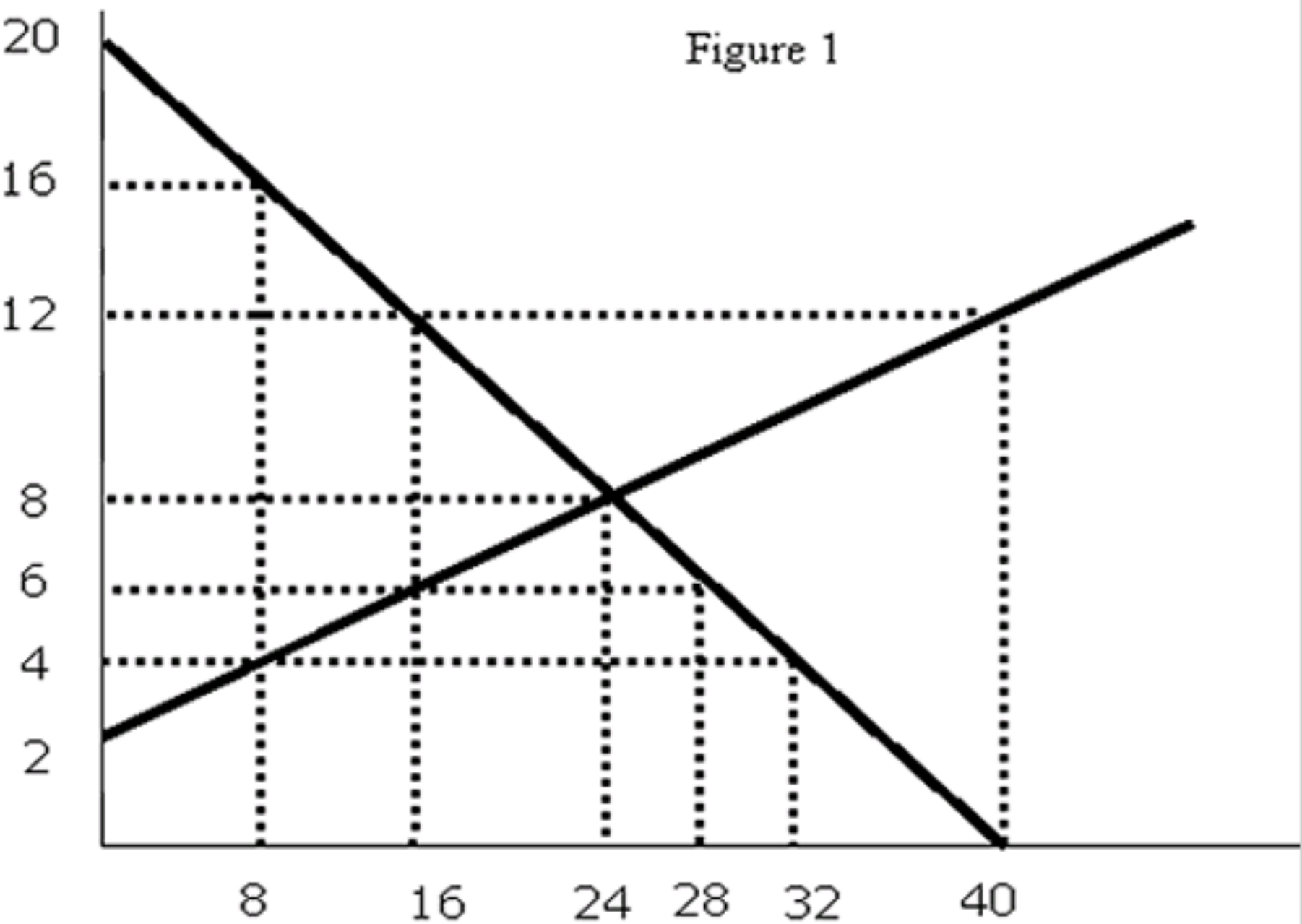








Figure 1



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

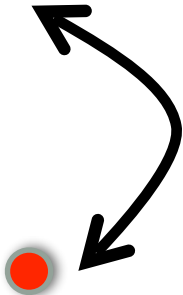
**Prohibit  
prices  
above \$12**



**All these prices**  
**are prohibited**



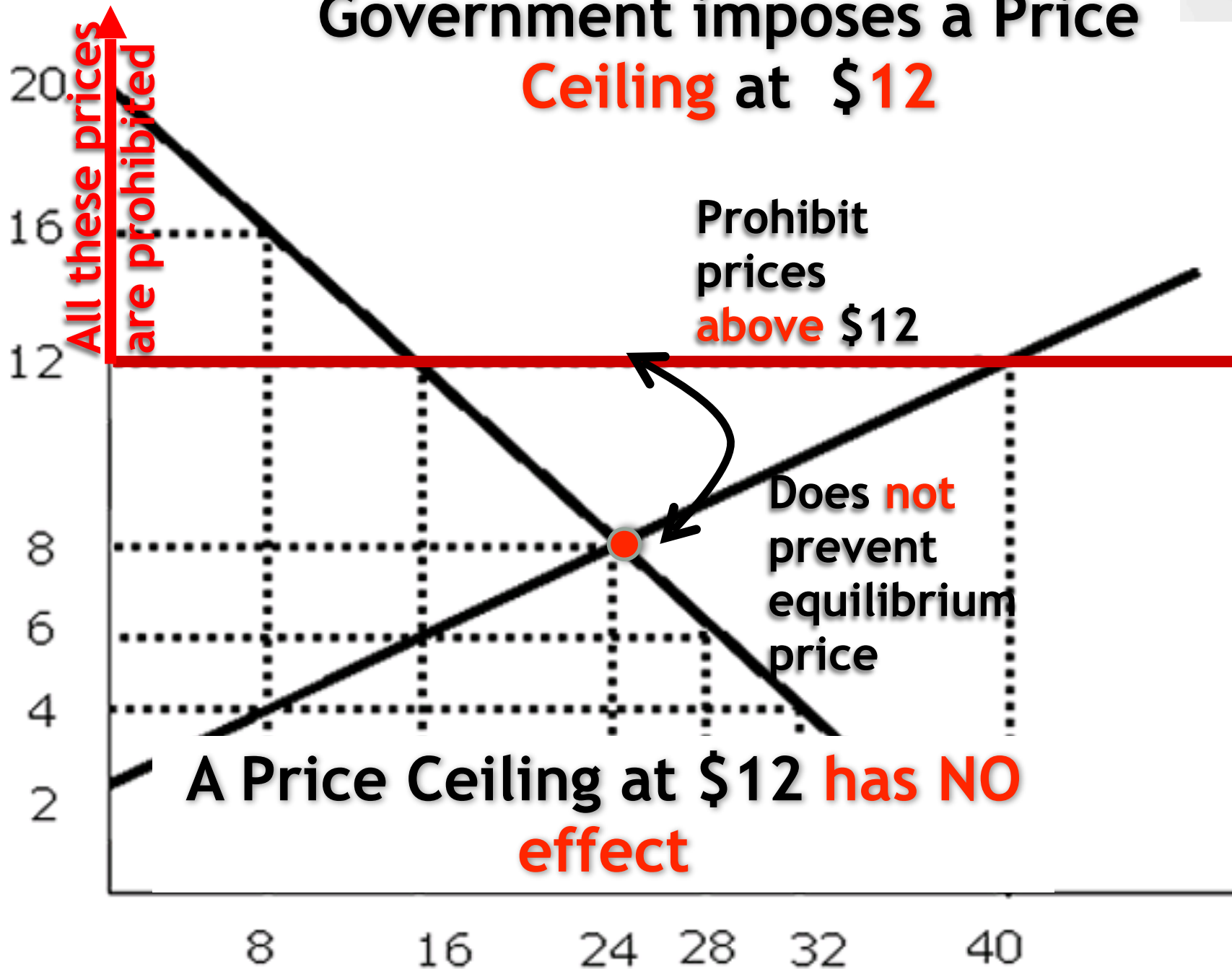




Does **not**  
prevent  
equilibrium  
price

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

# Government imposes a Price Ceiling at \$12



# Government imposes a Price Floor at \$12

