ESERCIZIO 3

1. Graph
2. Graph
3. When a quota of 60 is imposed on this market, the new market price becomes €24. At this market price, consumer surplus is 360 and producer surplus is 990, as we saw before. Hence, to obtain the same results with a difference policy, we would have to set a price floor equal to the market price we obtain with the quota of 60, that is €24. Indeed , if the price floor was set at €24, the quantity demanded (and therefore traded) would be exactly 60. Hence we would obtain again a consumer surplus of 360 and a producer surplus of 990, with again an overall deadweight loss due to the decrease in total surplus compared to the situation where the government does not interfere at all.