



Supply, Demand, and Government Policies

6

Figure 1 A Market with a Price Ceiling (1)

(a) A price ceiling that is not binding

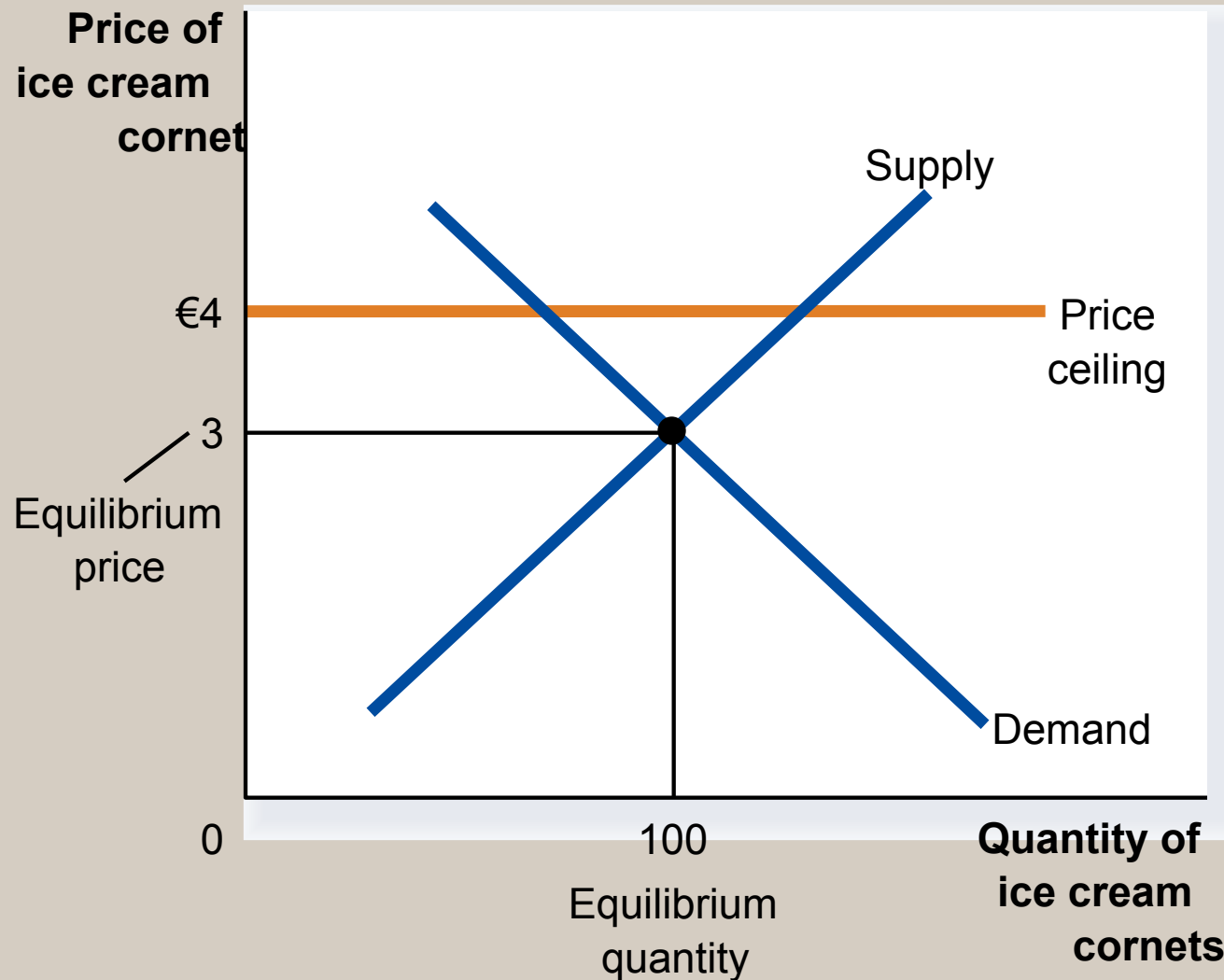


Figure 1 A Market with a Price Ceiling (2)

(b) A price ceiling that is binding

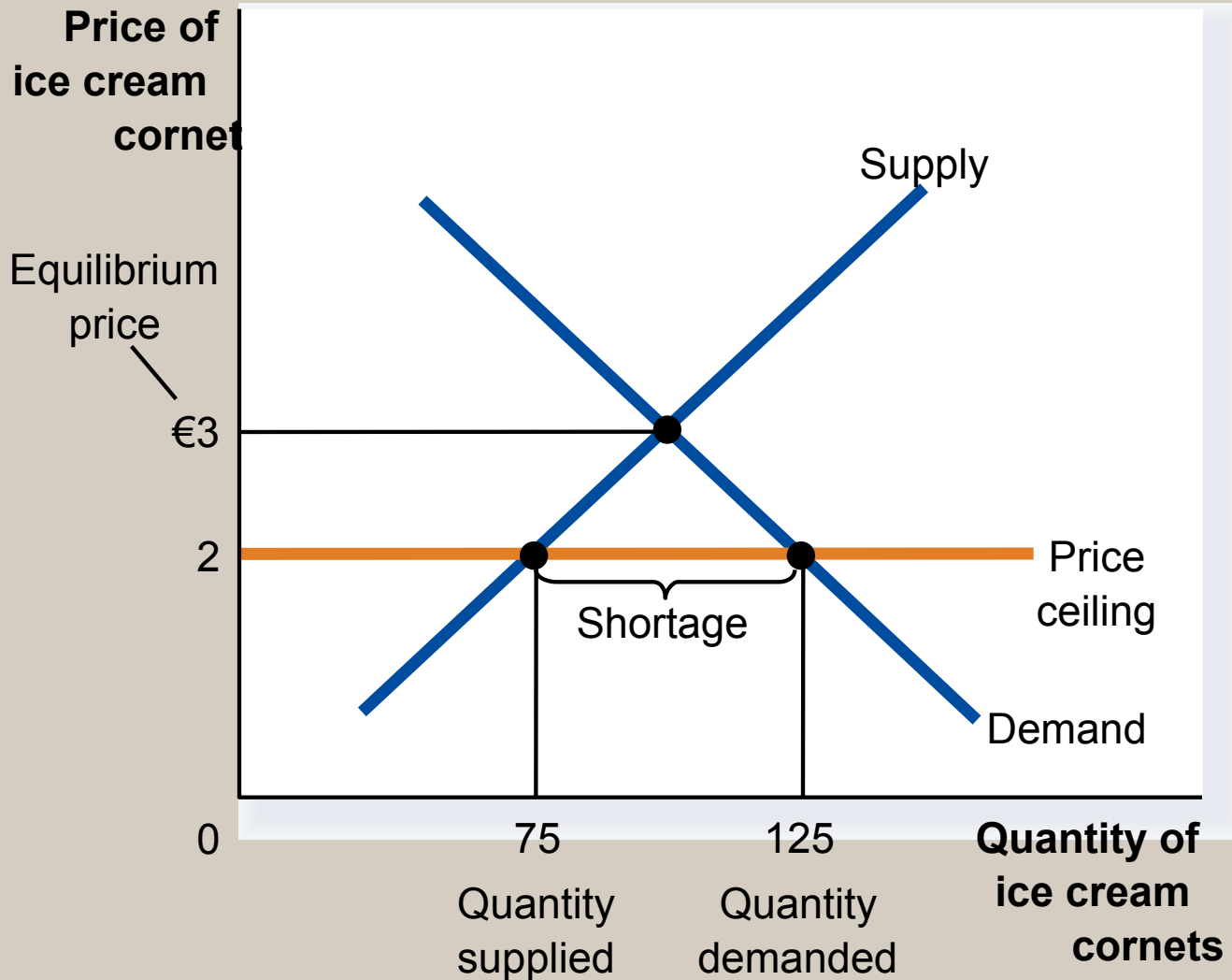


Figure 2 Rent Control in the Short Run and in the Long Run (1)

(a) Rent control in the short run
(supply and demand are inelastic)

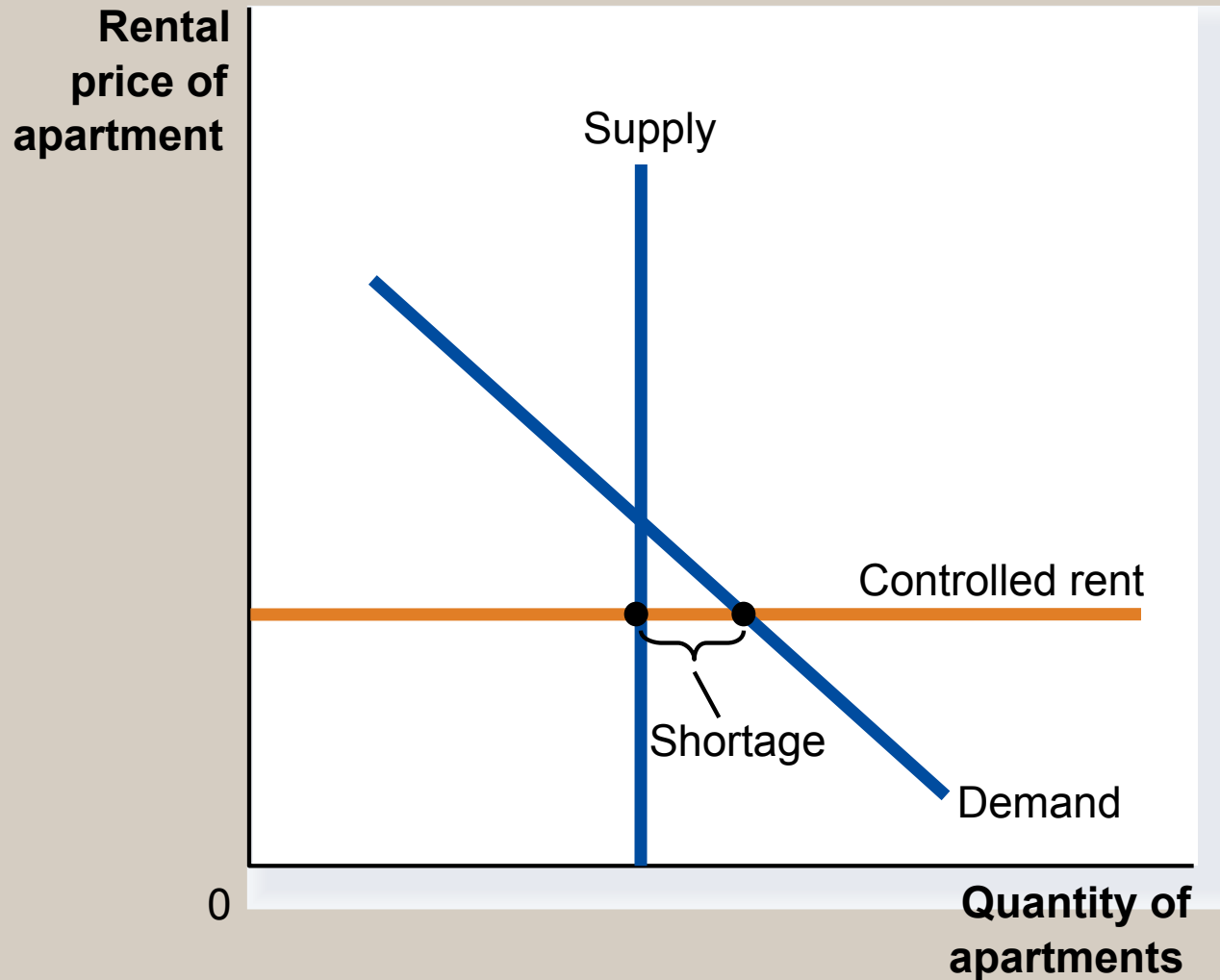


Figure 2 Rent Control in the Short Run and in the Long Run (2)

(b) Rent control in the long run
(supply and demand are elastic)

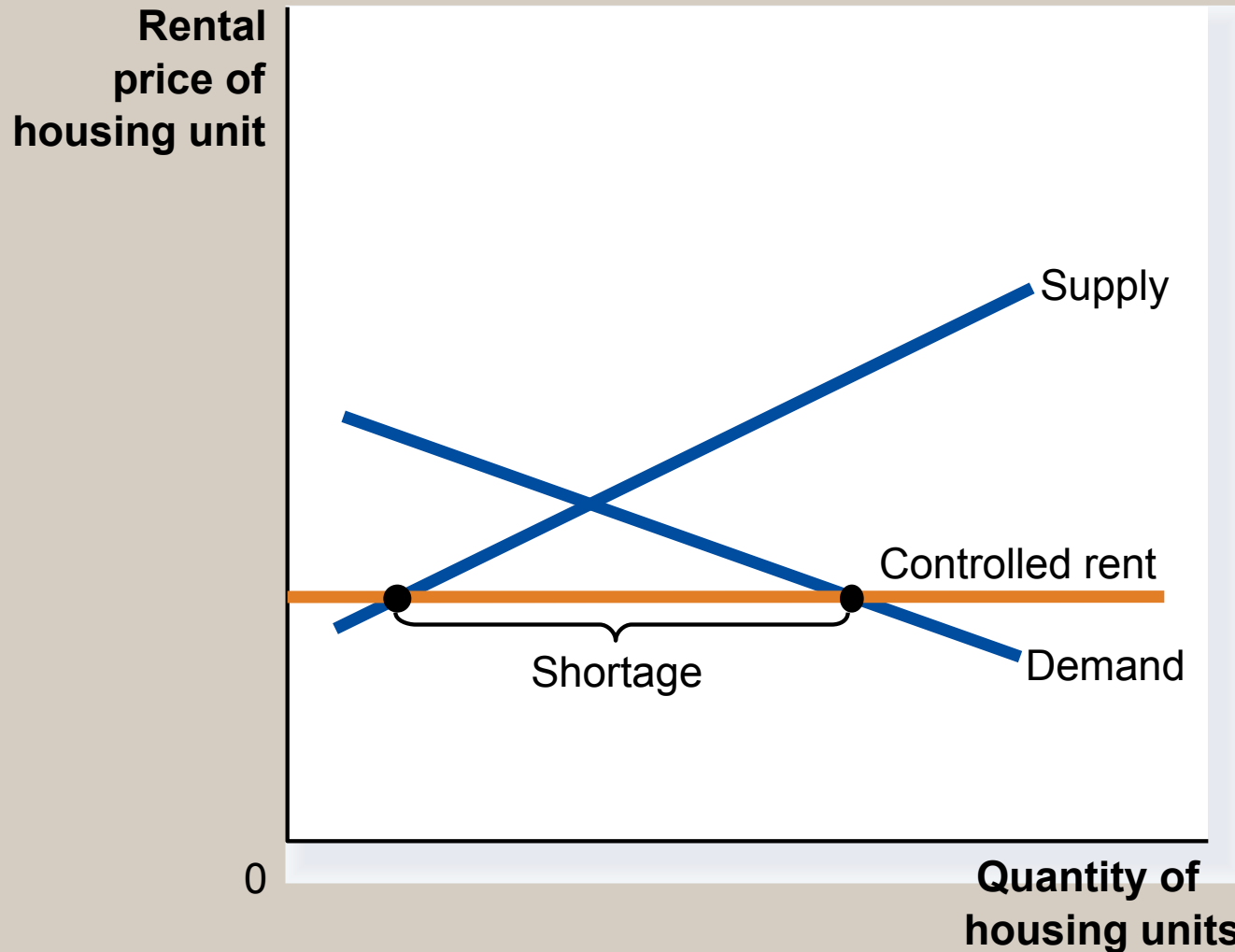


Figure 3 A Market with a Price Floor (1)

(a) A Price Floor That Is Not Binding

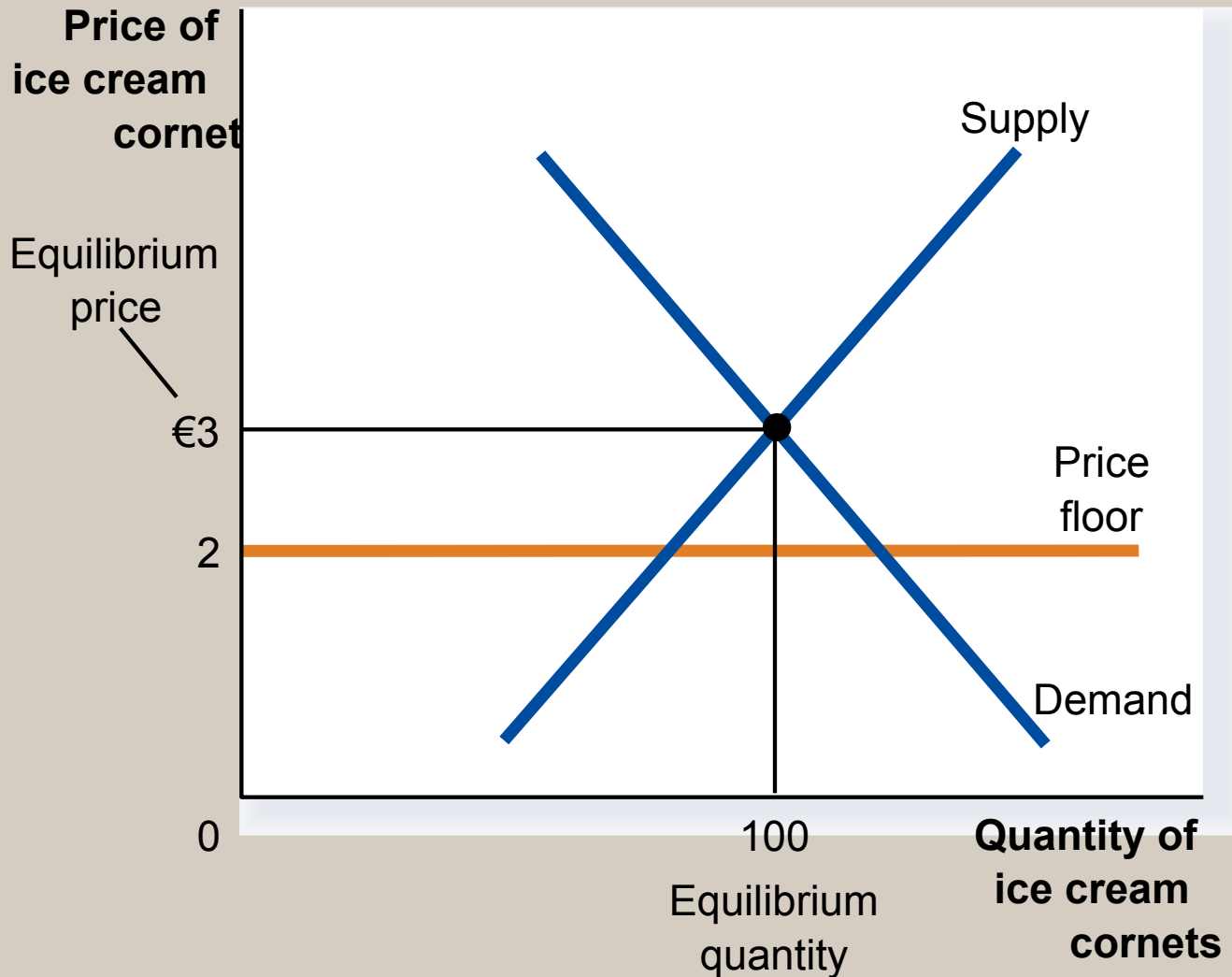


Figure 3 A Market with a Price Floor (2)

(b) A price floor that is binding

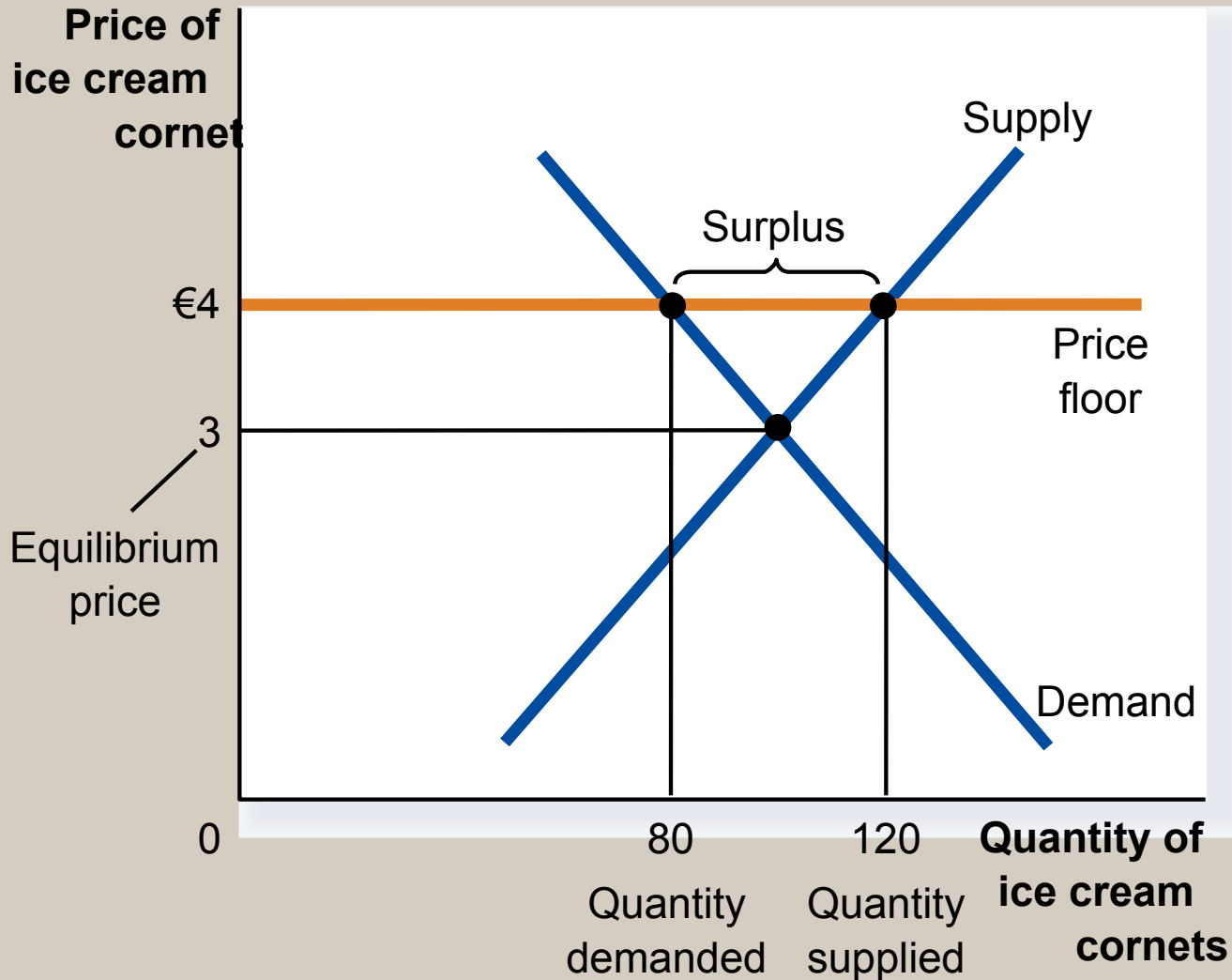


Figure 4 How the Minimum Wage Affects the Labour Market (1)

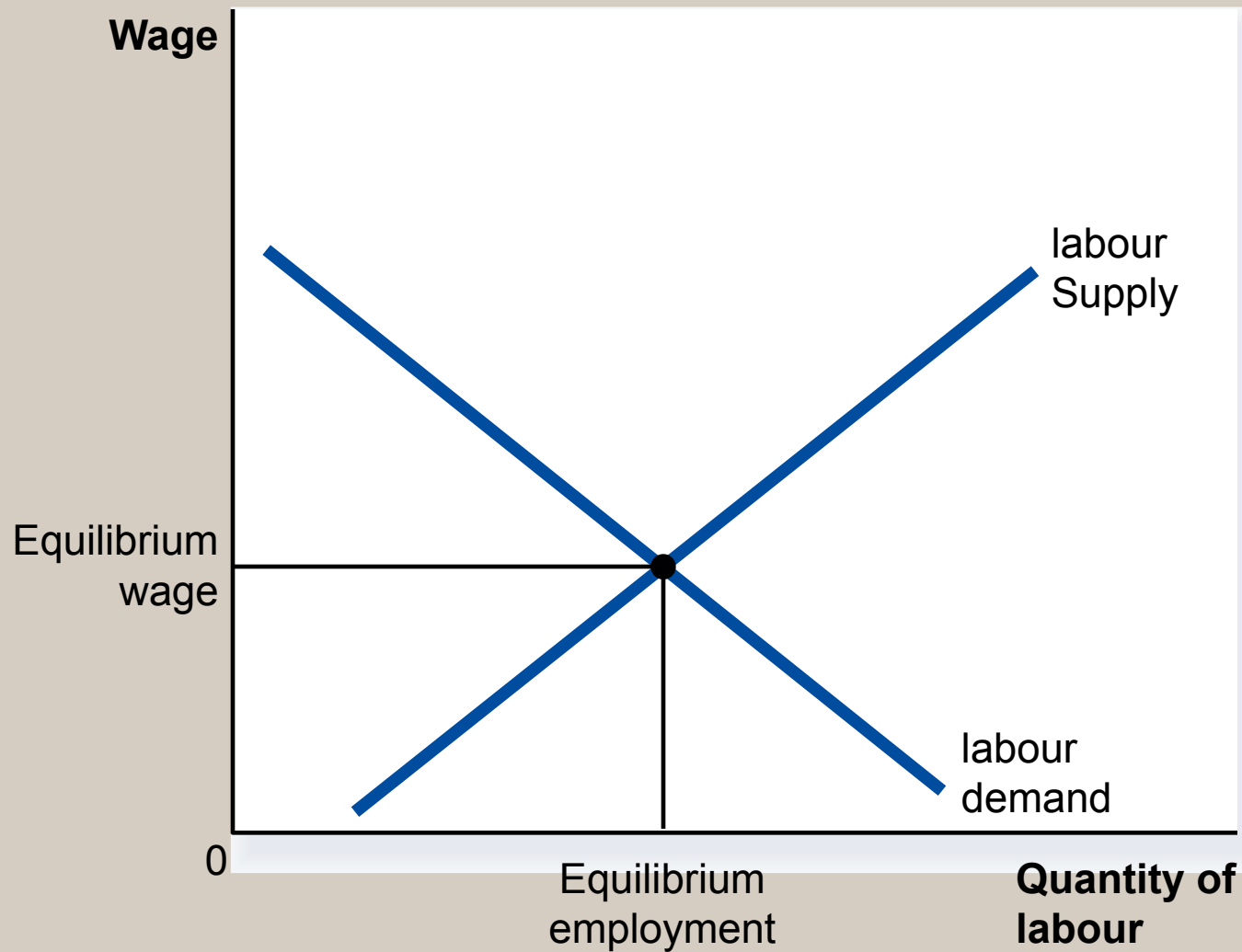


Figure 4 How the Minimum Wage Affects the Labour Market (2)

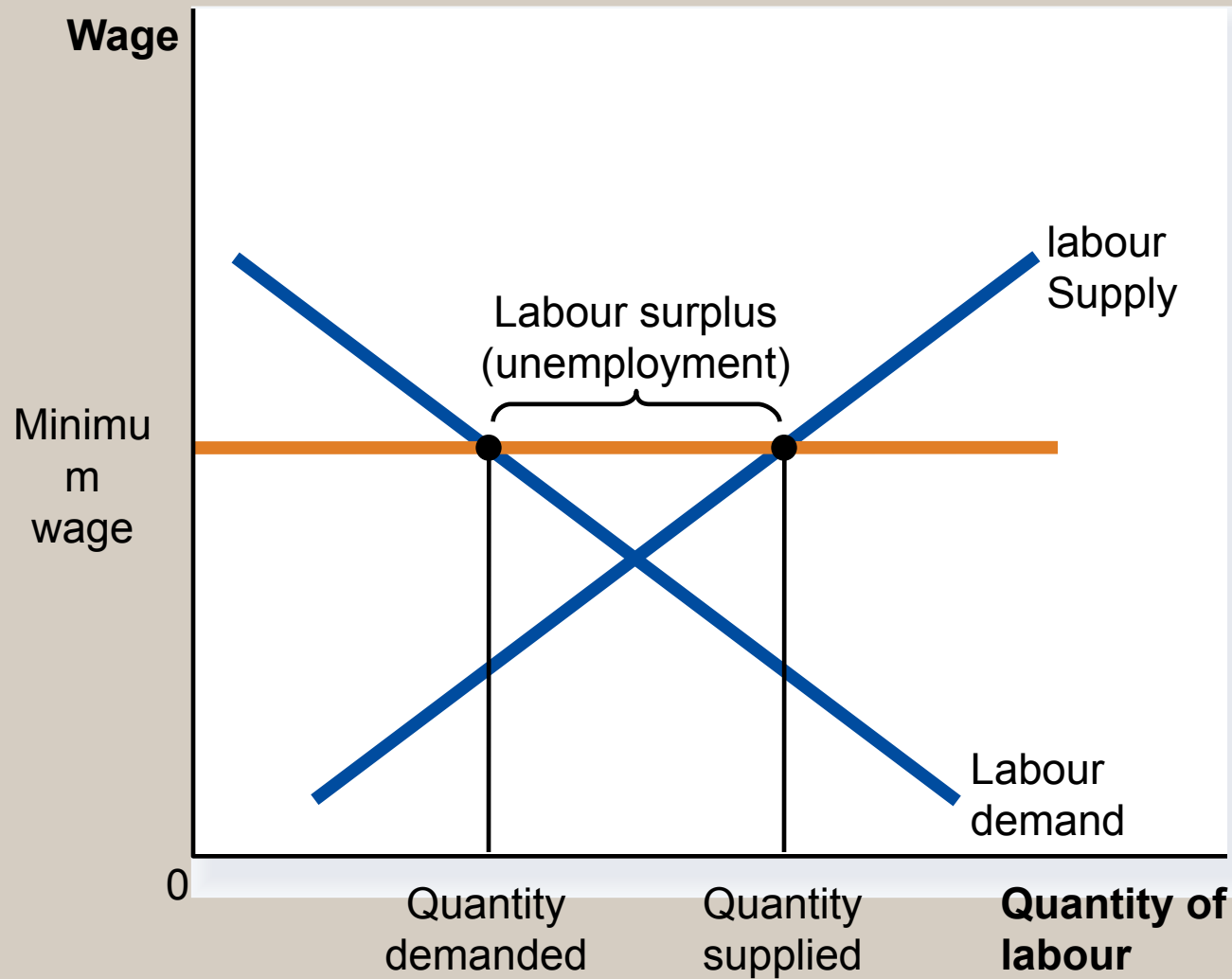


Figure 4 How the Minimum Wage Affects the Labour Market (3)

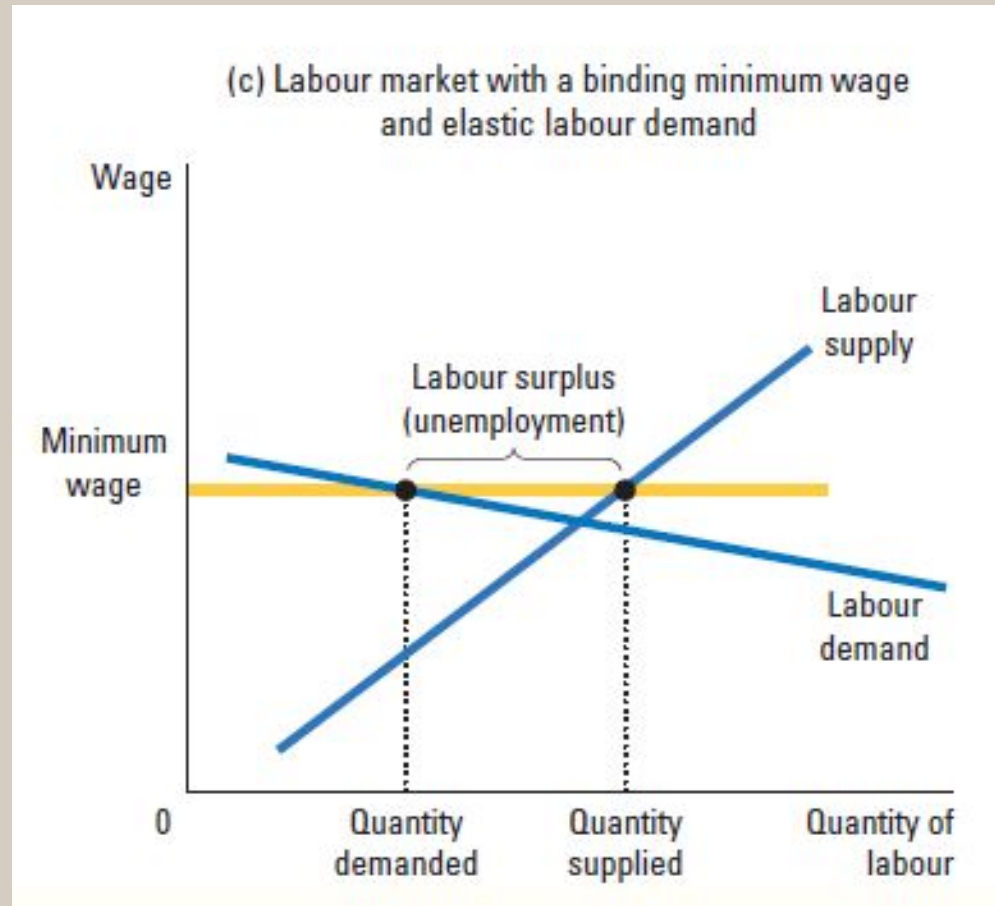


Figure 4 How the Minimum Wage Affects the Labour Market (4)

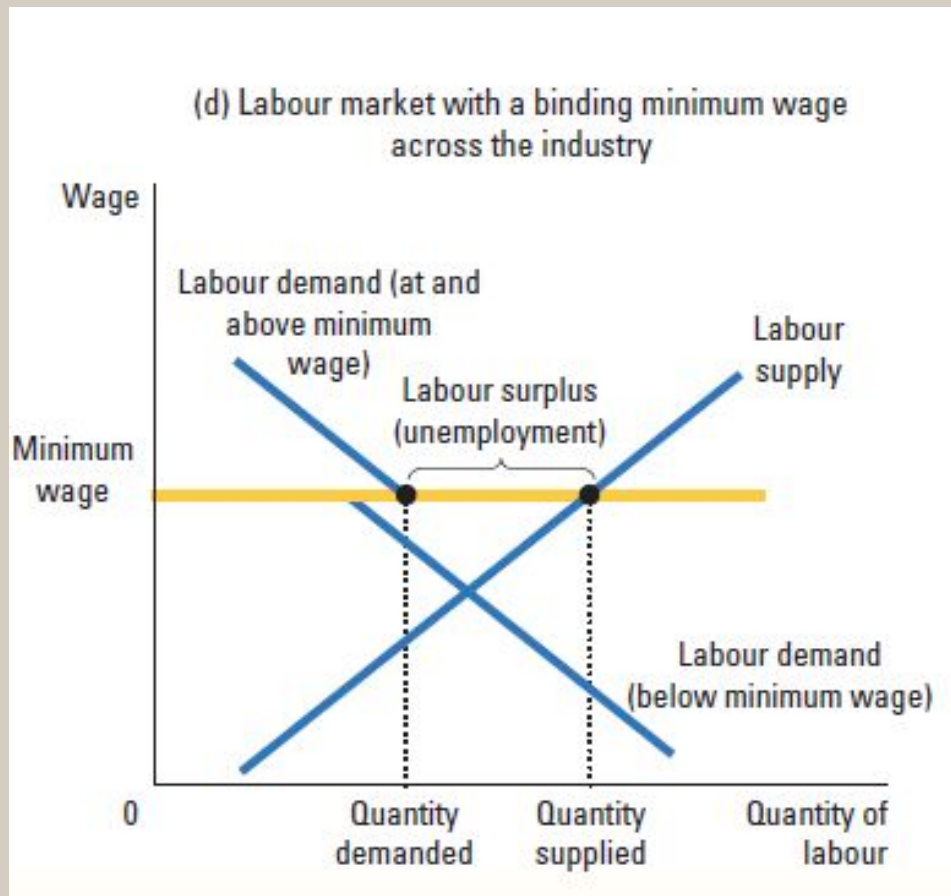


Figure 5 A Tax on Sellers

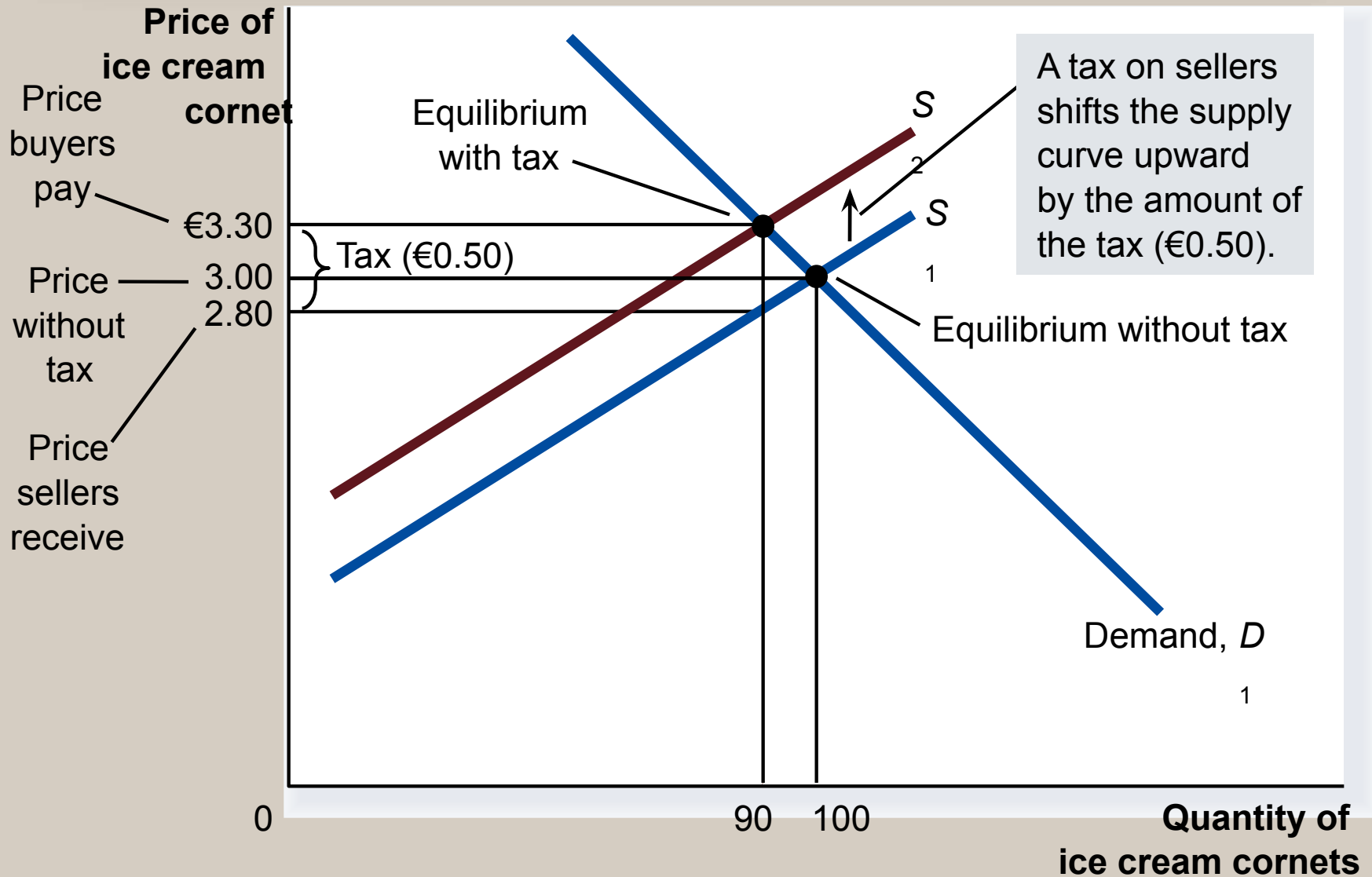


Figure 6 A Payroll Tax

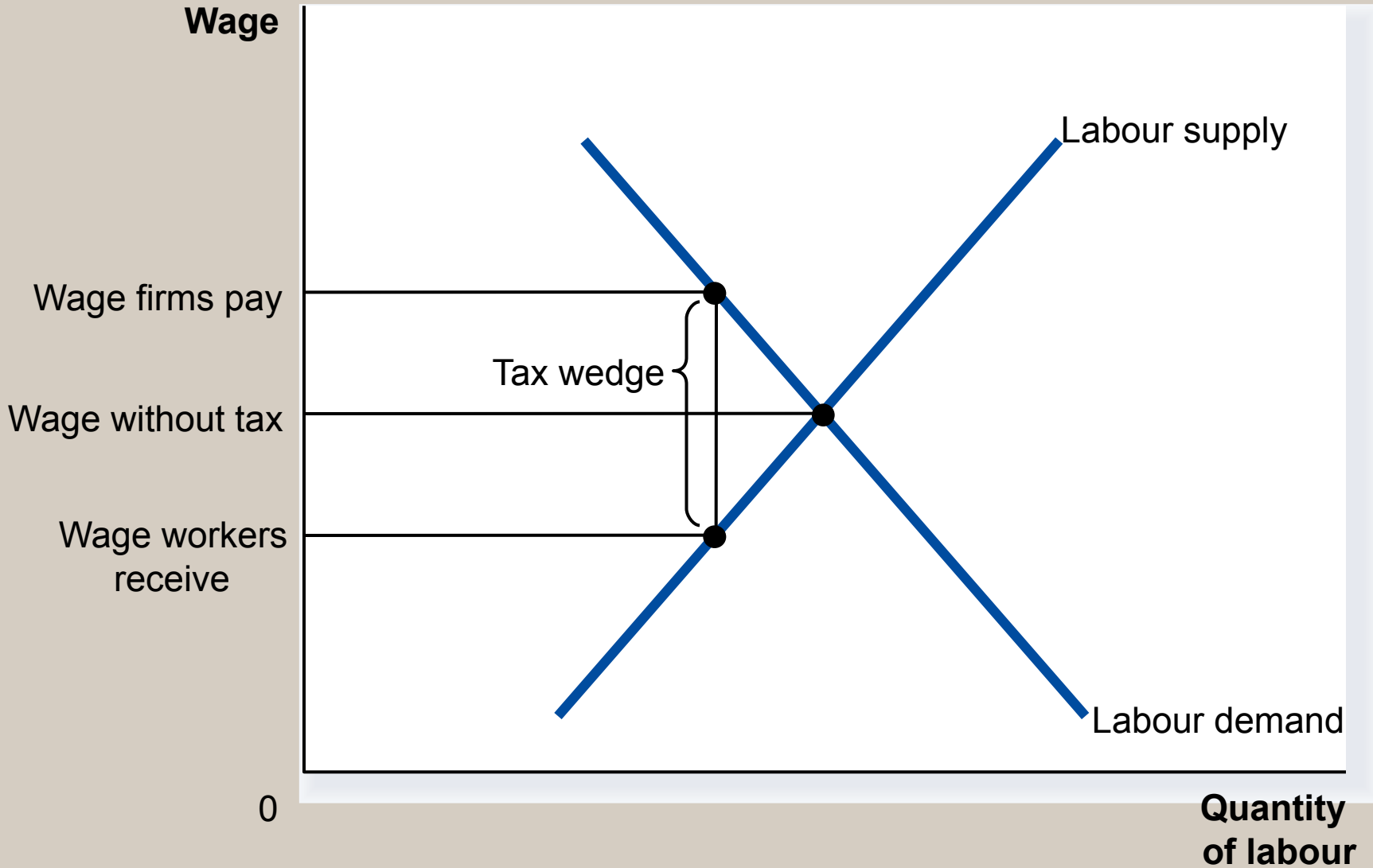


Figure 7 How the Burden of a Tax Is Divided (1)

(a) Elastic supply, inelastic demand

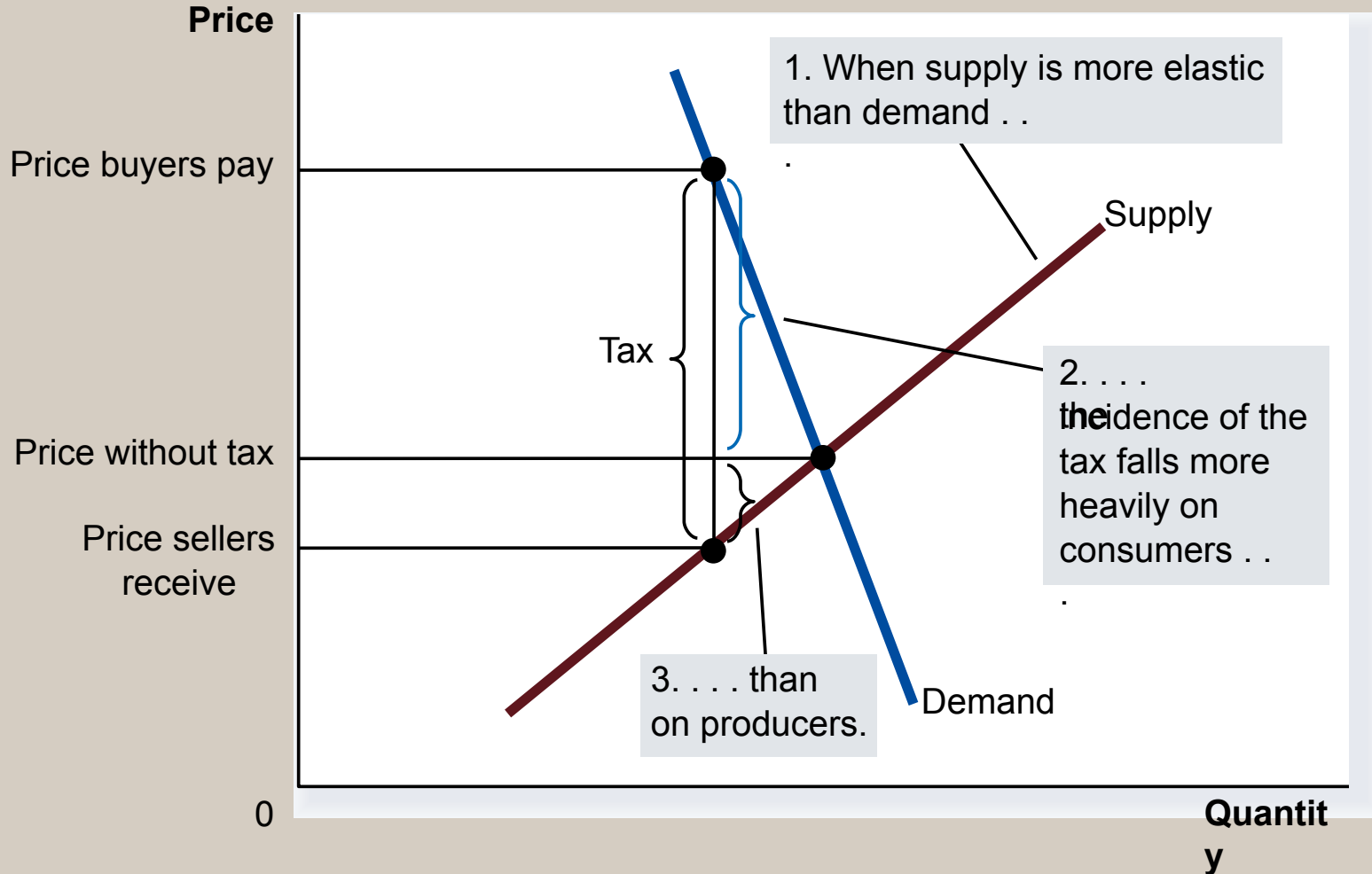


Figure 7 How the Burden of a Tax Is Divided (2)

(b) Inelastic supply, elastic demand

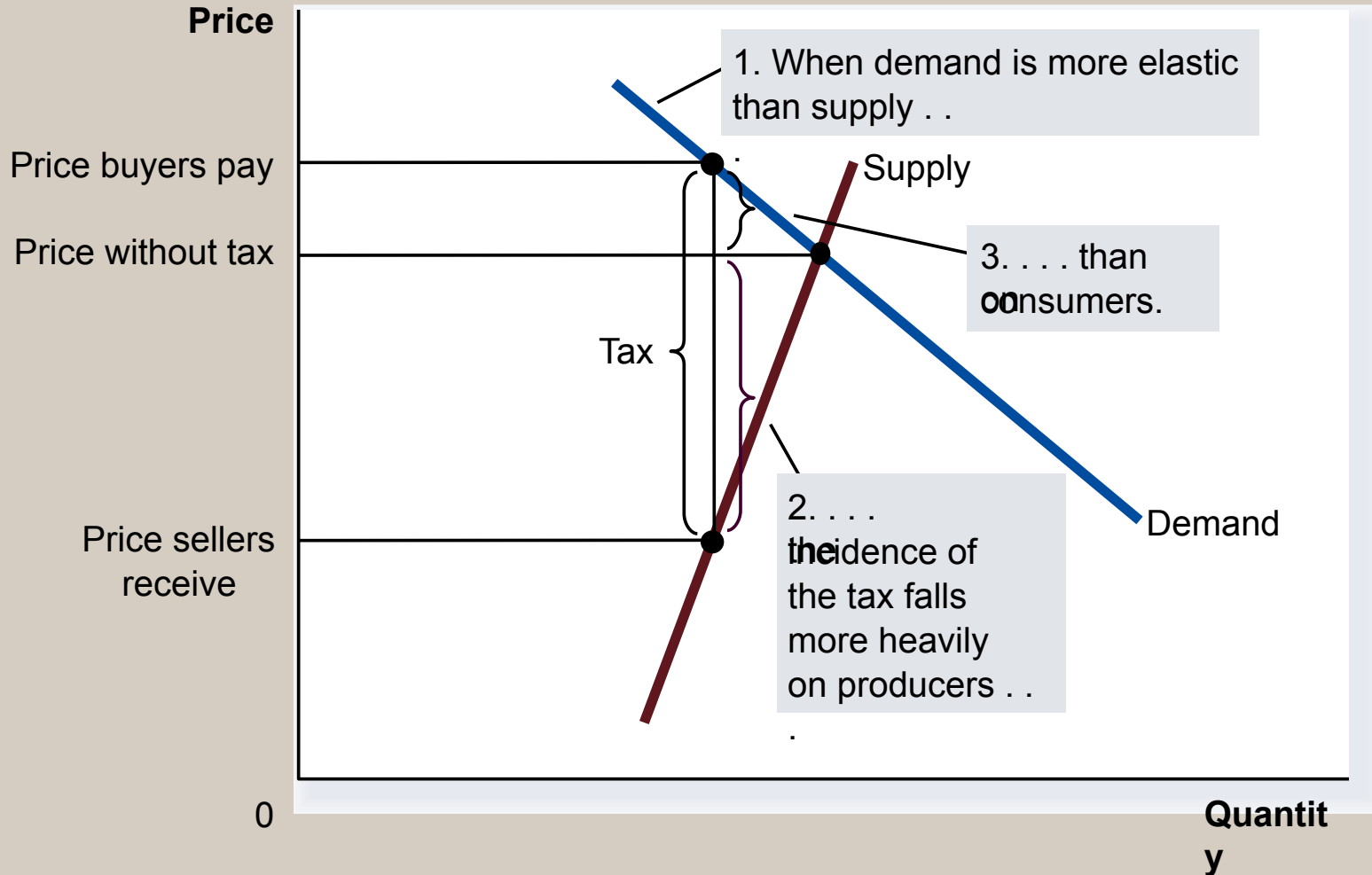


Figure 8 A Subsidy on Rail Transport

