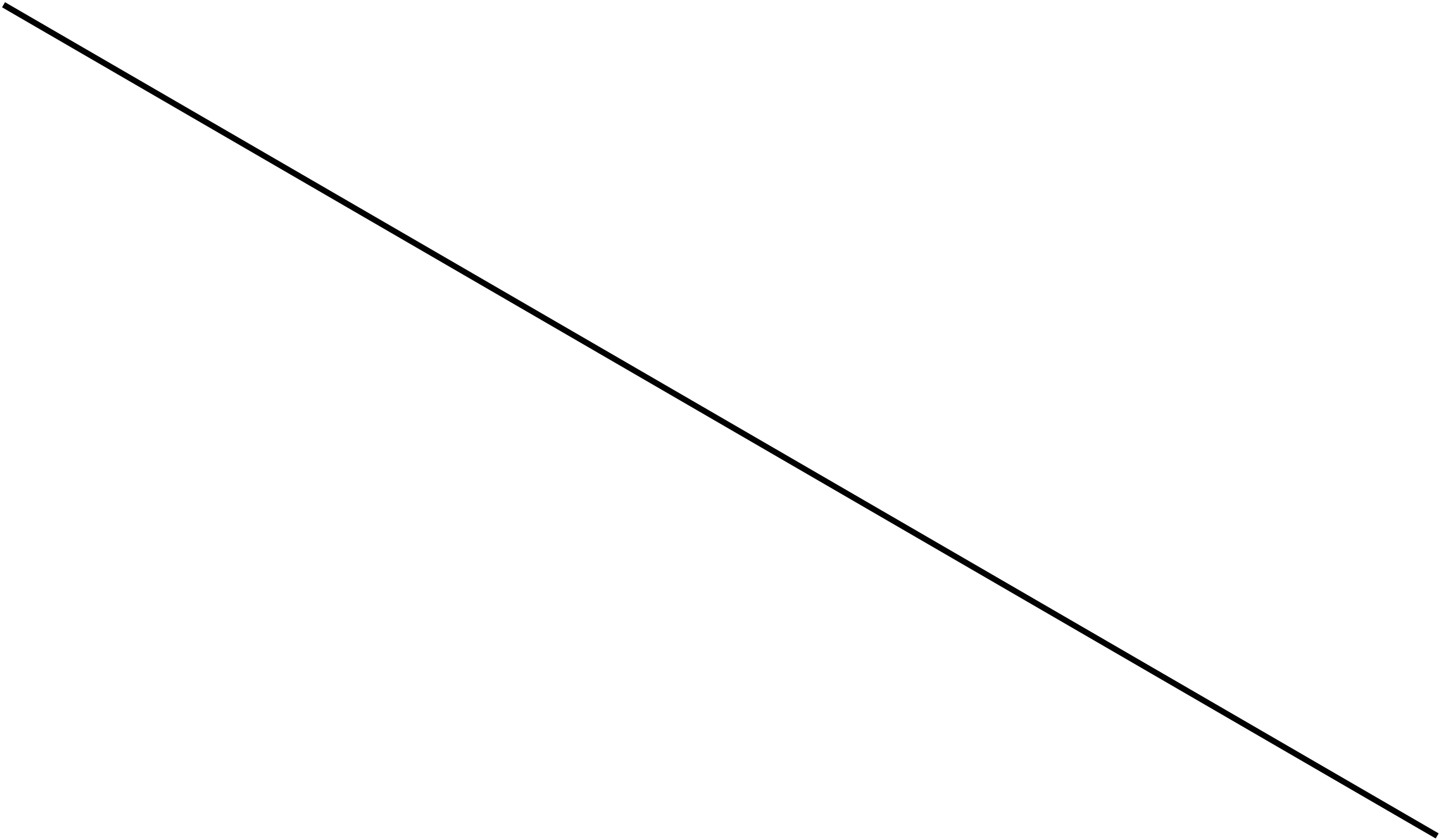
Producers can only get
Producer Surplus on
300 units



$$Q^s = 300$$

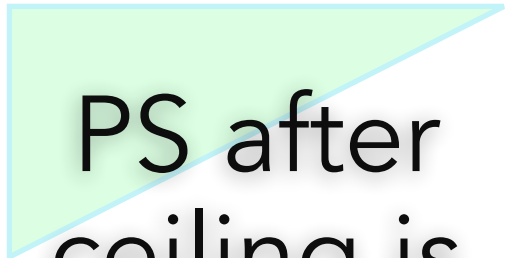


PS lost

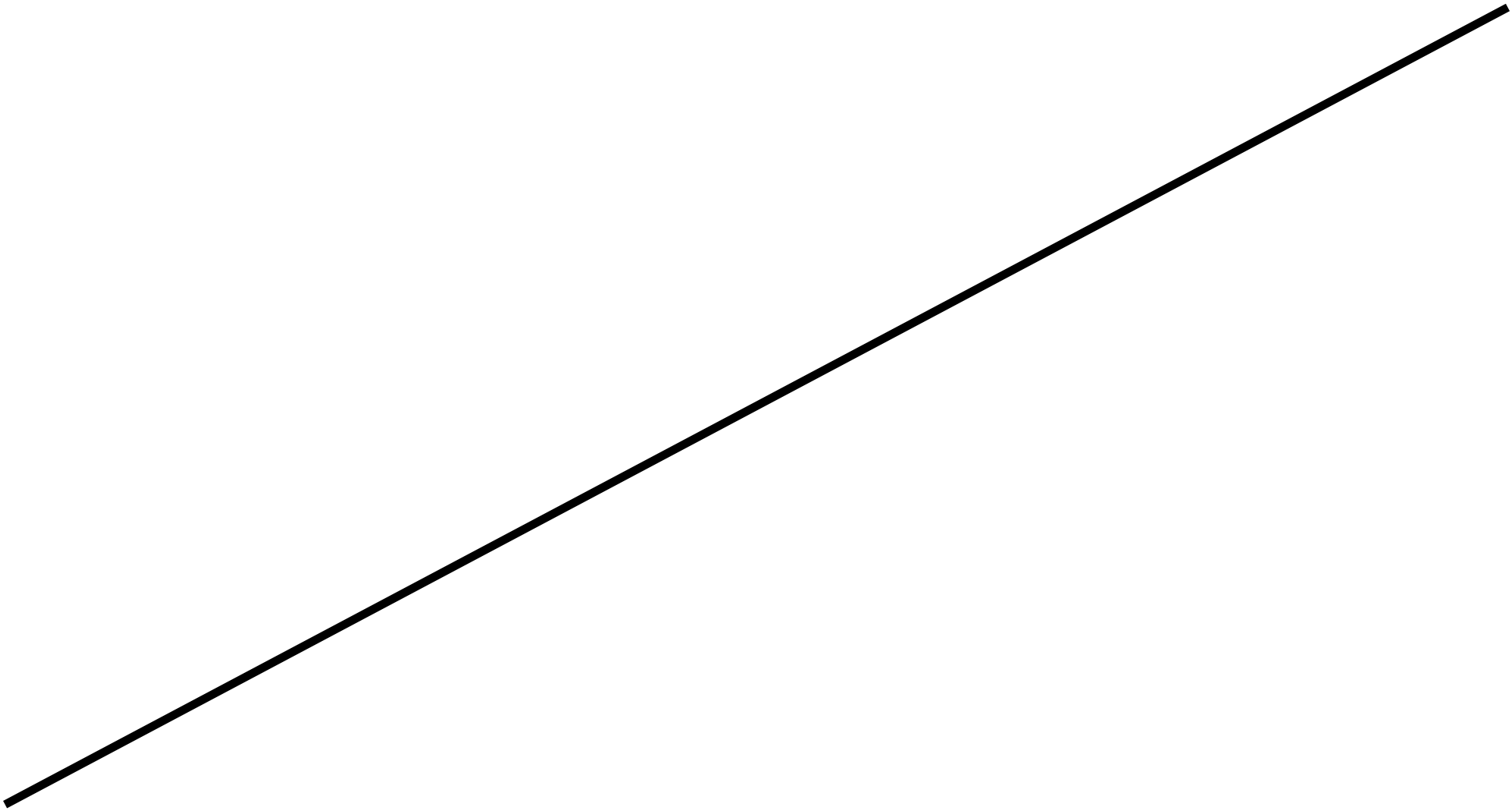


PS lost

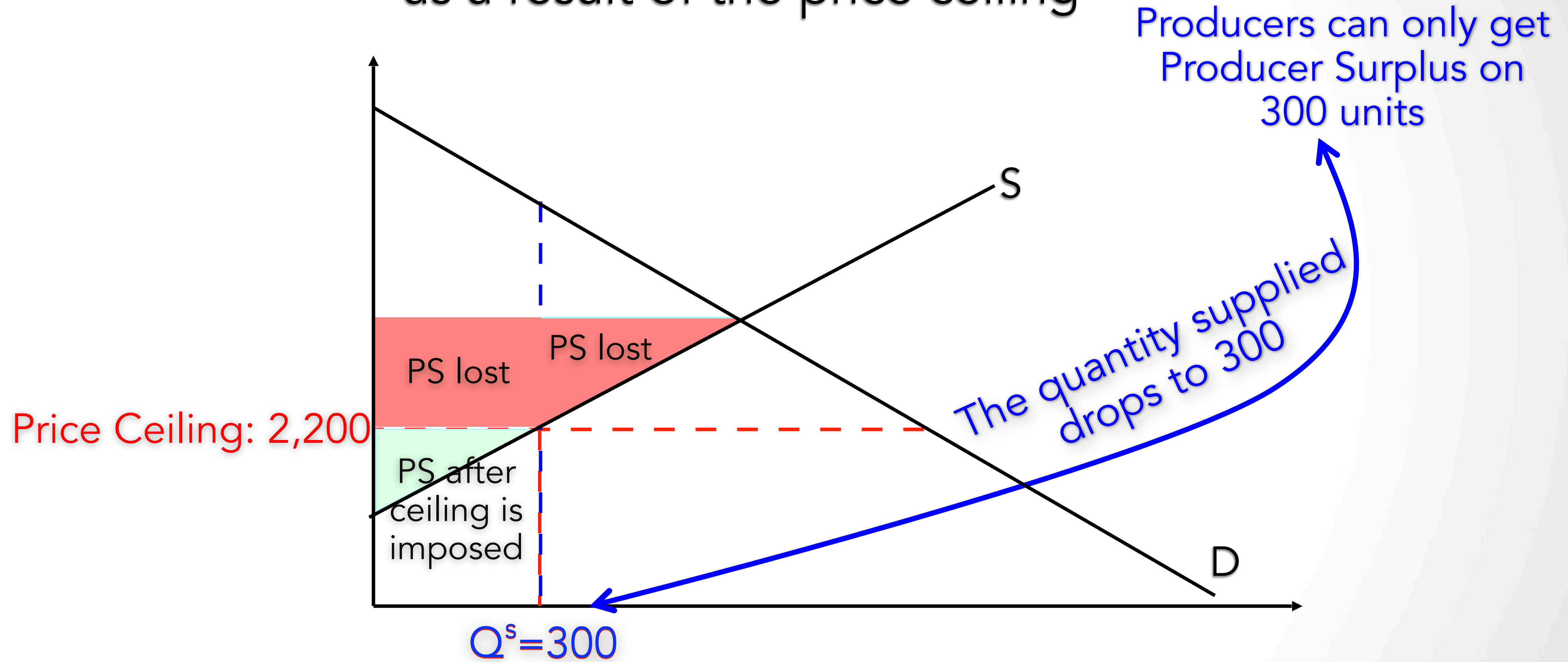




PS after
ceiling is
imposed



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Effect of the Ceiling on:

