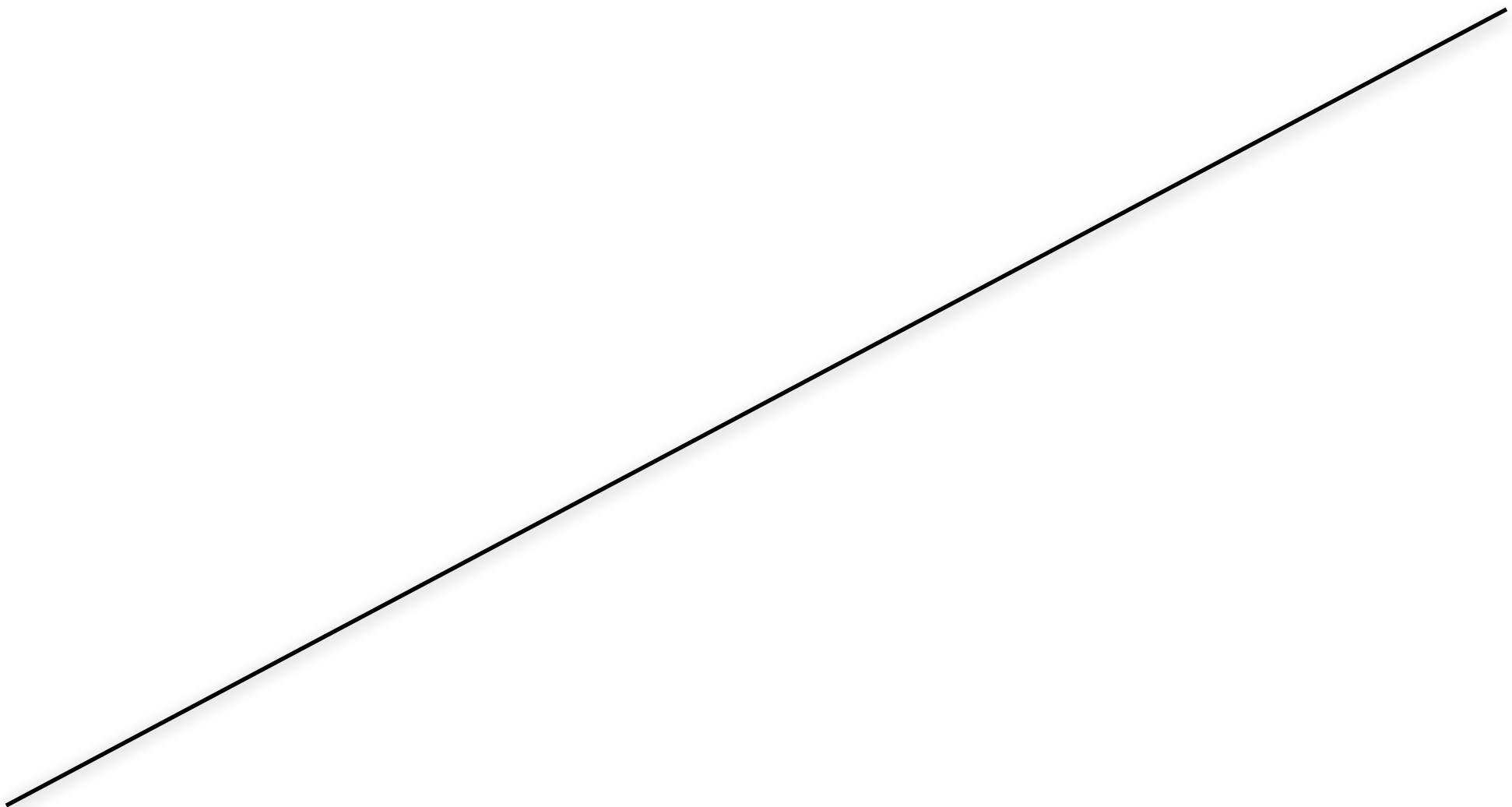








**S**





$$Q_e = 400$$

$$P_e = 0.50$$



Floor: \$0.8



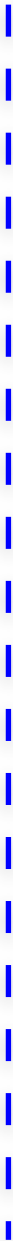
A large pink triangle occupies the left half of the slide, pointing towards the right. The text 'CS at Equilibrium' is written in black inside this triangle. A thin red horizontal line is visible on the left edge of the slide, passing through the middle of the triangle.

CS at  
Equilibrium

CS after  
floor is  
imposed



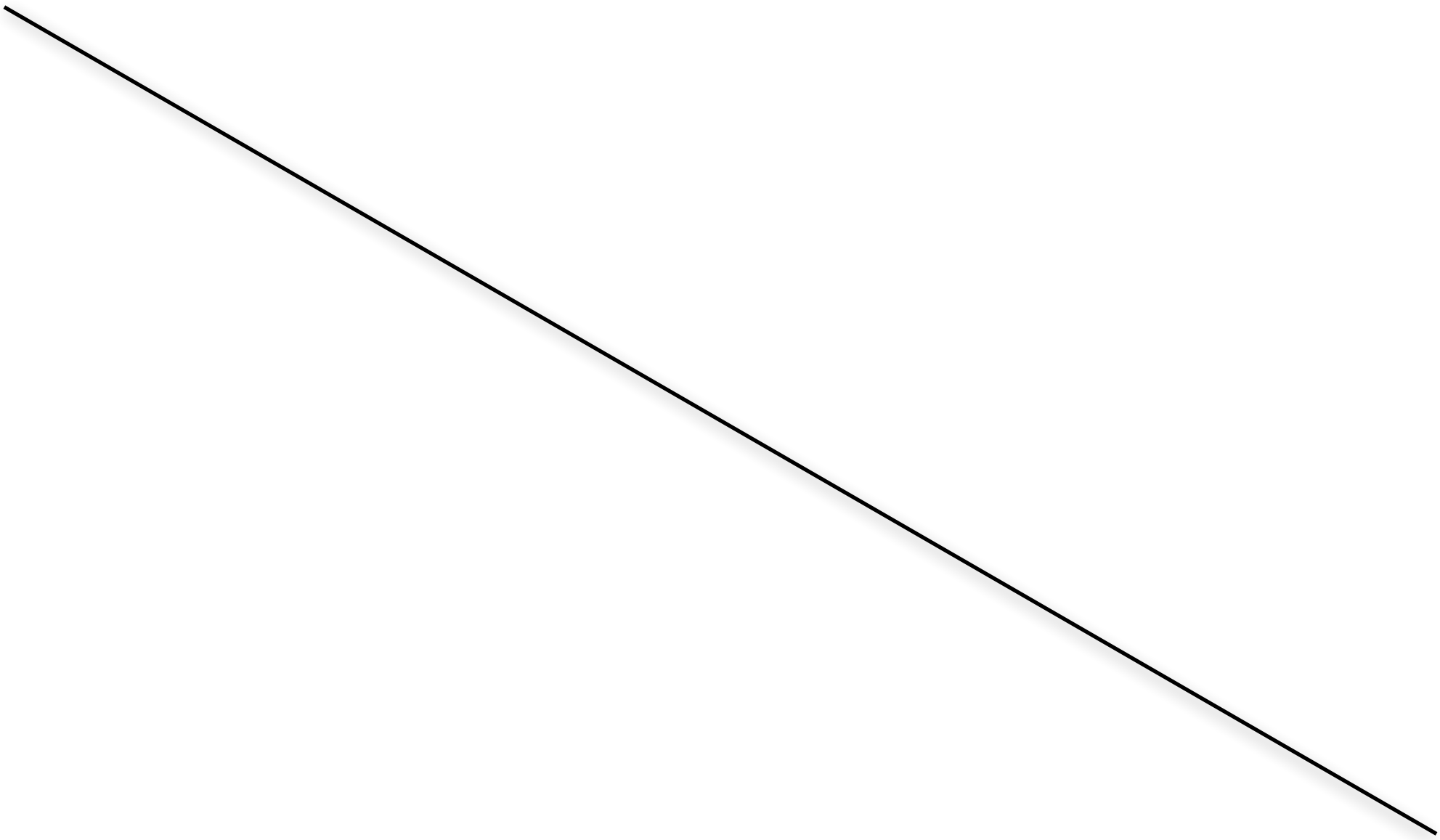




$$Q^d = 100$$

A large red right-angled triangle with a dark red outline, pointing towards the top-right corner of the image. The text "CS lost" is written in white inside the triangle.

CS lost









**D**

S

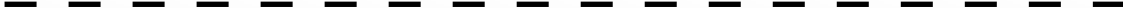


$$Q_e = 4000$$

$$P_e = 0.50$$

Floor: 0.8





PS at  
Equilibrium





$$Q^d = 100$$

A red pennant with a light blue border. The text "PS lost" is written in white, sans-serif font across the center of the pennant.

PS lost

PS after  
floor is  
imposed

CS after  
floor is  
imposed



CS lost





The imposition of a Floor

Results in a **net loss of surplus** to society as a whole: everyone loses

Society had a whole pie to  
share between producers  
and consumers

Society now has a **smaller**  
pie to share between  
producers and consumers

A large, solid pink arrow pointing from the left edge of the frame towards the right edge. The arrow is centered vertically and contains the text "Society's Surplus" in black.

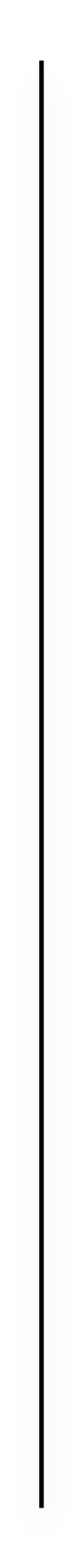
Society's  
Surplus



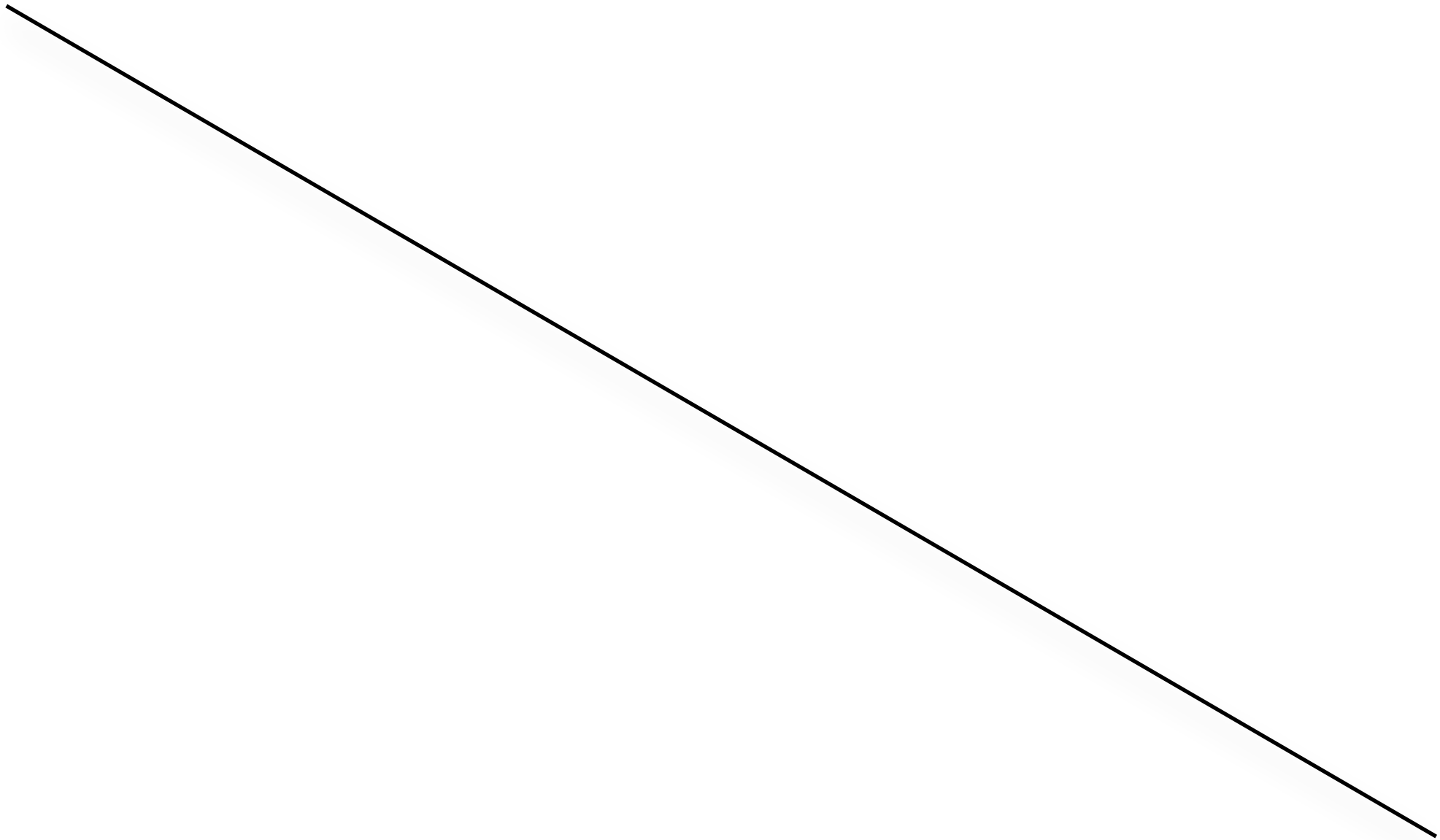
Society's  
Surplus

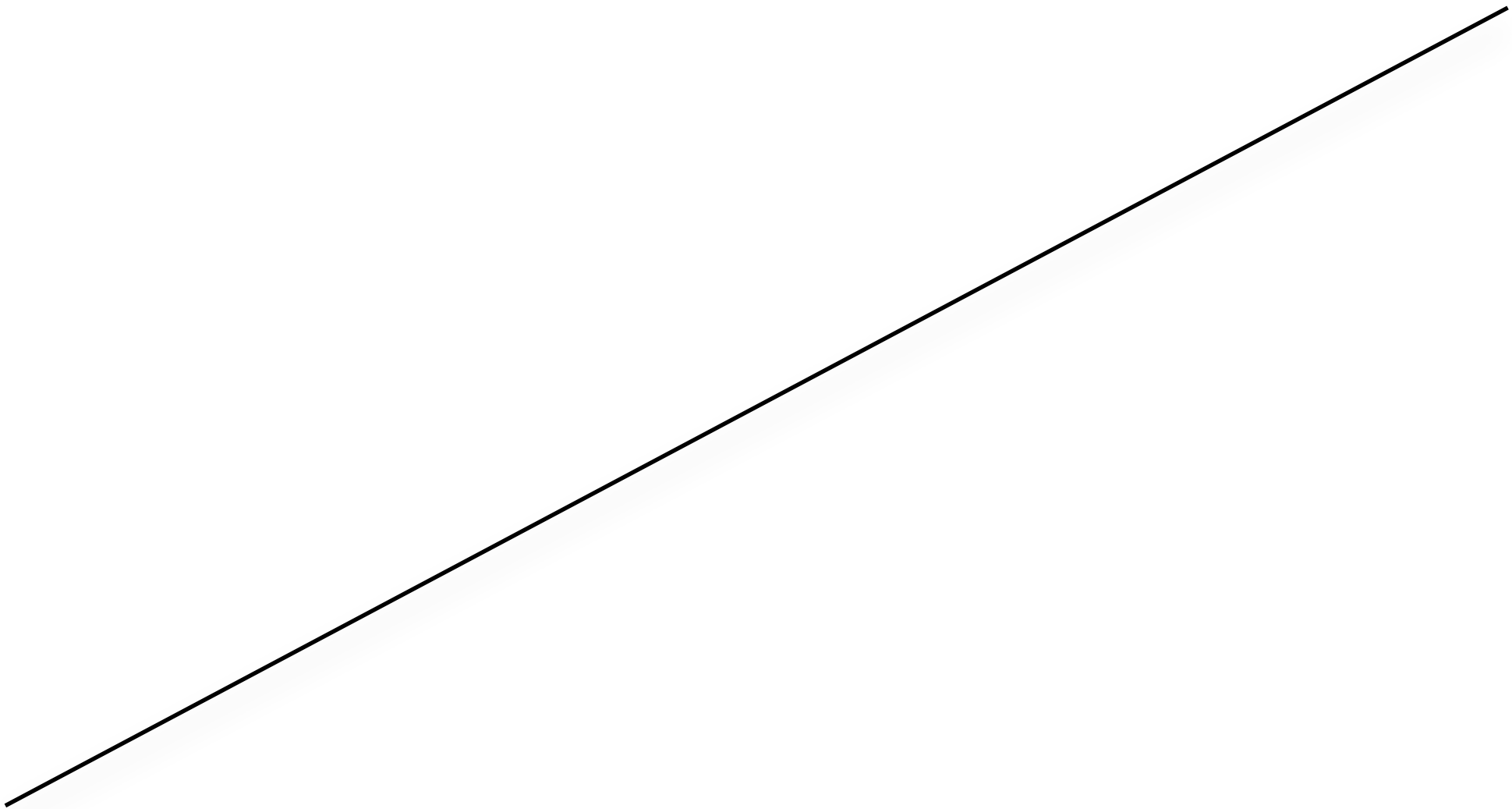
A large, solid red triangle pointing to the right, serving as a background for the text.

Welfare  
Loss

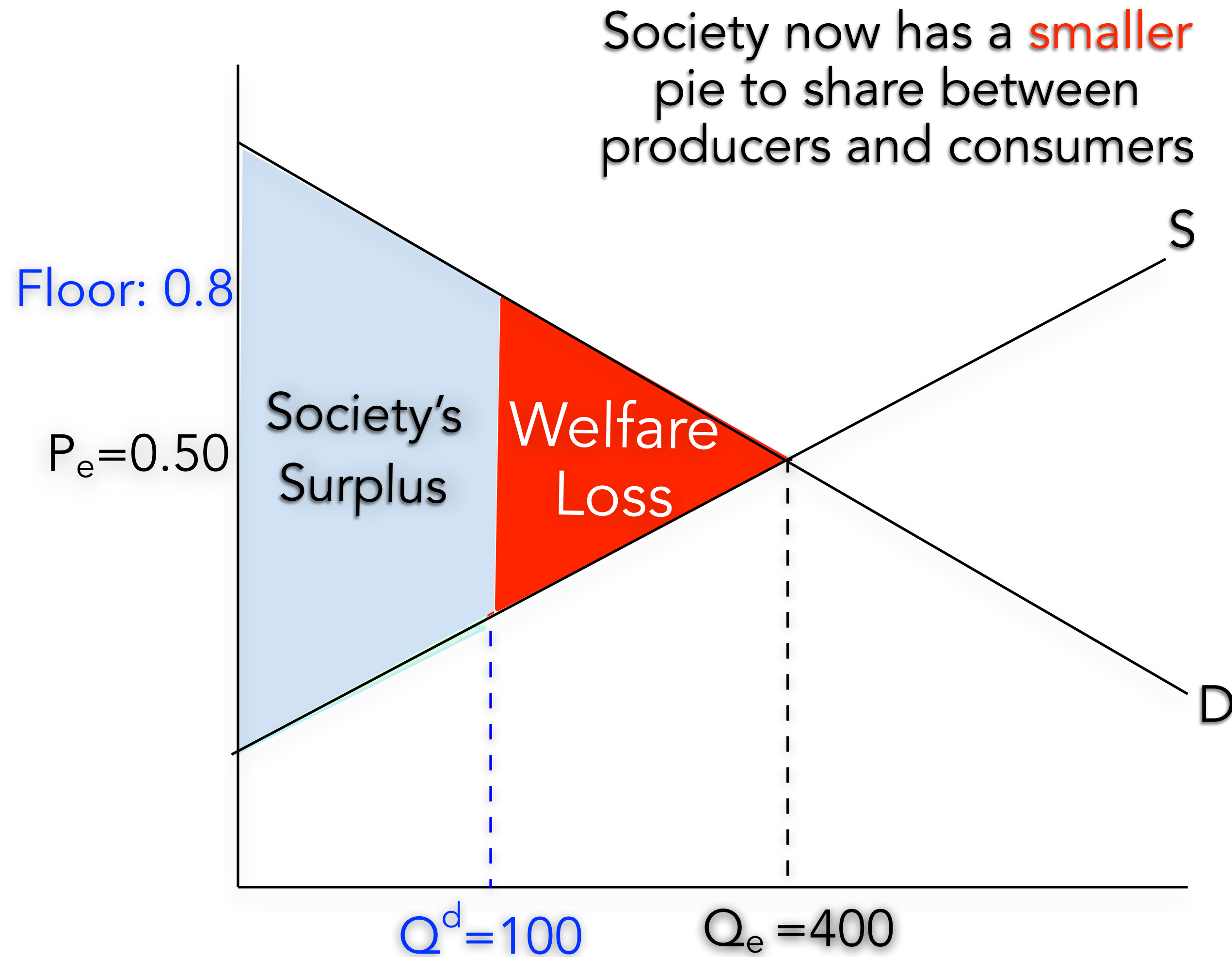








# The imposition of a Floor



Results in a **net loss of surplus** to society as a whole: everyone losses

# Calculating the Size of the Welfare Loss

