



Price Ceiling









S

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Q.0



CS

P  
ceiling

**P<sub>1</sub>**

20

PS





P<sub>0</sub>



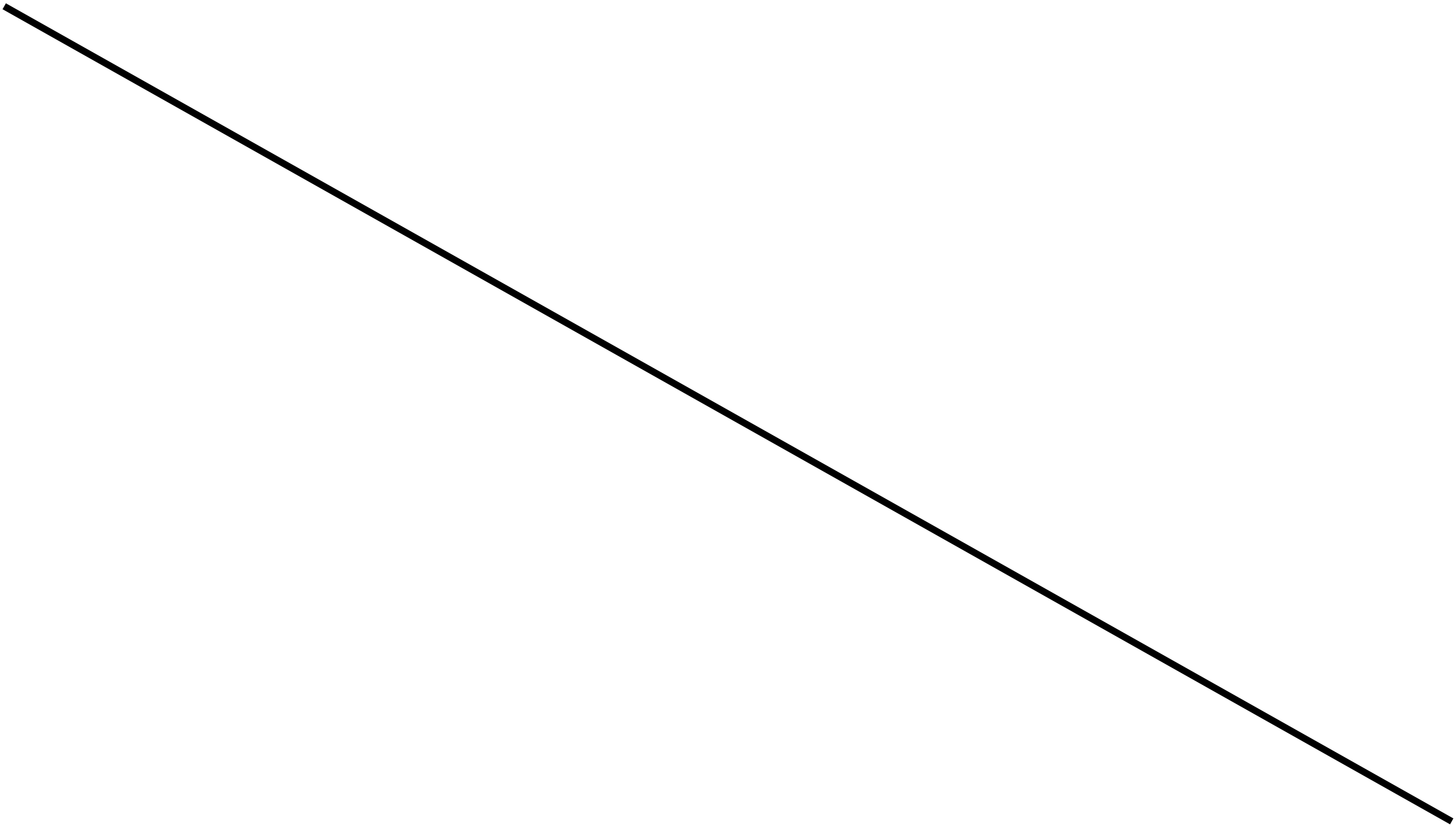




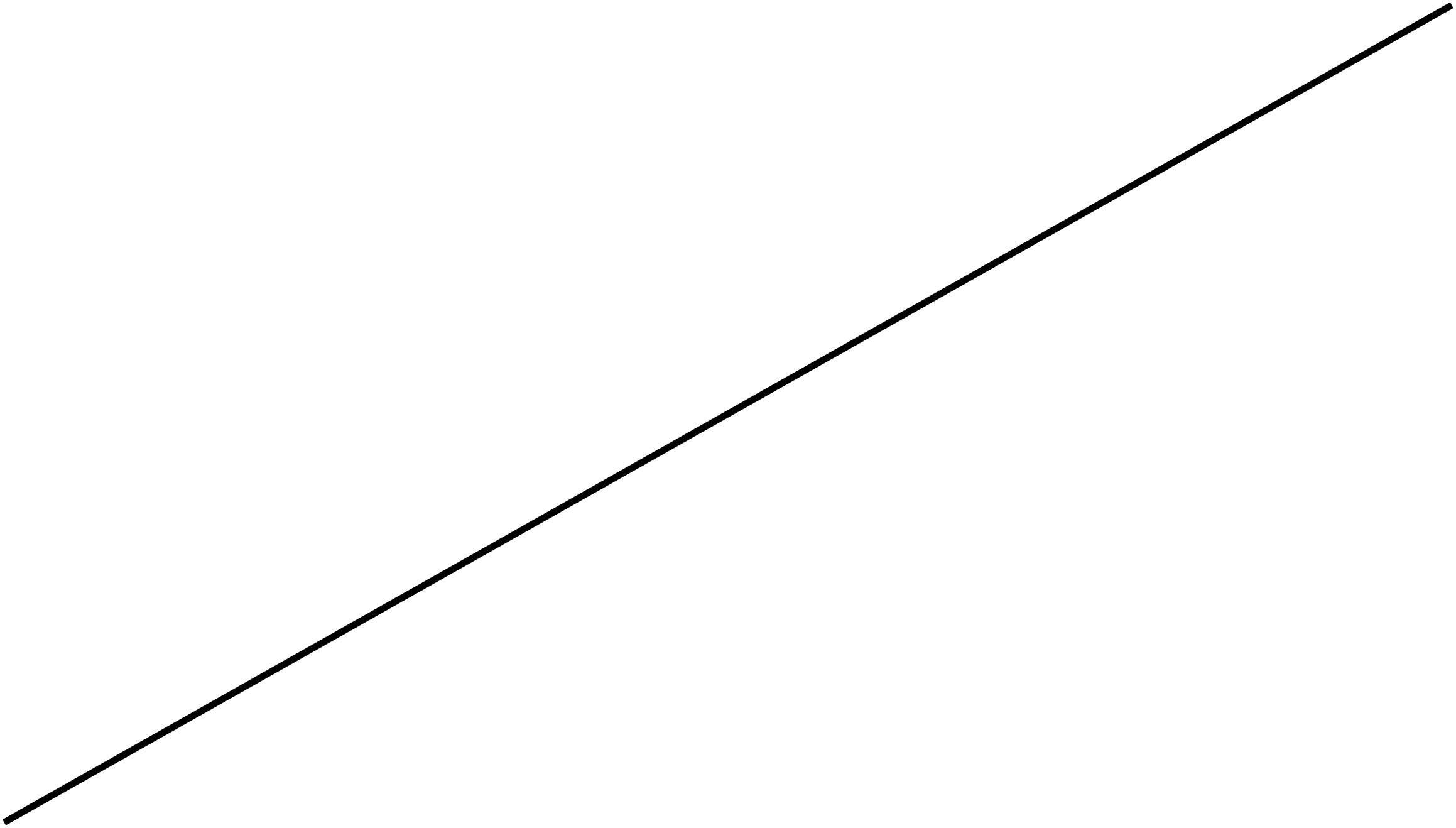
Tax/  
Subsidy

CS

**WIL**







Tax to producers

Subsidy to consumers

This area represents both: Producer surplus **lost** by sellers and Consumer surplus **gained** by buyers



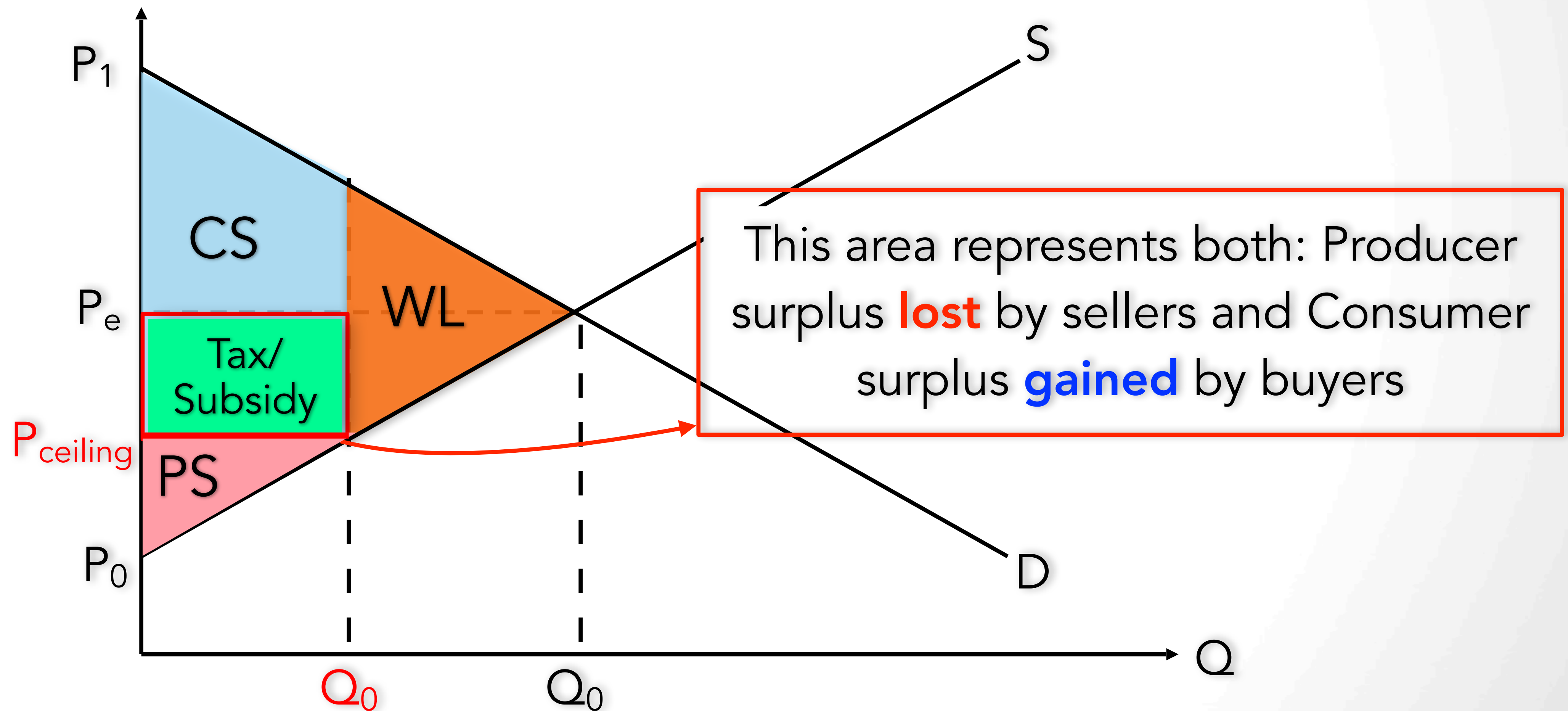


PS



Price Ceiling

Tax to producers  
Subsidy to consumers





# Consider the Corn Market

