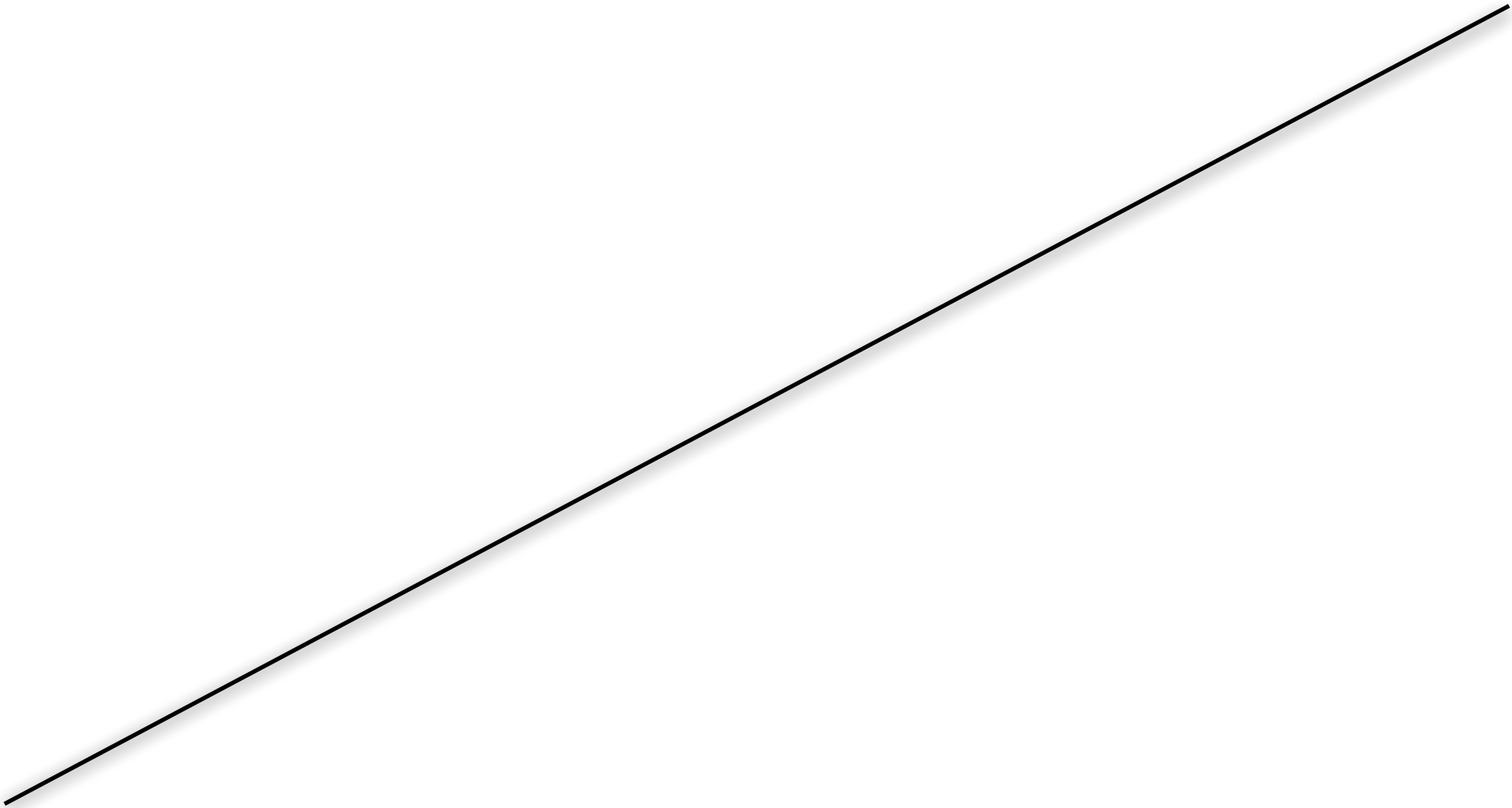


Consumers **definitely lose** CS as a result of the price
floor





S



1

2

3

4

5

6

7

8

$$Q_e = 4000$$

$$P_e = 0.50$$

Price Floor: 0.8

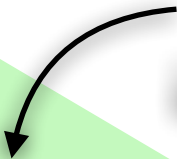


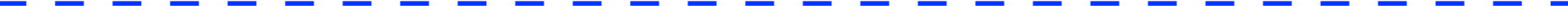
A large pink triangle occupies the left half of the slide, pointing towards the right. The text 'CS at Equilibrium' is written in black inside this triangle.

CS at
Equilibrium

$$Q_d = 100$$

CS after
floor is
imposed





Qs = 8000



CS: Area **below** demand and above the price
the consumer pays



Consumers can only afford
to buy 100 units at the
new higher price

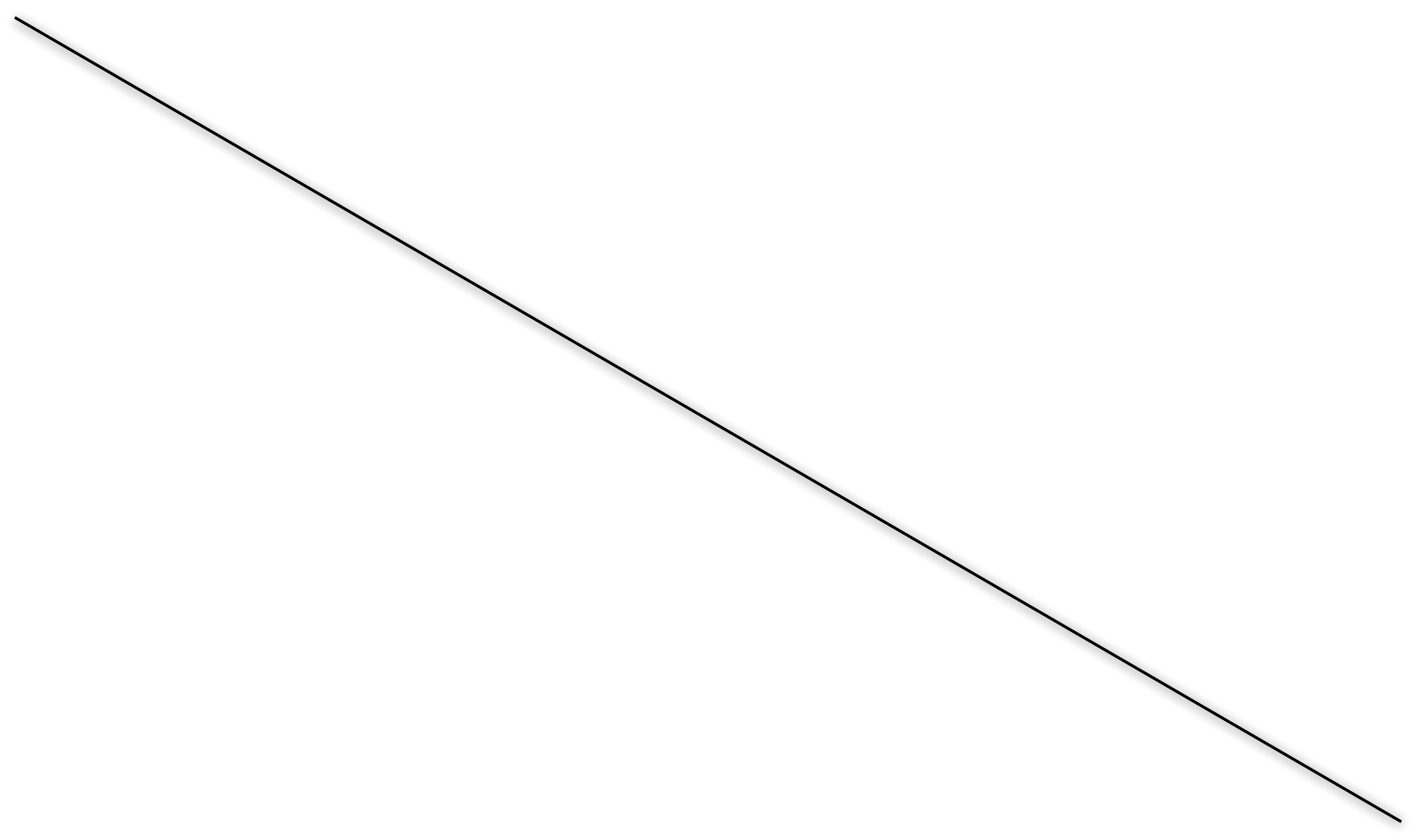
Consumers can only get
Consumer Surplus on 100
units



$$Q^d = 100$$



CS lost



CS lost



Consumers **definitely lose** CS as a result of the price floor

