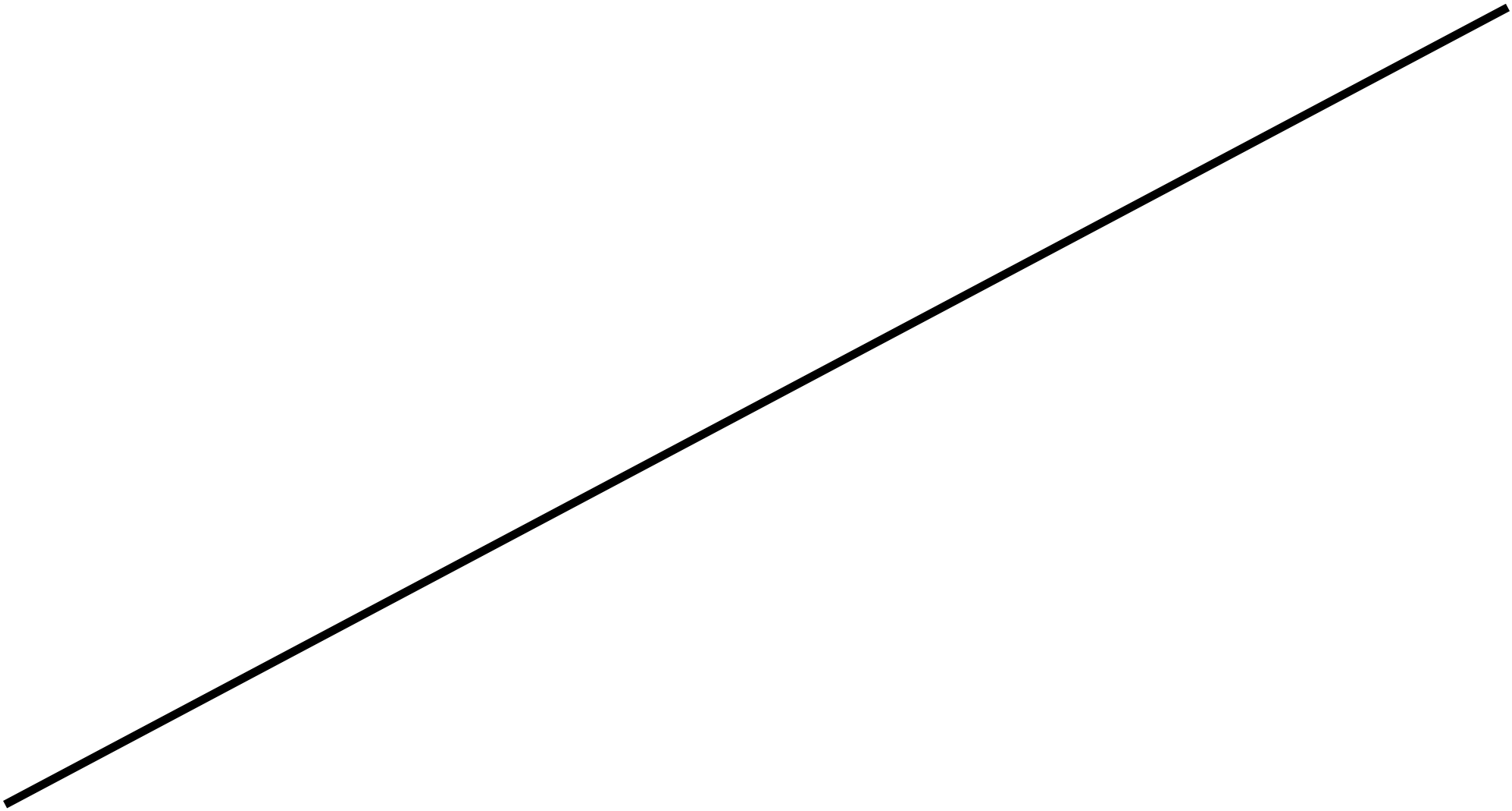


Consumers **definitely lose** CS as a result of the price
floor



D

S





$$Q_e = 400$$

$$P_e = 0.50$$

Price Floor: 0.8

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



CS at
Equilibrium

$$Q^d = 1000$$

after
floor is
imposed
CS







$$Q^s = 8000$$



CS: Area **below** demand and above the price
the consumer pays



Consumers can only afford
to buy 100 units at the
new higher price

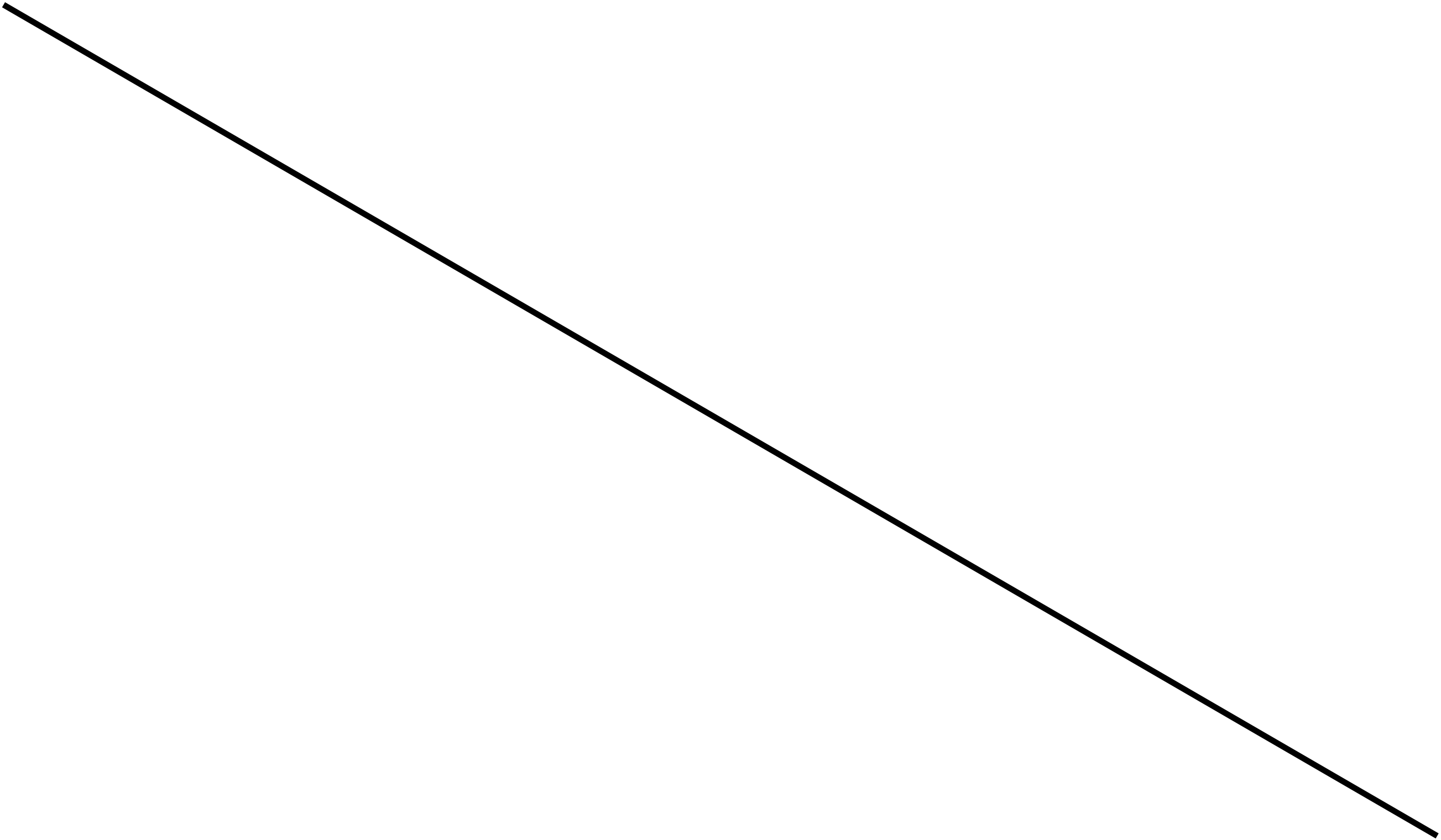
Consumers can only
get Consumer Surplus
on 100 units



$$Q^d = 100$$



CS lost



CS lost



Consumers **definitely lose** CS as a result of the price floor

