

Subsidy

Tax

Ceiling: 2,200



$$Q^s=300$$

3,900

3,900

2,200



$$Q^s = 300$$



0









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

The size of this **Tax** to producers and
Subsidy to Consumers is this area:

Tax

Subsidy

~~Tax~~/Subsidy =

$(3,900 - 2,200) \times (300)$

$$(1,700) \times (300) =$$

\$510,000

The size of this **Tax** to producers and
Subsidy to Consumers is this area:



