

T



b

e

e

f



e

c

t





e



a

p

r



c

e

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n

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h



b



t

t

h

e

9

u





b



u

m

p

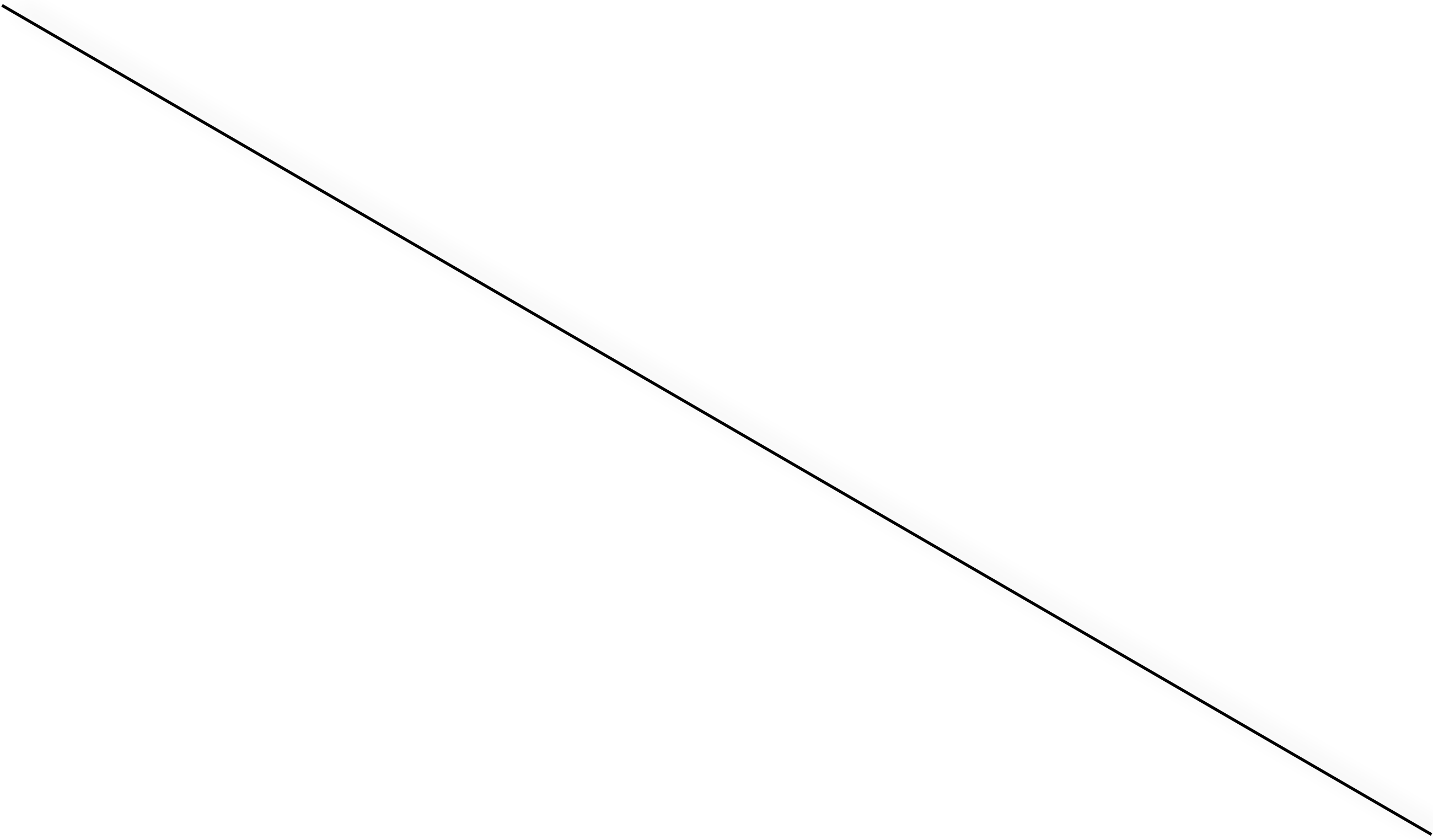
r



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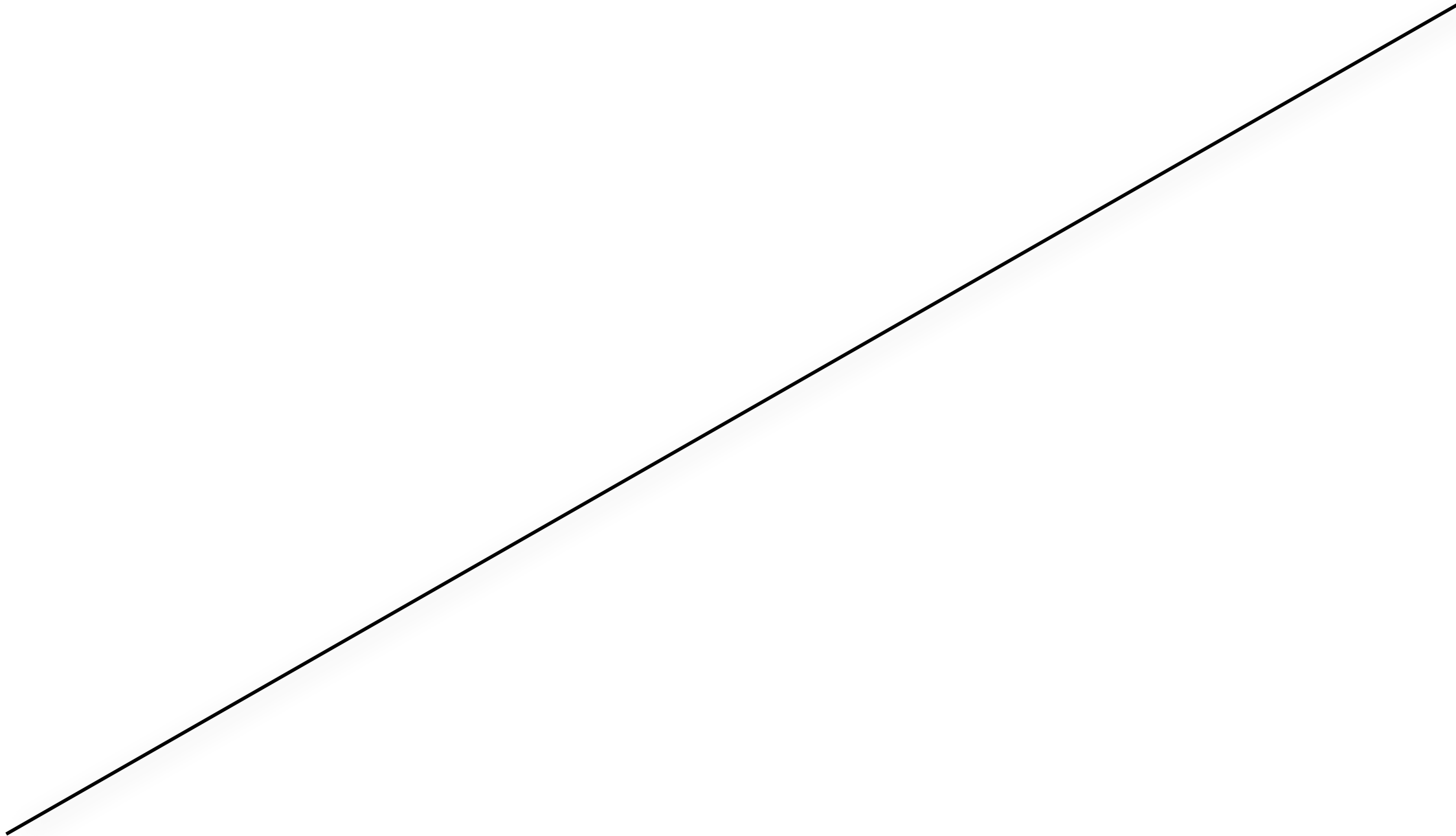




D

S

4,000





1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

$$Q_e = 600$$

$$P_e = 3,900$$

1

2

3

4

5

6

7

8

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14

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16

17

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19

20


21

22

Rent Control:
Landlords can't
charge more
than \$4,000

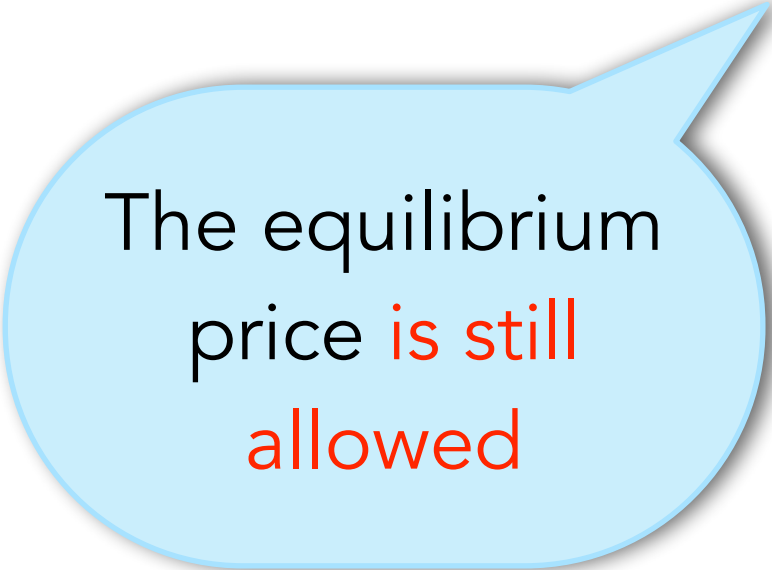


Price Ceiling

All these prices are  now prohibited

Does not prevent (prohibit)
price from being the
equilibrium price





The equilibrium
price is still
allowed

To be **effective**, a price **Ceiling** must
be placed **below** the equilibrium
price

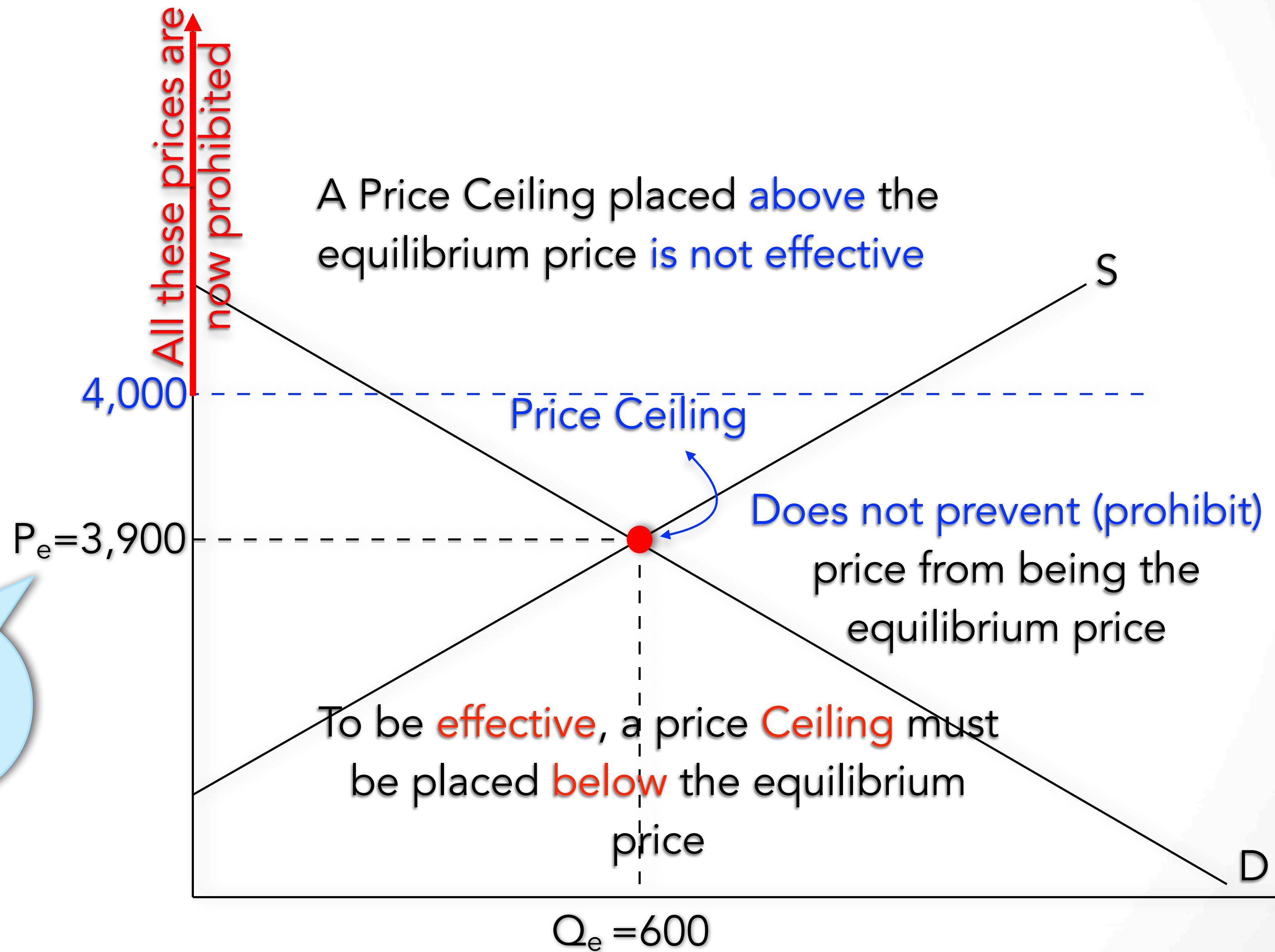
A Price Ceiling placed above the equilibrium price is not effective



To be effective, a price Ceiling must prohibit the equilibrium price

To be **effective**, a price **Ceiling** must **prohibit the equilibrium** price

Rent Control:
Landlords can't
charge more
than **\$4,000**



A price Floor prohibits prices **below** the floor

