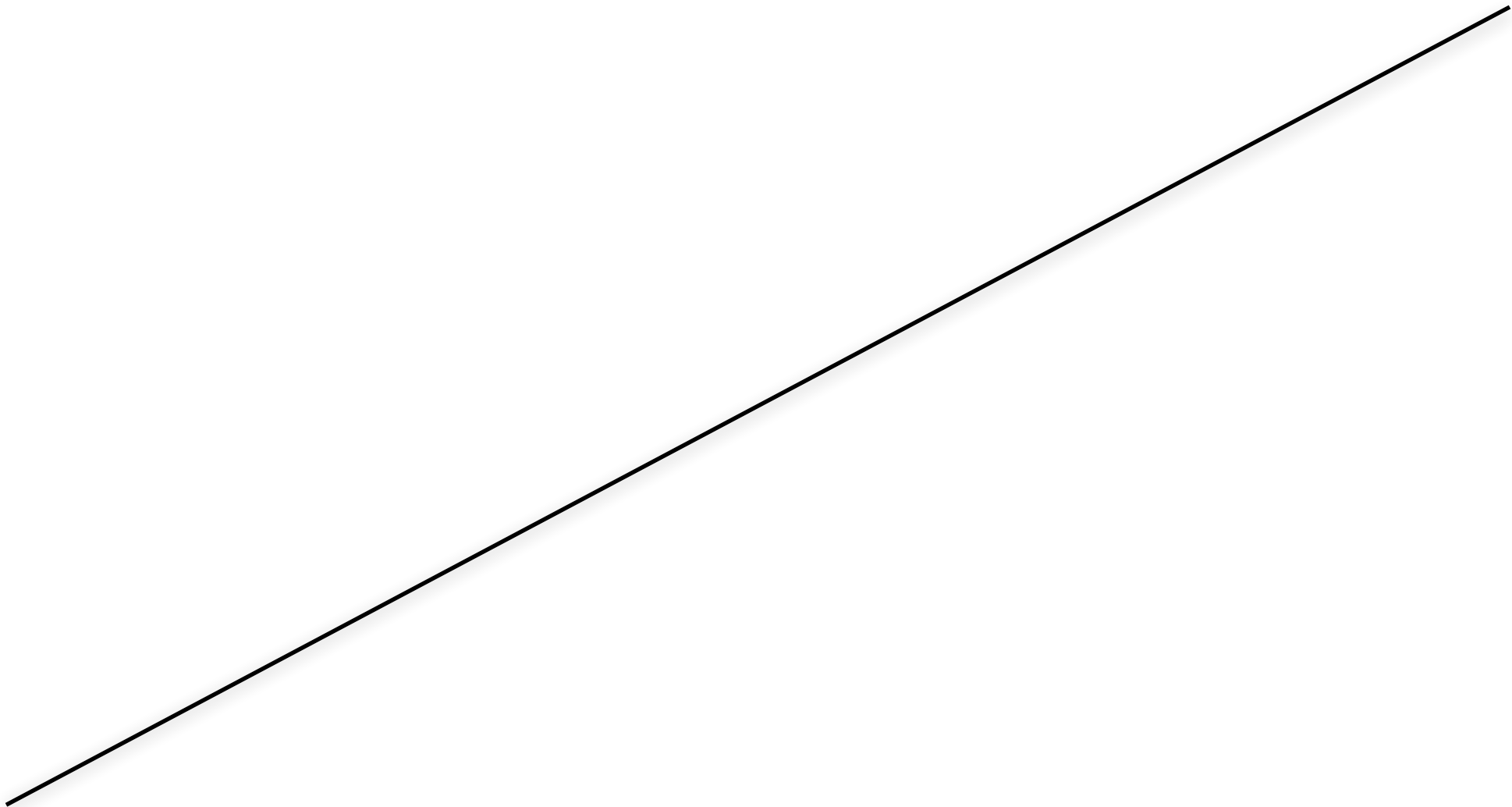


D

S





$$Q_e = 4000$$

$$P_e = 0.50$$

Price Floor: 0.8



A large pink triangle pointing to the right, with the text 'CS at Equilibrium' inside it.

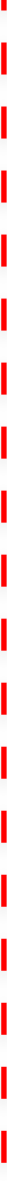
CS at
Equilibrium

$$Q_d = 100$$

CS after
floor is
imposed



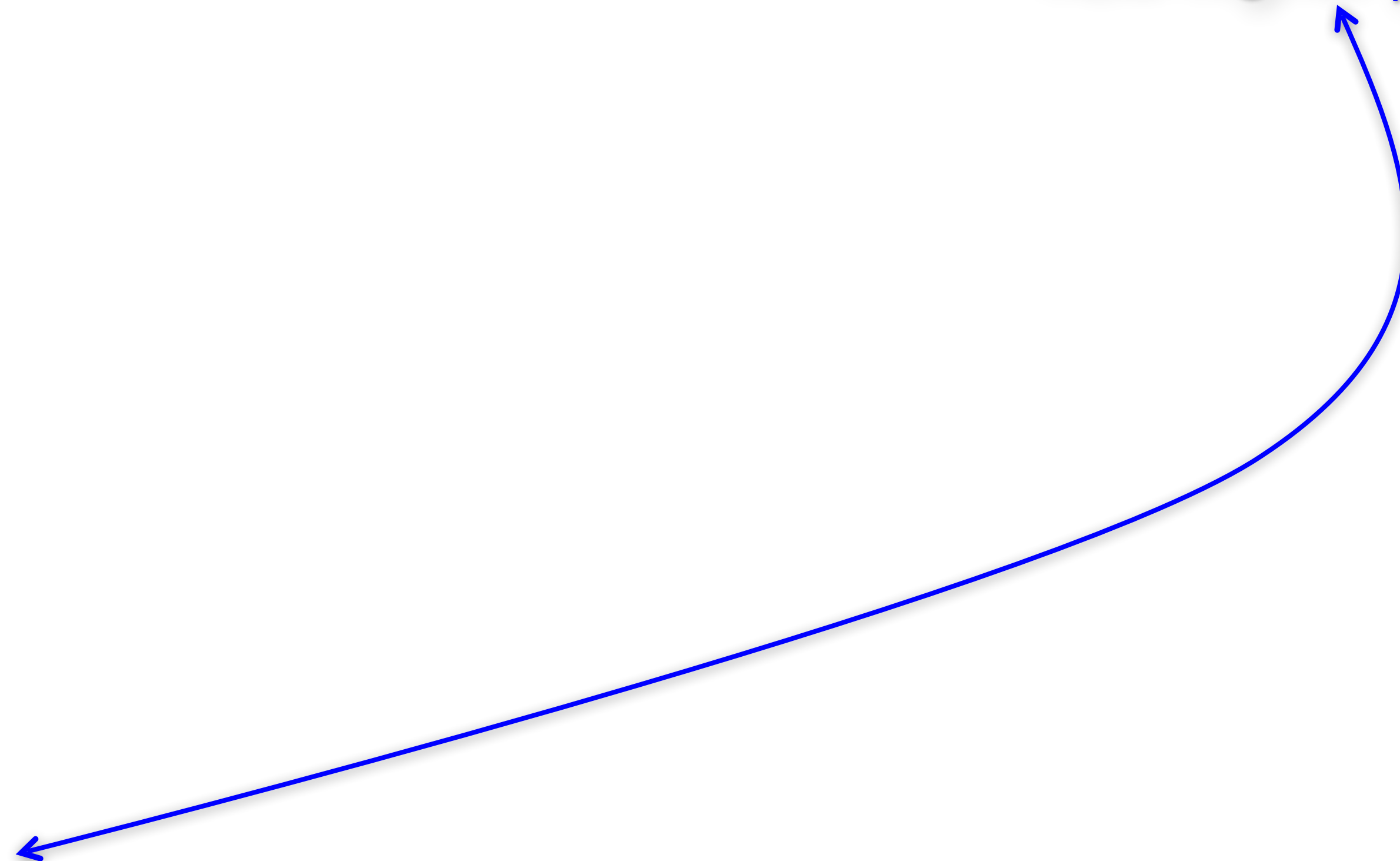




Qs = 8000

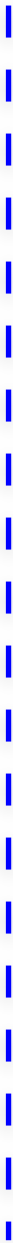


Consumers can only afford
to buy 100 units at the
new higher price



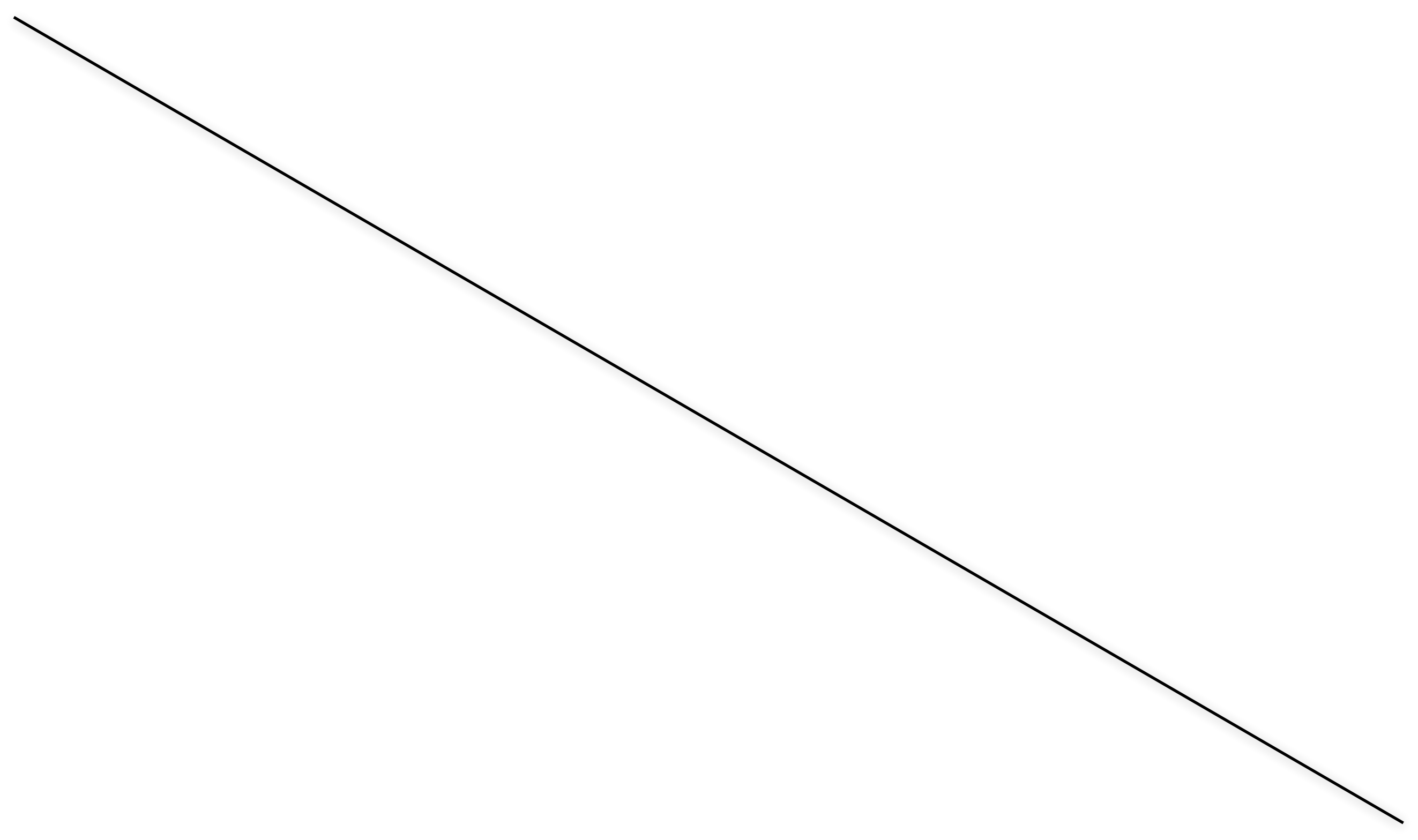
Consumers can only get
Consumer Surplus on 100
units

$$Q^d = 100$$



A red triangle with a dark red border, pointing to the right. The text "CS lost" is written inside the triangle in a black, sans-serif font.

CS lost



CS lost



The imposition of a Floor (for example price supports)

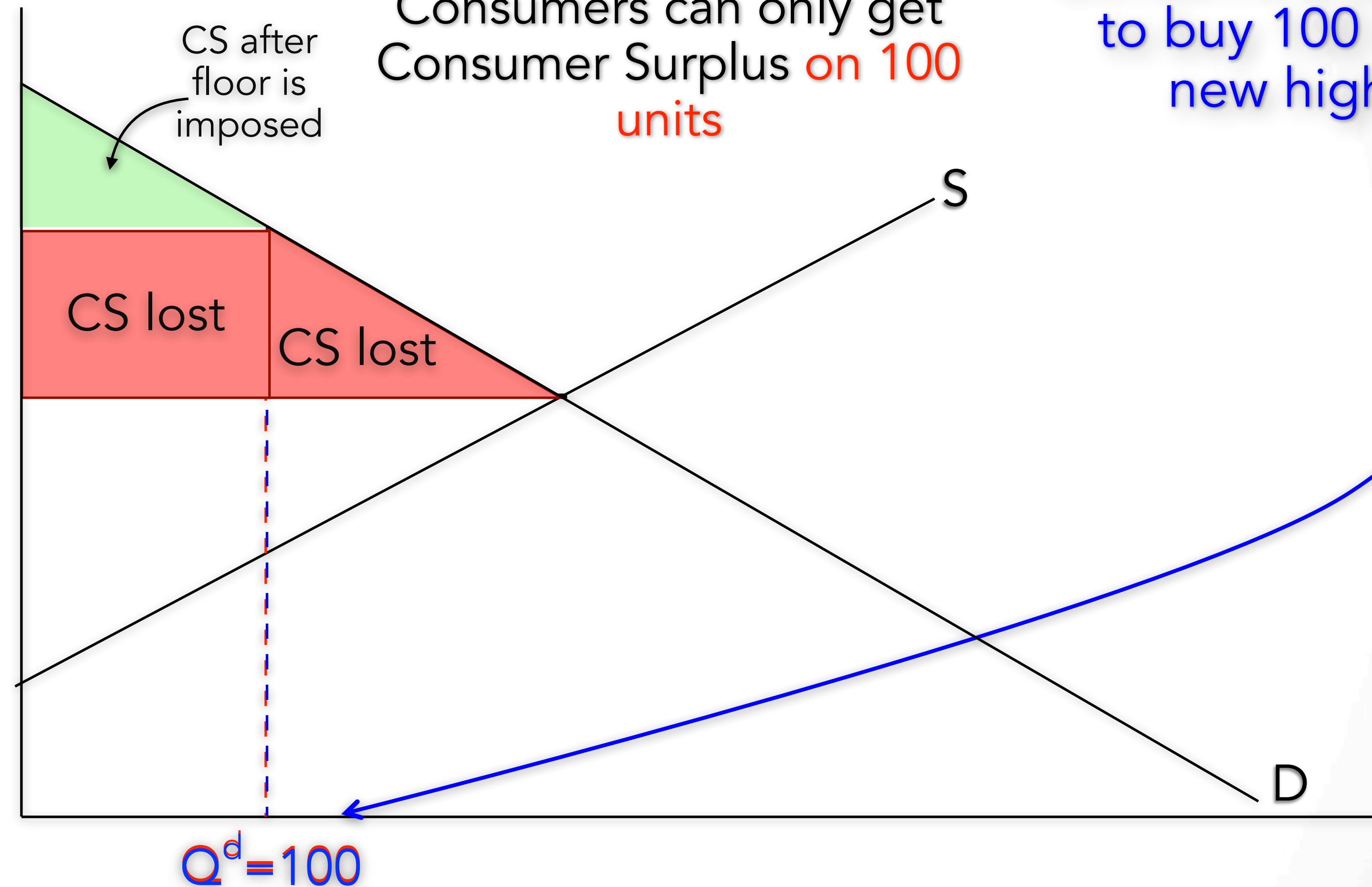
Results in a **decrease** in the number of units purchased by consumers and a higher price

Consumers pay a higher price on the fewer units they can afford to buy

The imposition of a Floor (for example price supports)

Consumers **pay a higher price** on the fewer units they can afford to buy

Price Floor: 0.8



Consumers can only get Consumer Surplus **on 100 units**

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

Results in a **decrease** in the number of units purchased by consumers and a higher price

