



18

16

14

12

10

8

6

4

2

0

2

4

6

8

10

12

14

16

18

20

22

Government impose a Price
Floor at \$14

$$CS_{\text{ at Equilibrium }} = \frac{(18-7) \times 10}{2} = 55$$

$$CS_{\text{ after floor }} = \frac{(18 - 14) \times 4}{2} = 8$$

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61

62

63

64

65

66

67

68

69

70

71

72

73

74

75

76

77

78

79

80

81

82

83

84

85

86

87

88

89

90

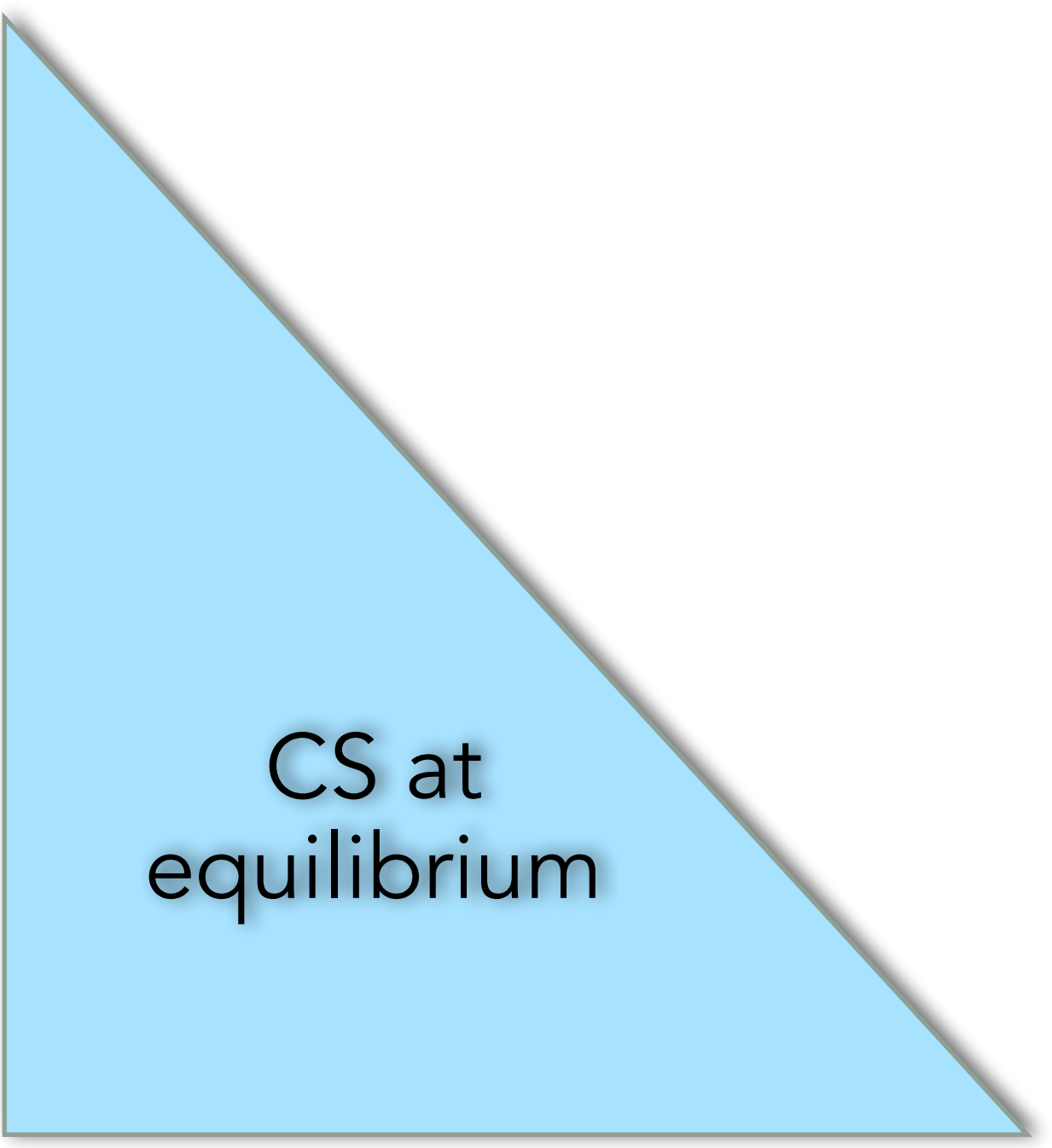
91

92

PS at
equilibrium

$$PS \text{ at Equilibrium} = \frac{(\textcolor{red}{7} - \textcolor{green}{2}) \times \textcolor{red}{10}}{2} = 25$$

$$PS_{\text{after floor}} = \frac{[(14-2)+(14-4)] \times 4}{2} = 44$$

A light blue right-angled triangle is positioned in the bottom-left corner of a white square. The triangle's hypotenuse runs from the top-left corner towards the bottom-right corner. The text "CS at equilibrium" is centered within the triangle.

CS at
equilibrium

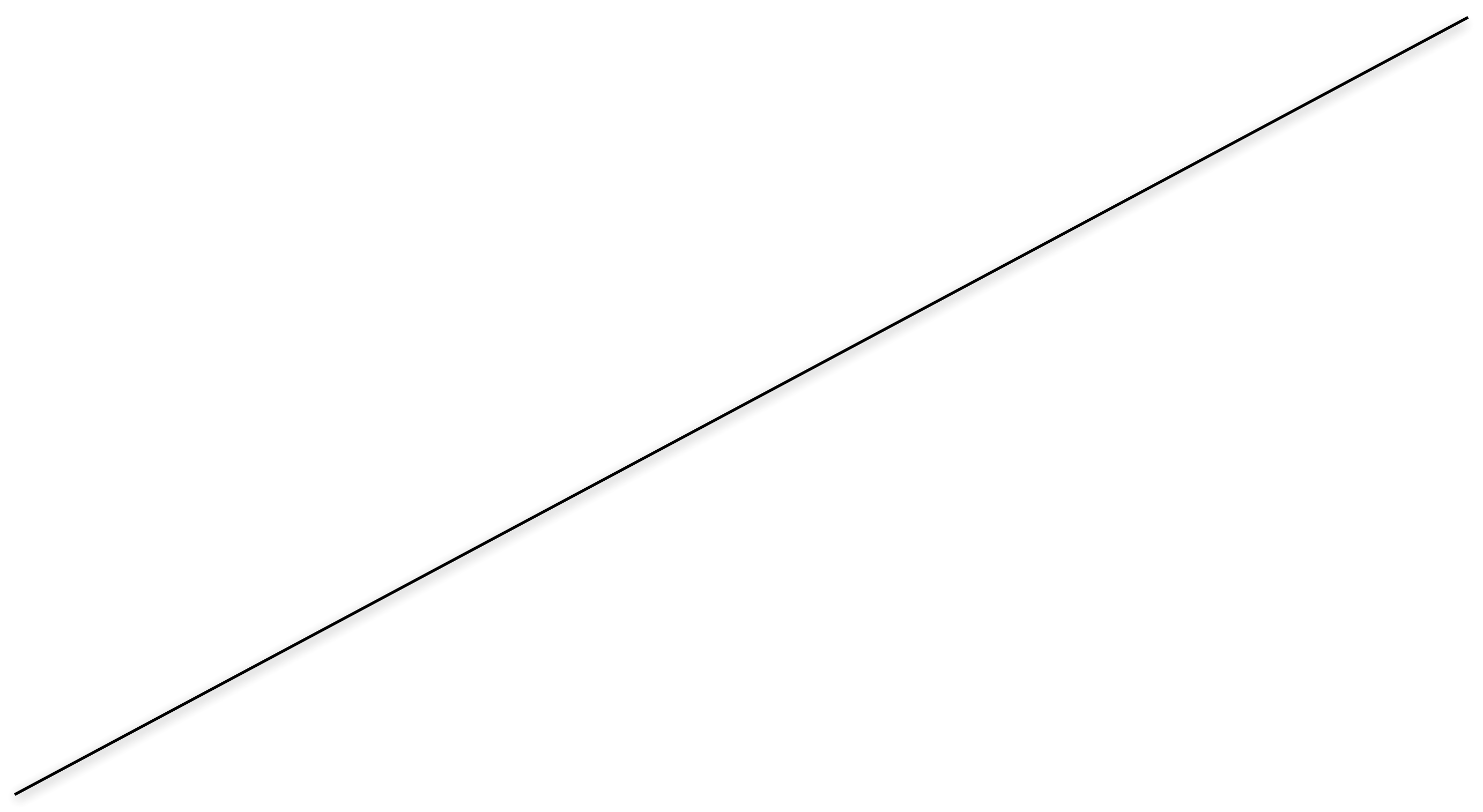


CS
after
Floor

PS
after
floor



WL



$$WL_{\text{ after floor}} = \frac{(14-4) \times (10-4)}{2} = 30$$

Lost CS

Gained PS

Tax to
Consumer
Subsidy to
Producer

$$\text{Tax/Subsidy} = (14 - 7) \times 4 = 28$$

7

-

-

-

-

-

-

-

-

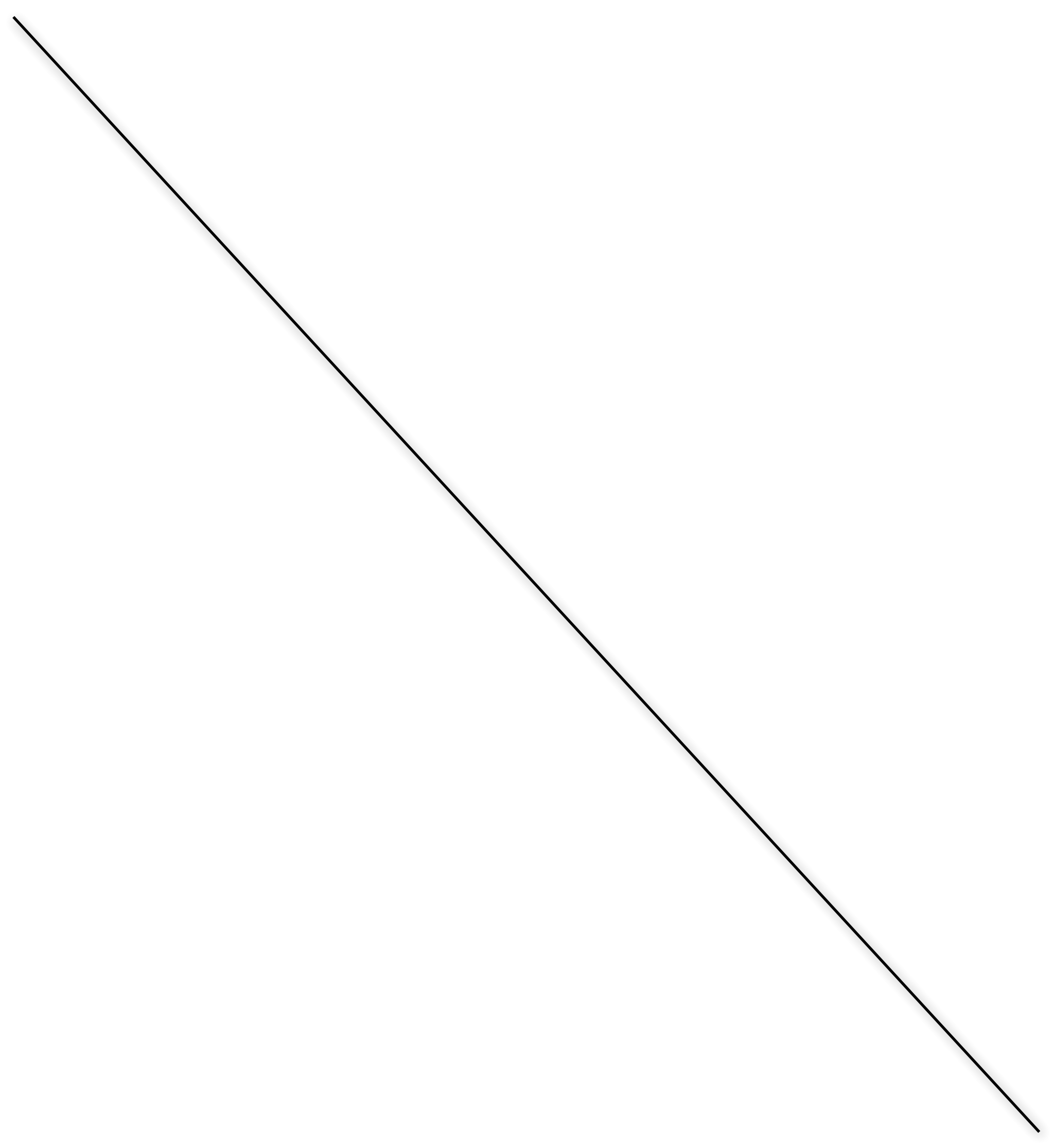
-

-

-

-

-



$$\text{Surplus} = 23 - 4$$







1

2

3

4

5

6

7

8

9

10

23





$$CS \text{ at Equilibrium} = \frac{(18-7) \times 10}{2} = 55$$

$$PS \text{ at Equilibrium} = \frac{(7-2) \times 10}{2} = 25$$

Government impose a Price
Floor at \$14

$$CS \text{ after floor} = \frac{(18-14) \times 4}{2} = 8$$

$$PS \text{ after floor} = \frac{[(14-2) + (14-4)] \times 4}{2} = 44$$

$$WL \text{ after floor} = \frac{(14-4) \times (10-4)}{2} = 30$$

$$\text{Tax/Subsidy} = (14 - 7) \times 4 = 28$$

