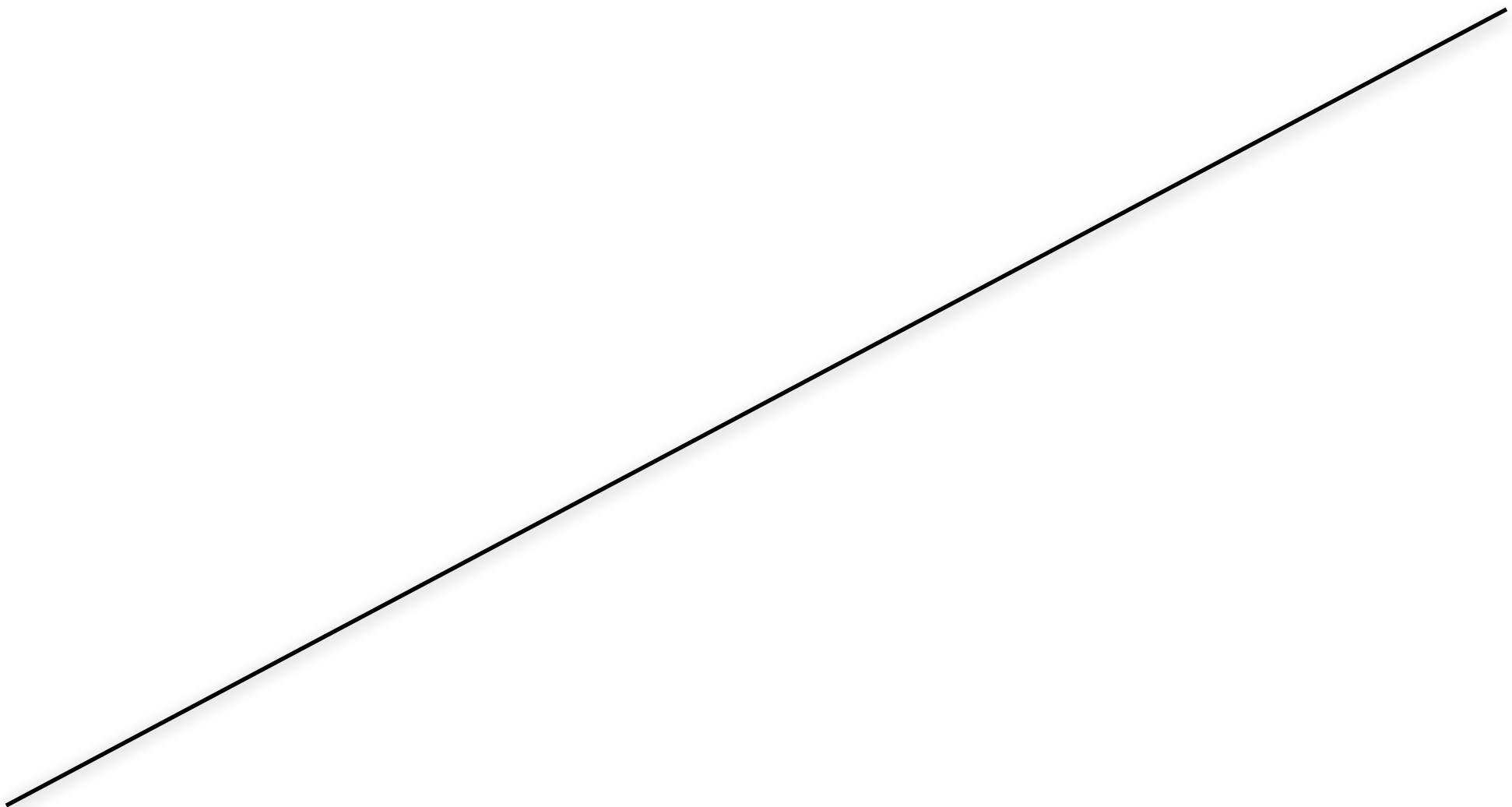




S



$$Q_e = 400$$

$$P_e = 0.50$$

Floor: \$0.8

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

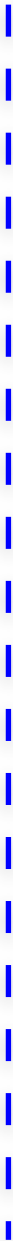
A large pink triangle occupies the left half of the slide, pointing towards the right. The text 'CS at Equilibrium' is written in black inside this triangle.

CS at
Equilibrium

CS after
floor is
imposed



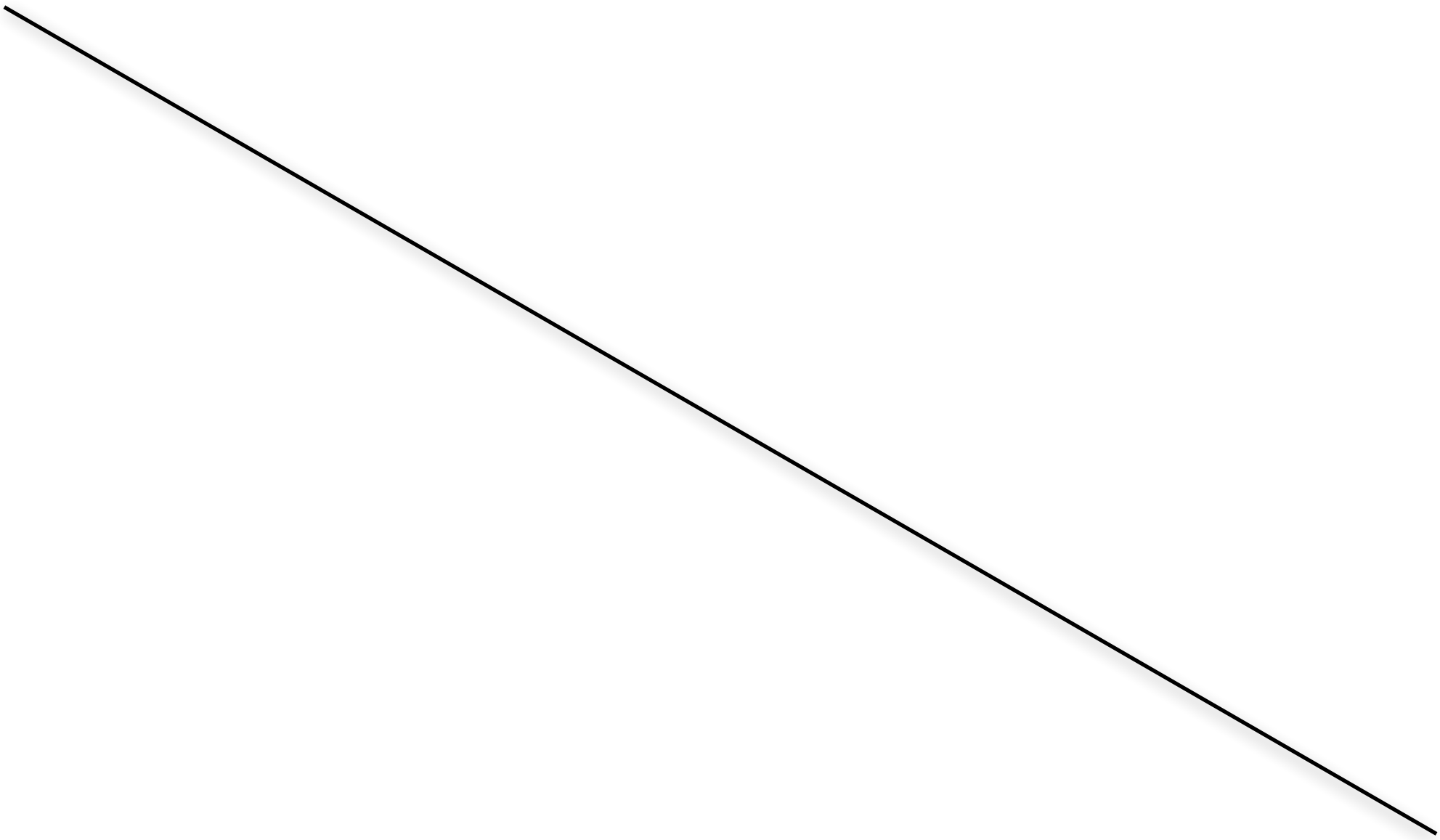




$$Q^d = 100$$

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

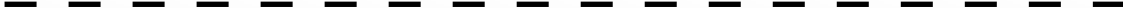
S



$$Q_e = 4000$$

$$P_e = 0.50$$

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 pink arrow pointing to the right, serving as a background for the text.

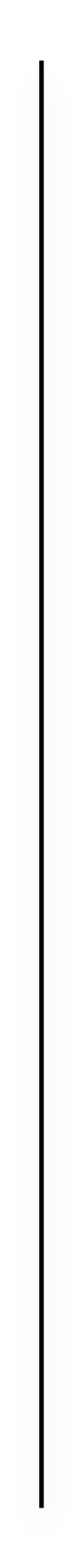
Society's
Surplus

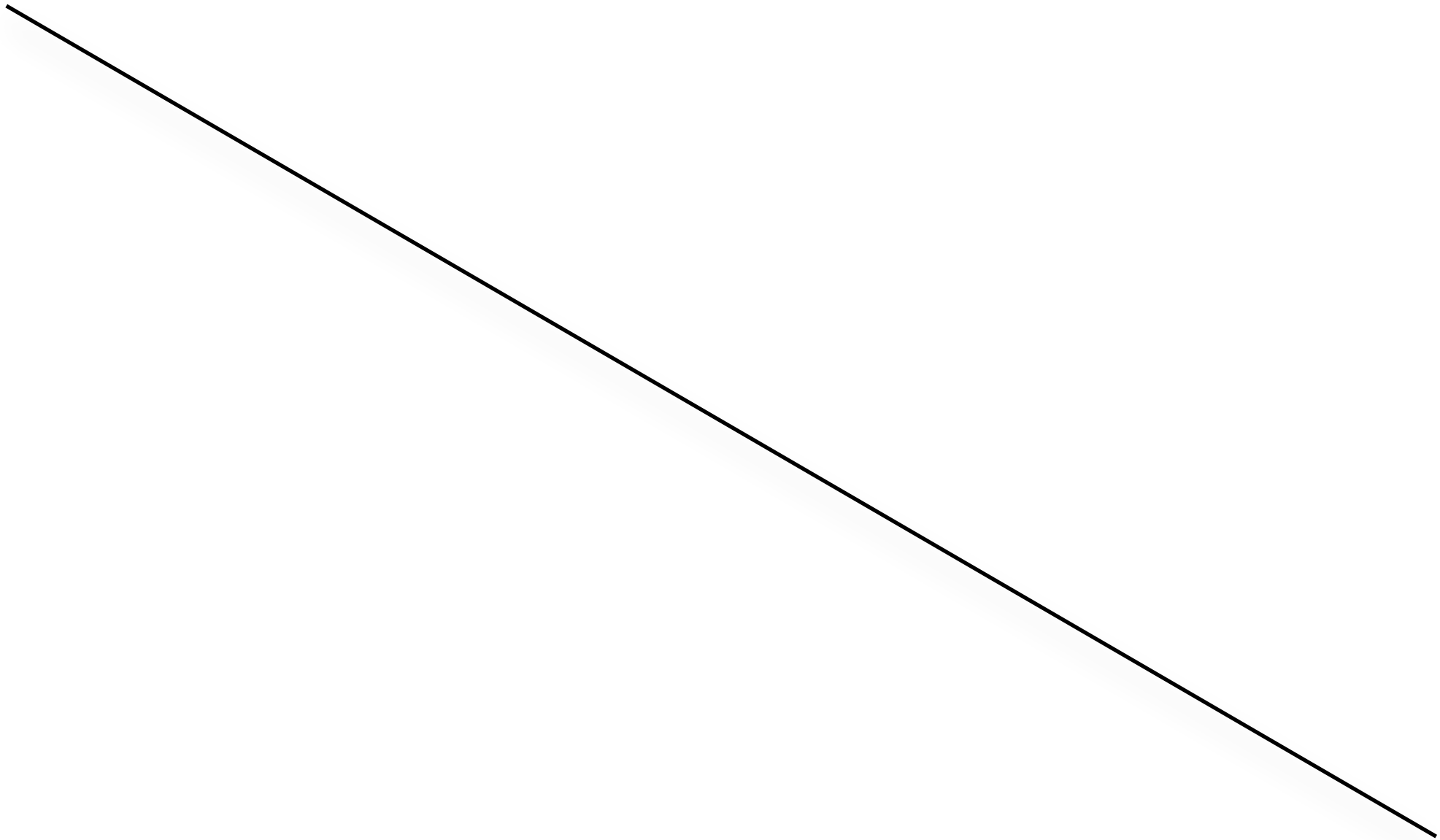


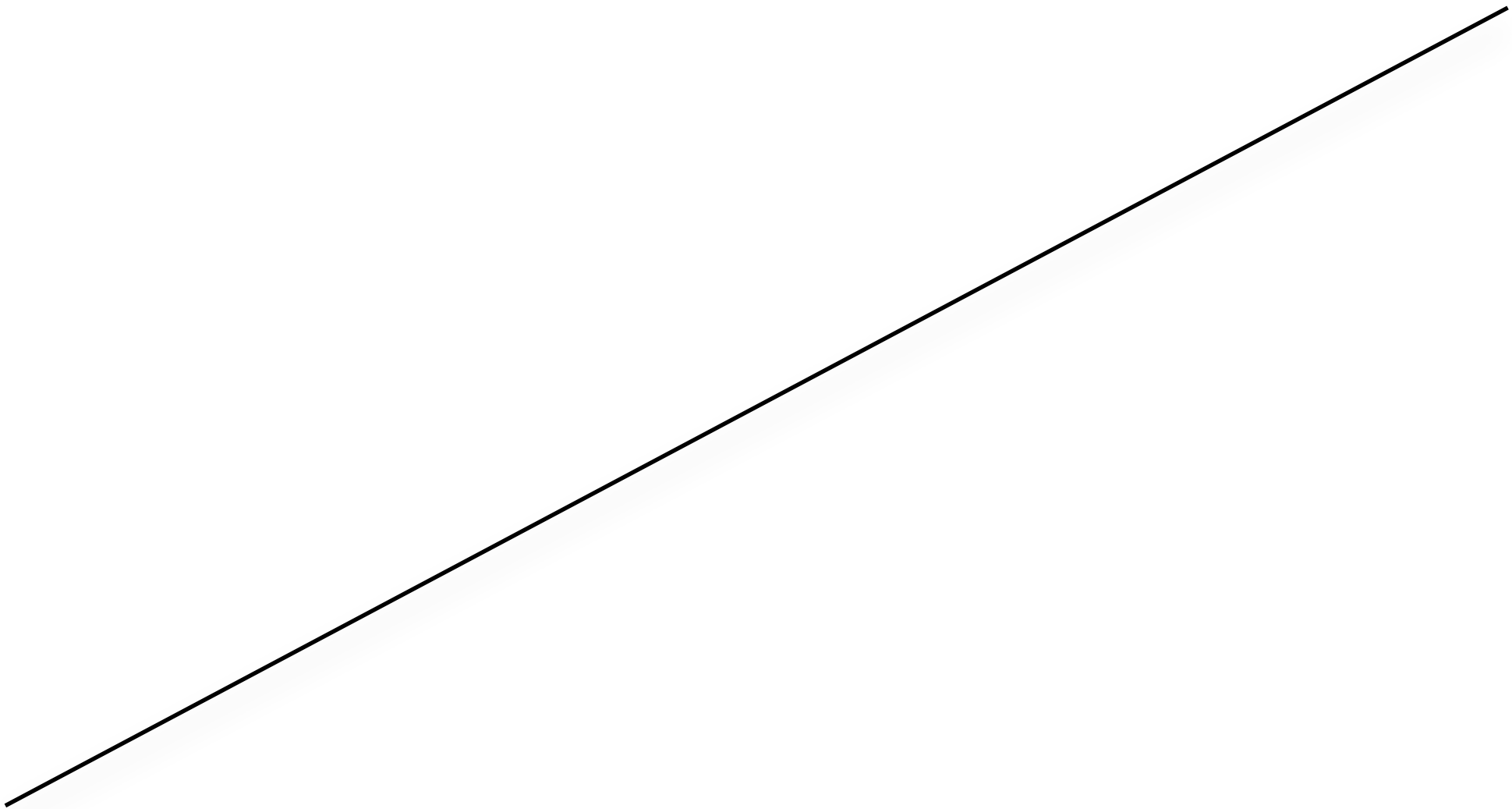
Society's
Surplus

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

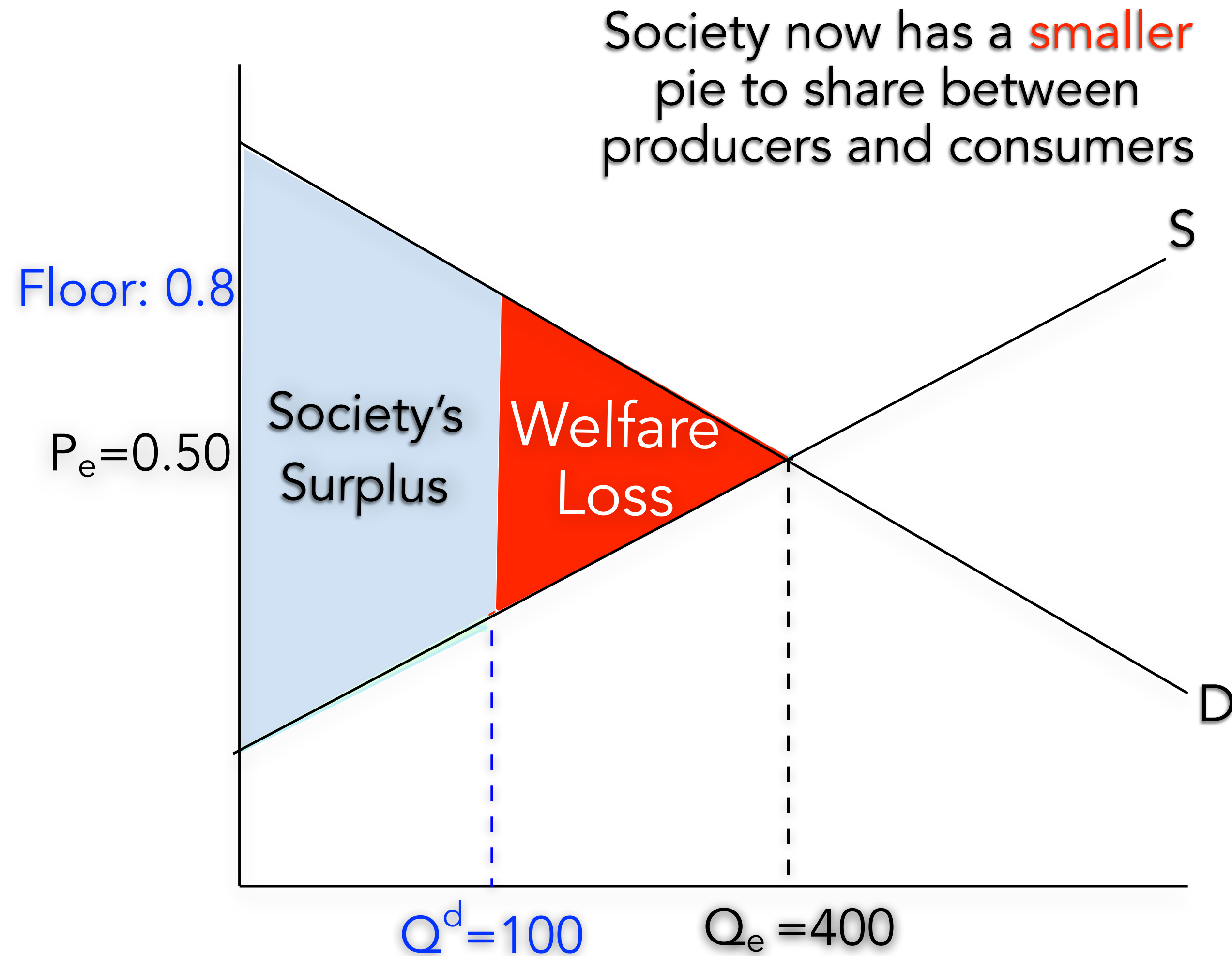
Welfare
Loss







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

