

T



b

e

e

f



e

c

t





e



a

p

r



c

e

C

e





n

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h



b



t

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9

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b



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m

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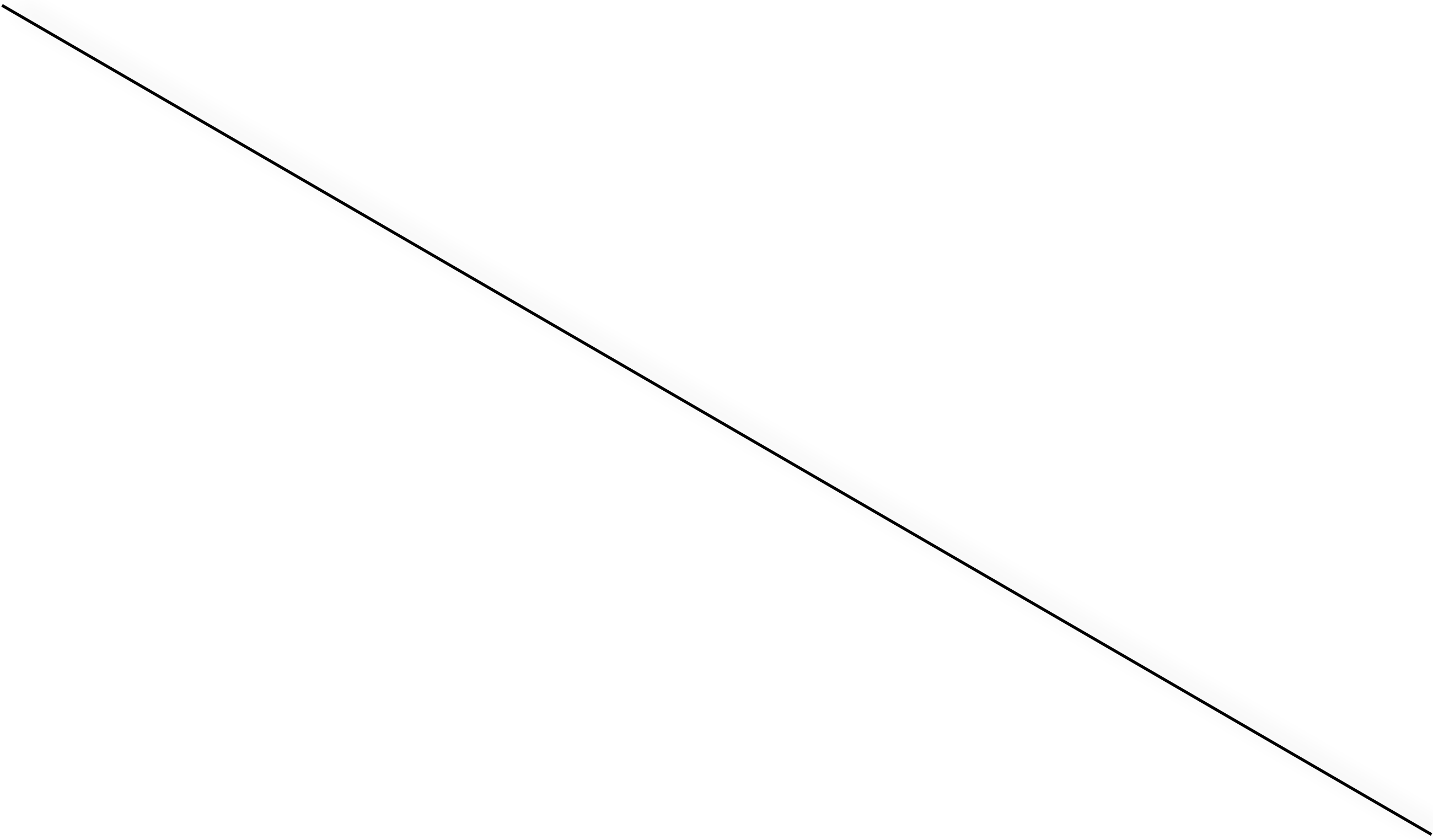
r



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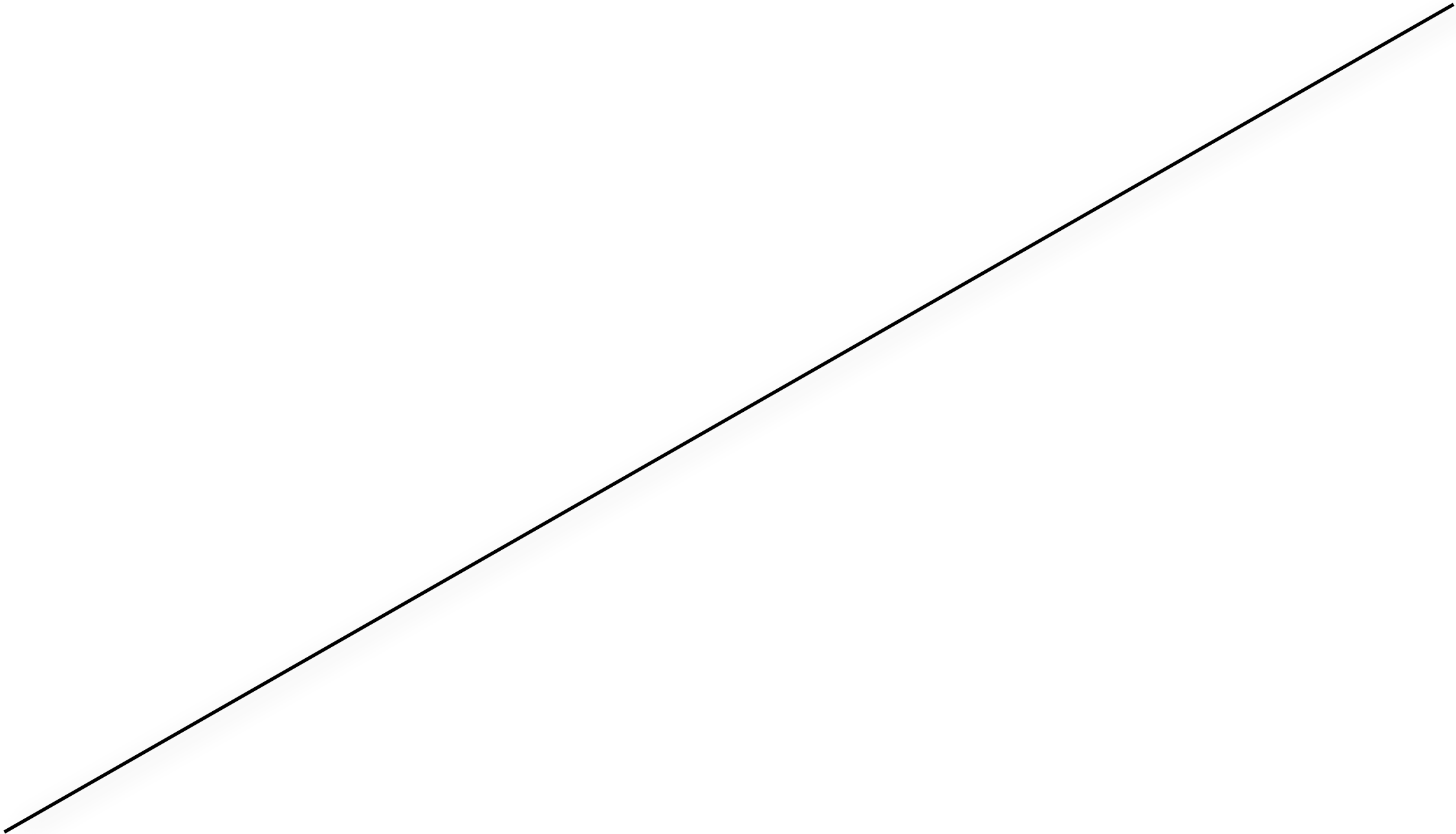




D

S

4,000







$$Q_e = 600$$

$$P_e = 3,900$$

1

2

3

4

5

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

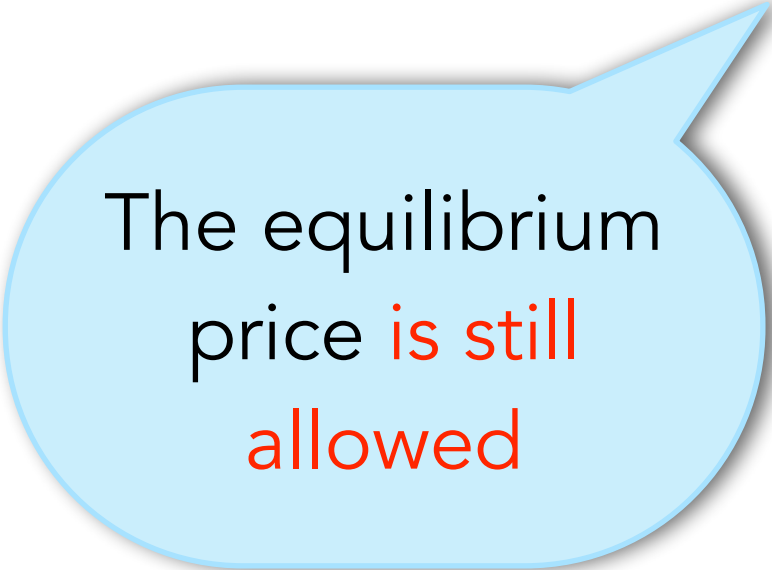


Price Ceiling

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

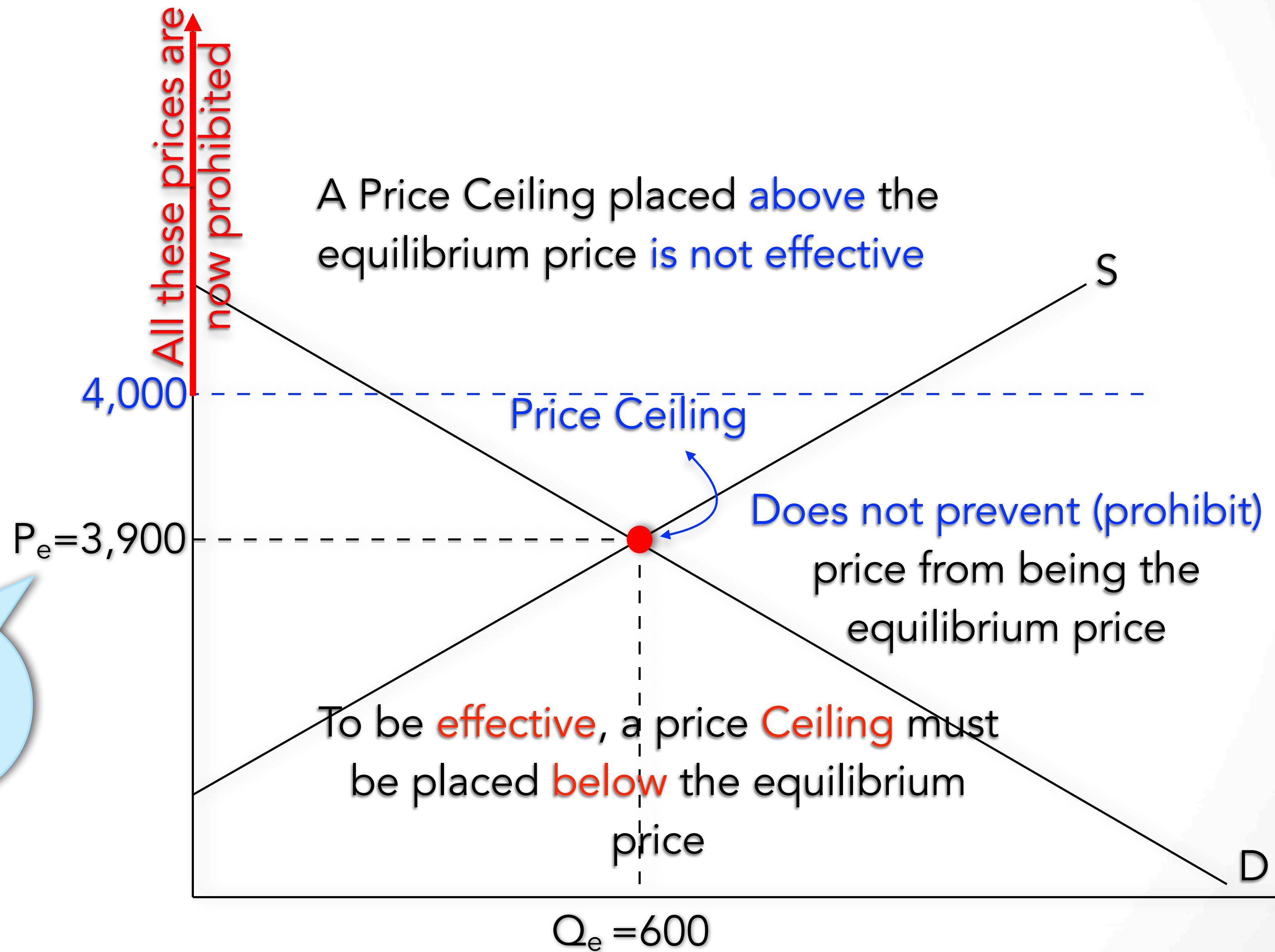
A Price Ceiling placed above the equilibrium price is not effective



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

