



# Subsidy

Tax

Ceiling: 2,200



$$Q^s=300$$

3,900

3,900

2,200





$$Q^s=300$$













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



The size of this **Tax** to producers and  
**Subsidy** to Consumers is this area:

Tax

# Subsidy

~~Tax~~/Subsidy =

$(3,900 - 2,200) \times (300)$

$(1,700) \times (300)$

**\$510,000**

The size of this **Tax** to producers and  
**Subsidy** to Consumers is this area:





