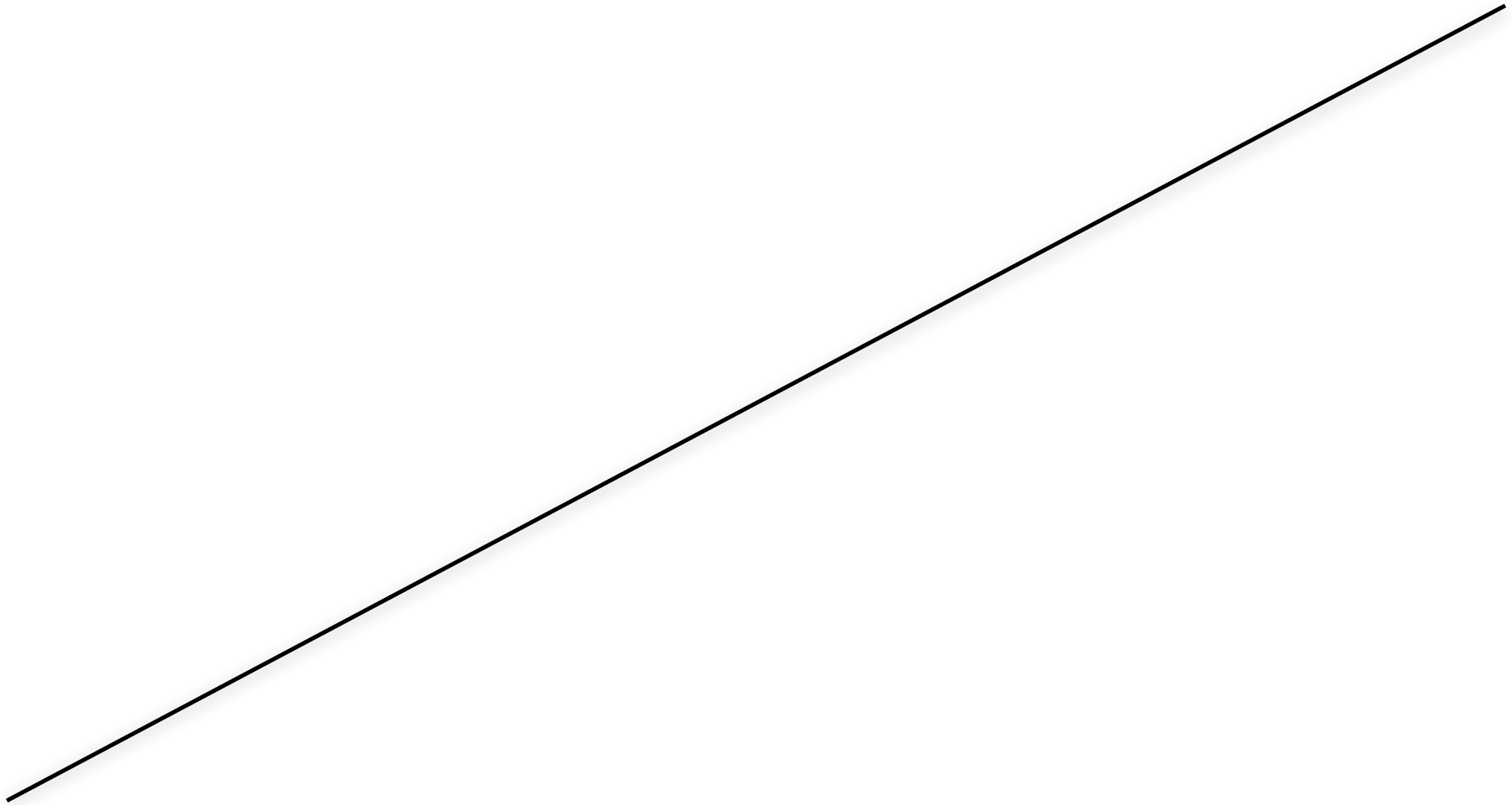








S





$$Q_e = 4000$$

Floor: \$0.8





A large pink triangle occupies the left half of the image, pointing towards the right. A thin red horizontal line is positioned to the left of the text.

CS at  
Equilibrium

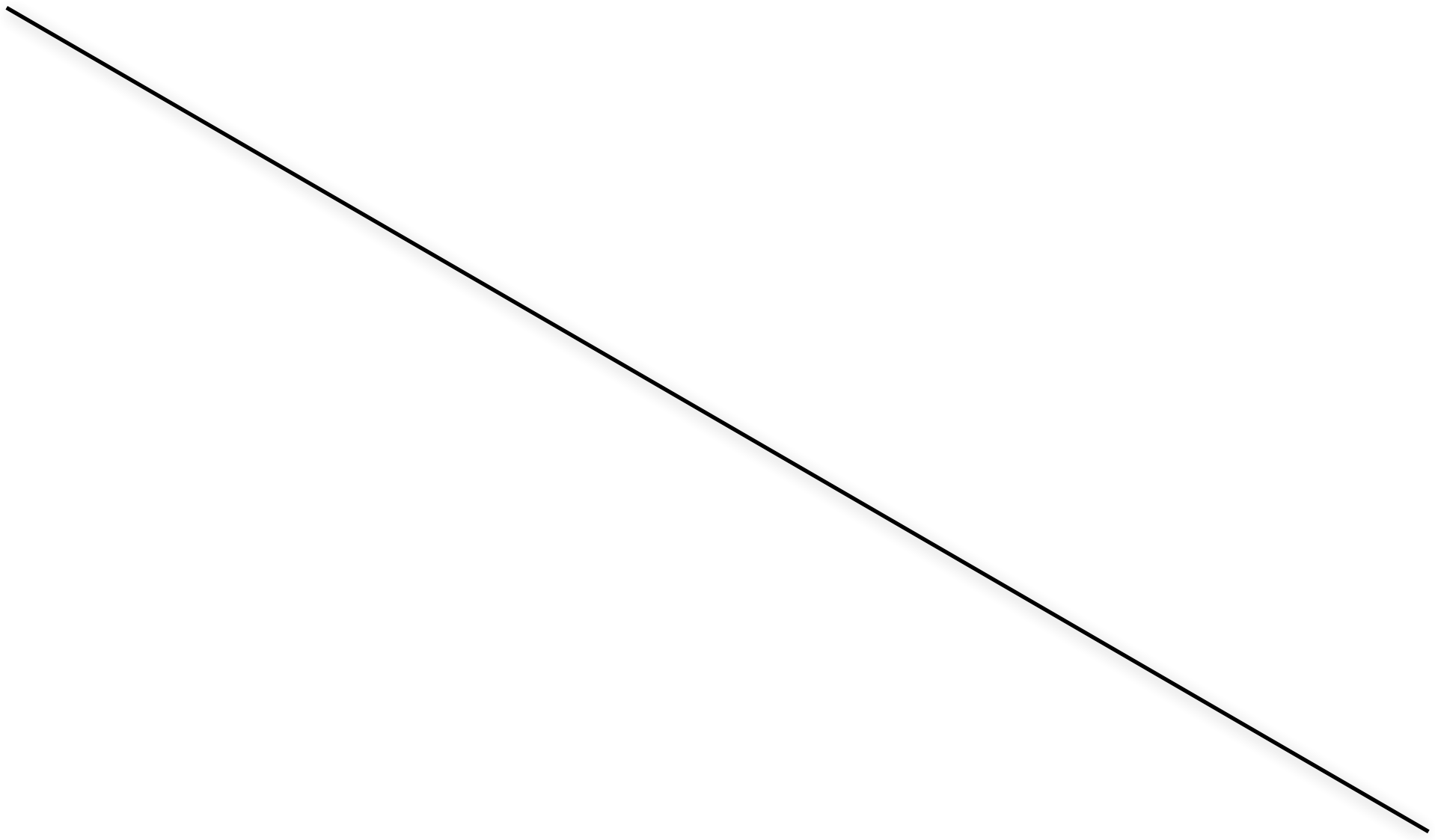




$$Q^s = 100$$



CS lost



$$P_e = 0.50$$







**S**



$$Q_e = 4000$$

$$P_e = 0.50$$

Floor: \$0.8



PS at

Equilibrium



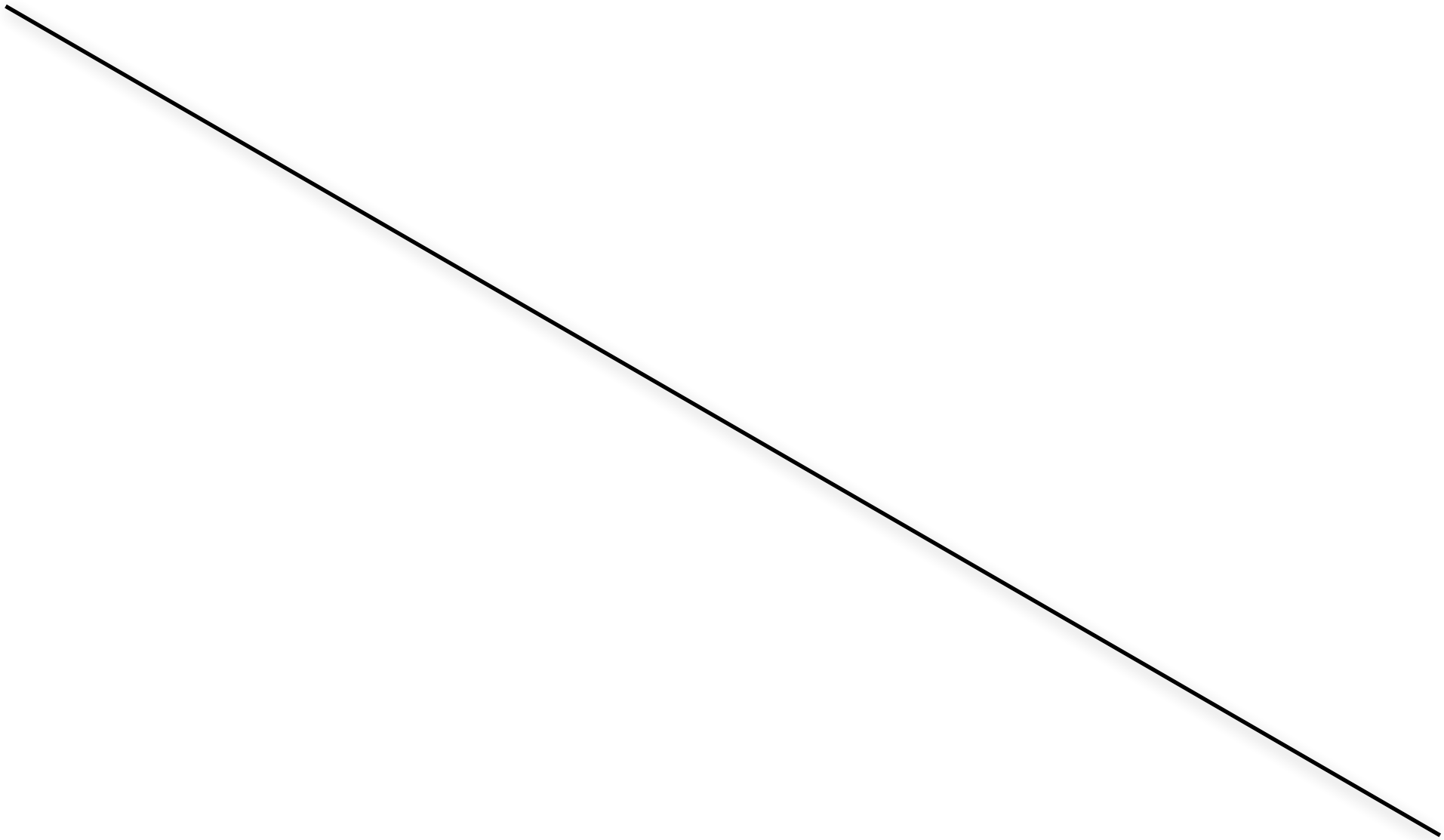


$$Q^s = 100$$





PS lost



CS lost





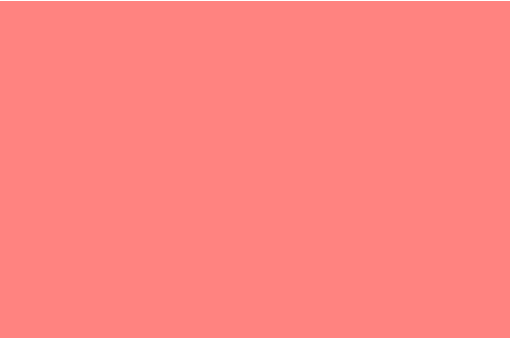




CS lost









Lost

CS













Tax

Consumers

Producers

Ceiling results in taking money from consumers (a tax)

and giving it to producers (a subsidy)







Effect of the Floor on:

Floor has the same effect of imposing a tax on consumers and a subsidy to producers

CS after floor  
is imposed



CS

PS after  
floor is  
imposed

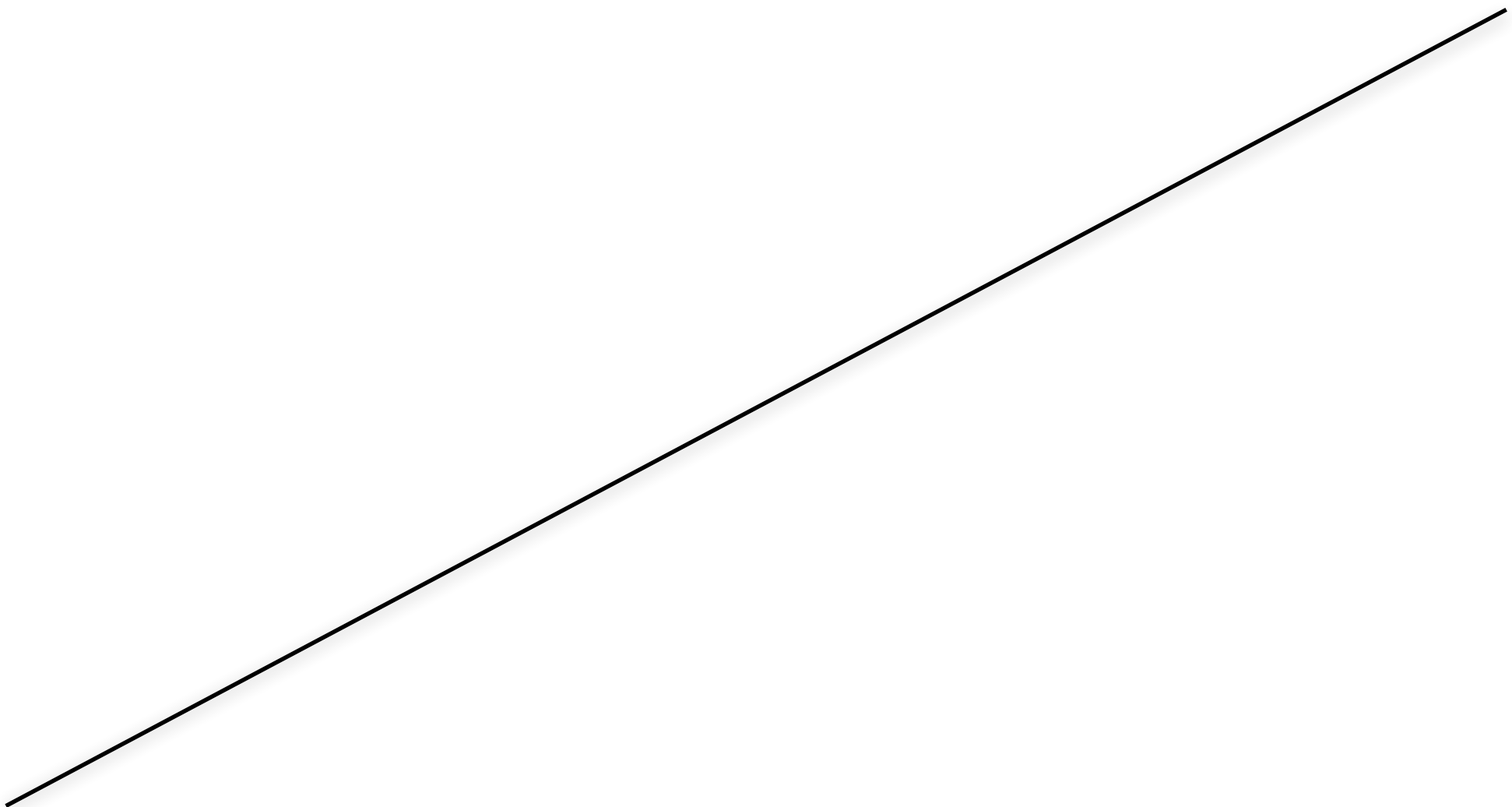
CS lost

PS

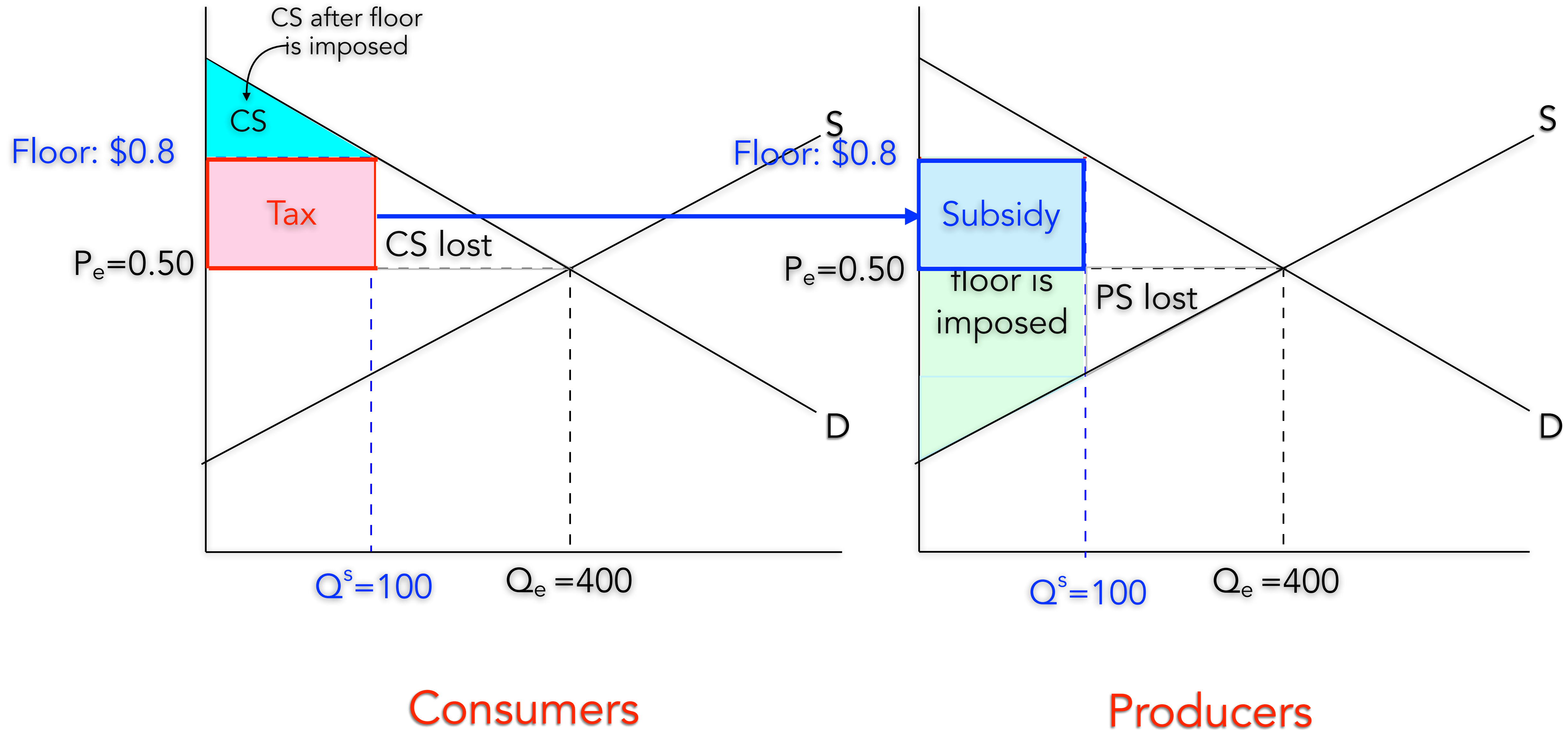
gained

# Subsidy





Floor has the same effect of imposing a tax on consumers and a subsidy to producers



Floor has the same effect of imposing a tax on consumers and a subsidy to producers

