

T



b

e

e

f



e

c

t





e



a

p

r



C

e

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e





n

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h



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t

t

h

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9

u





b



u

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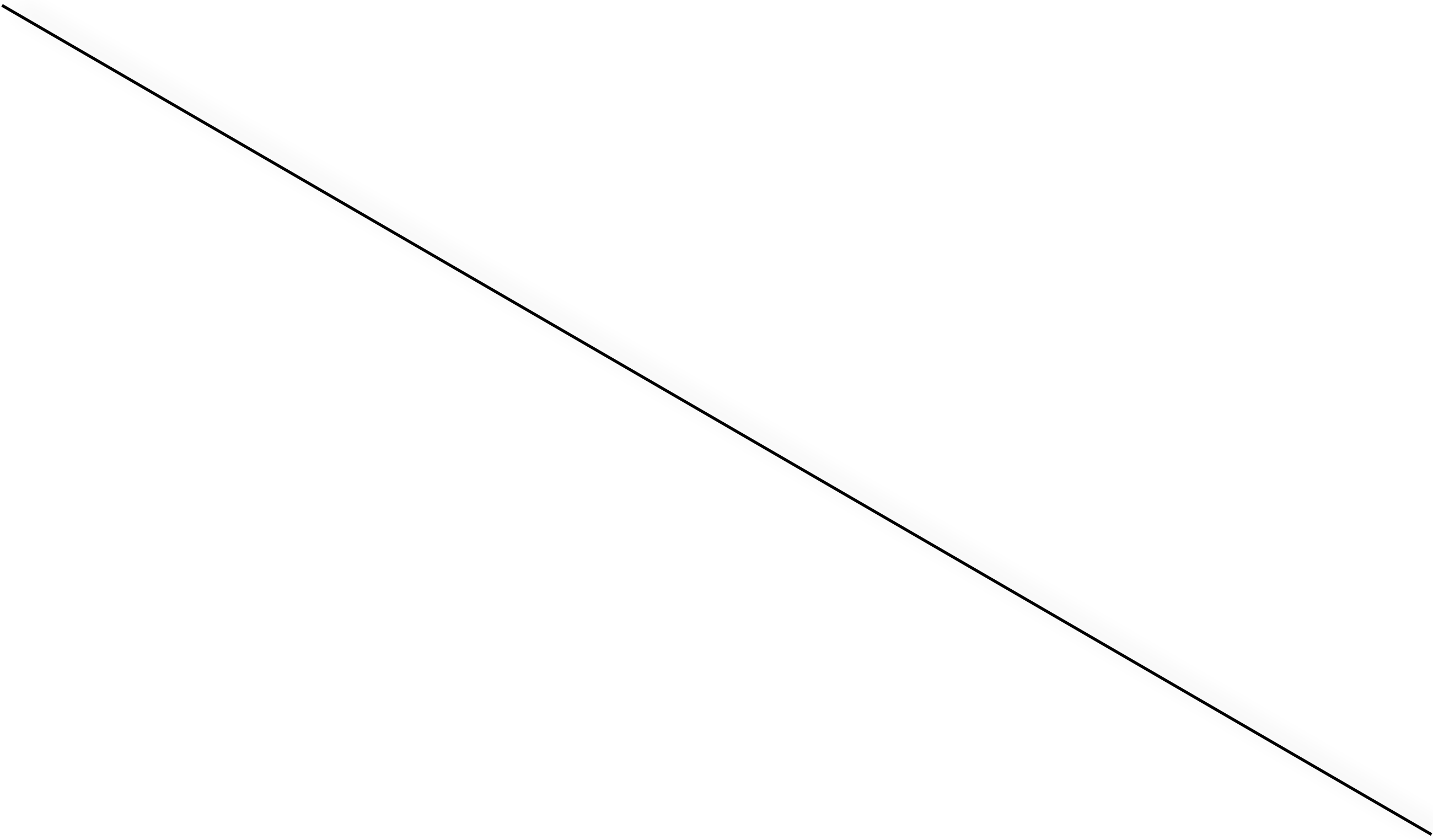
r



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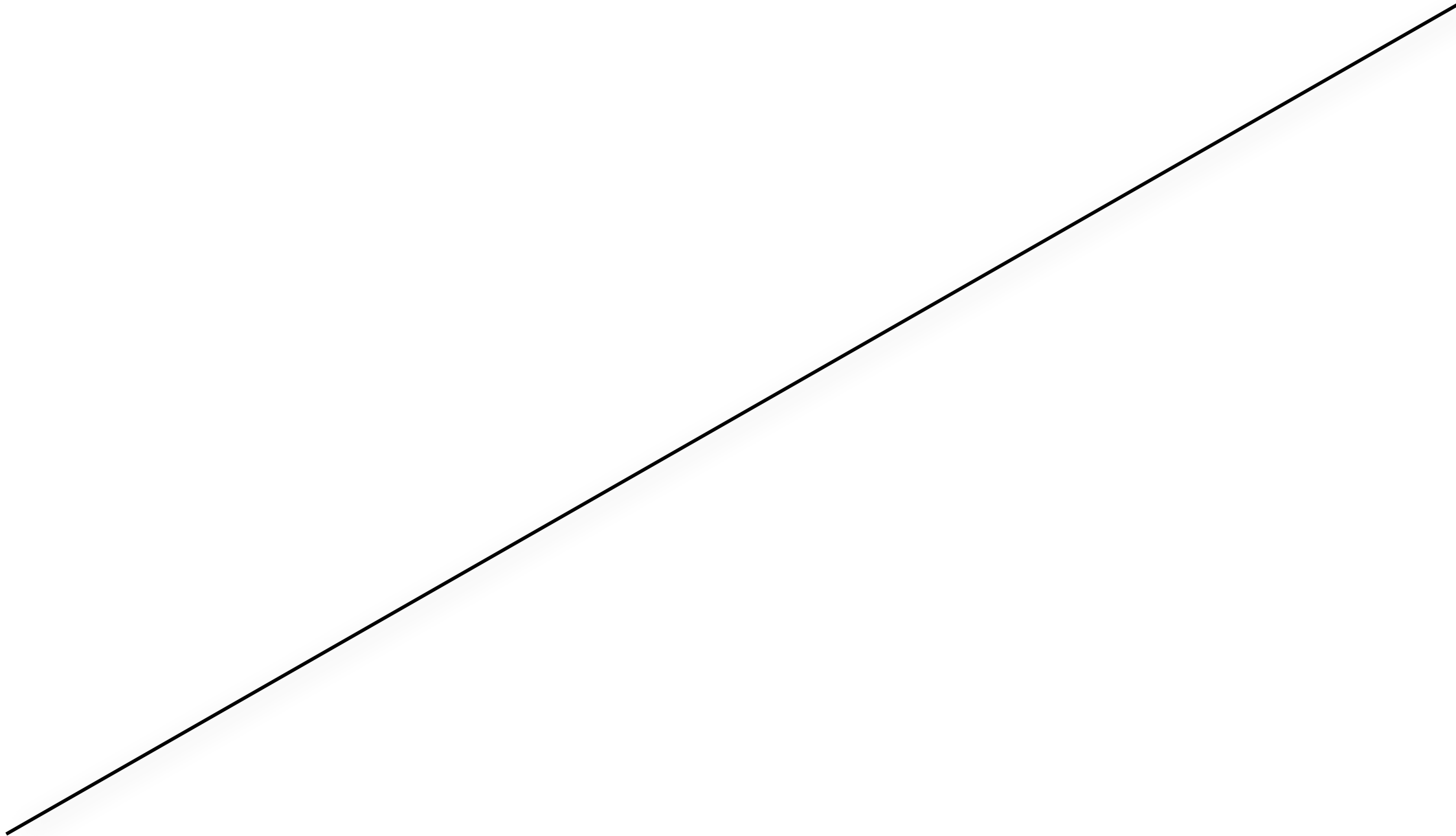




D

S

4,000





1

2

3

4

5

6

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8

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11

12

13

14

15

$$Q_e = 6000$$


$$P_e = 3,900$$



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

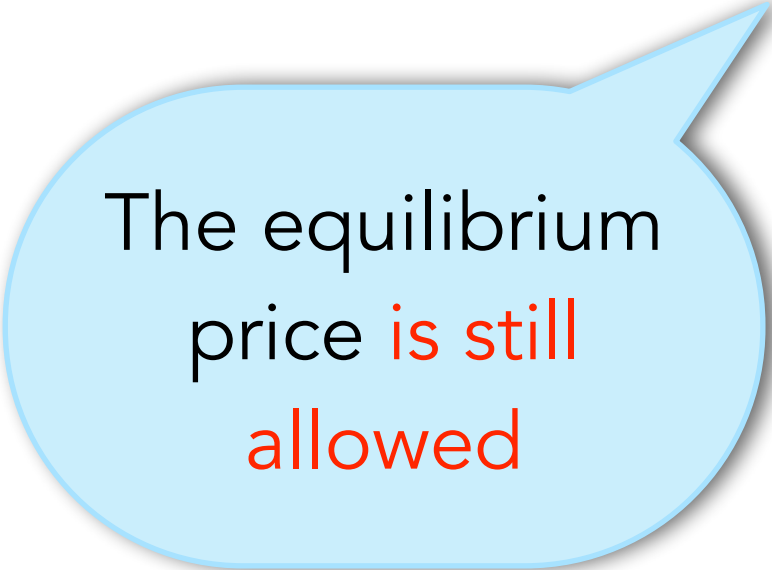


Price Ceiling

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

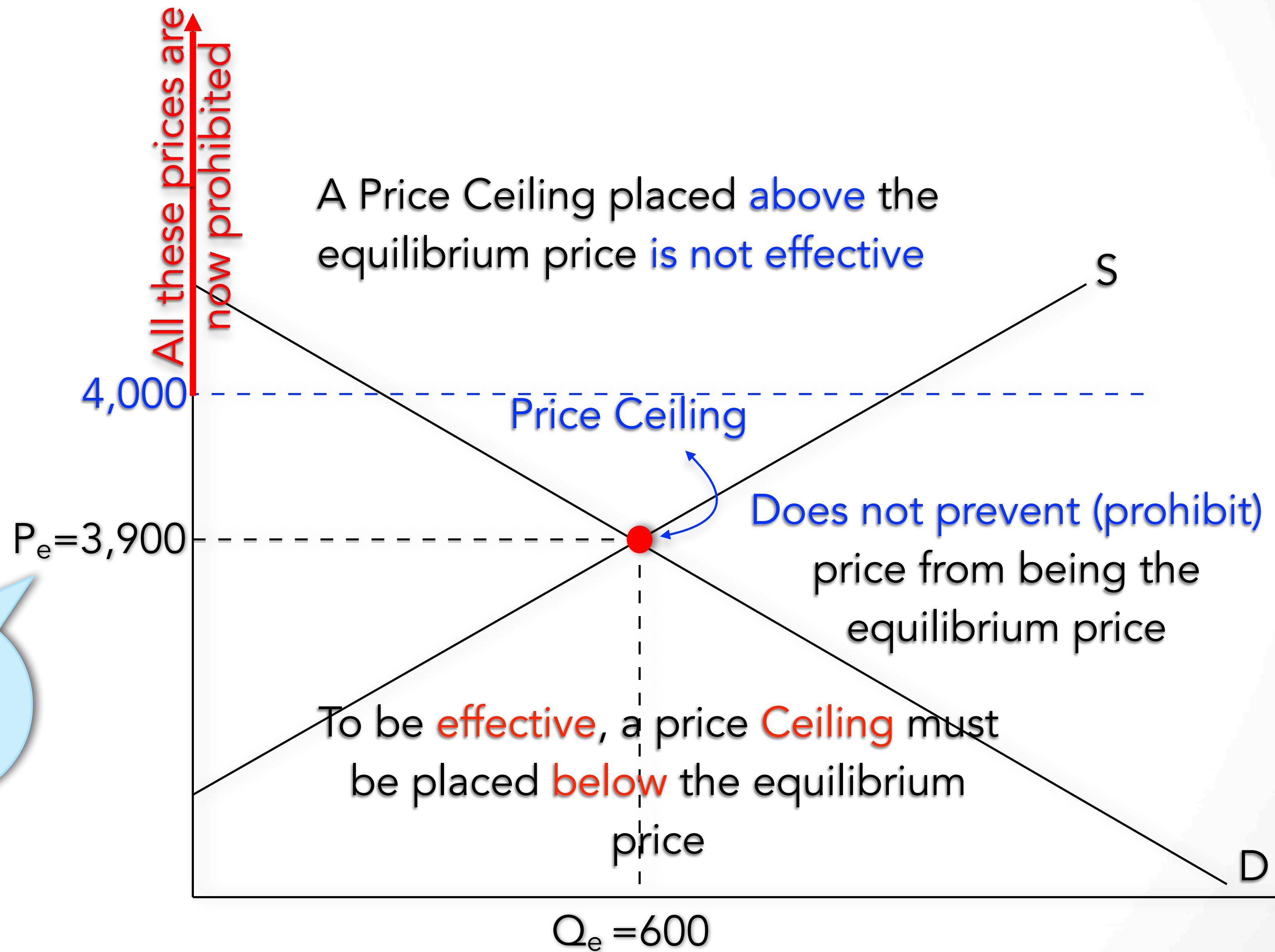
A Price Ceiling placed above the equilibrium price is not effective



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

