

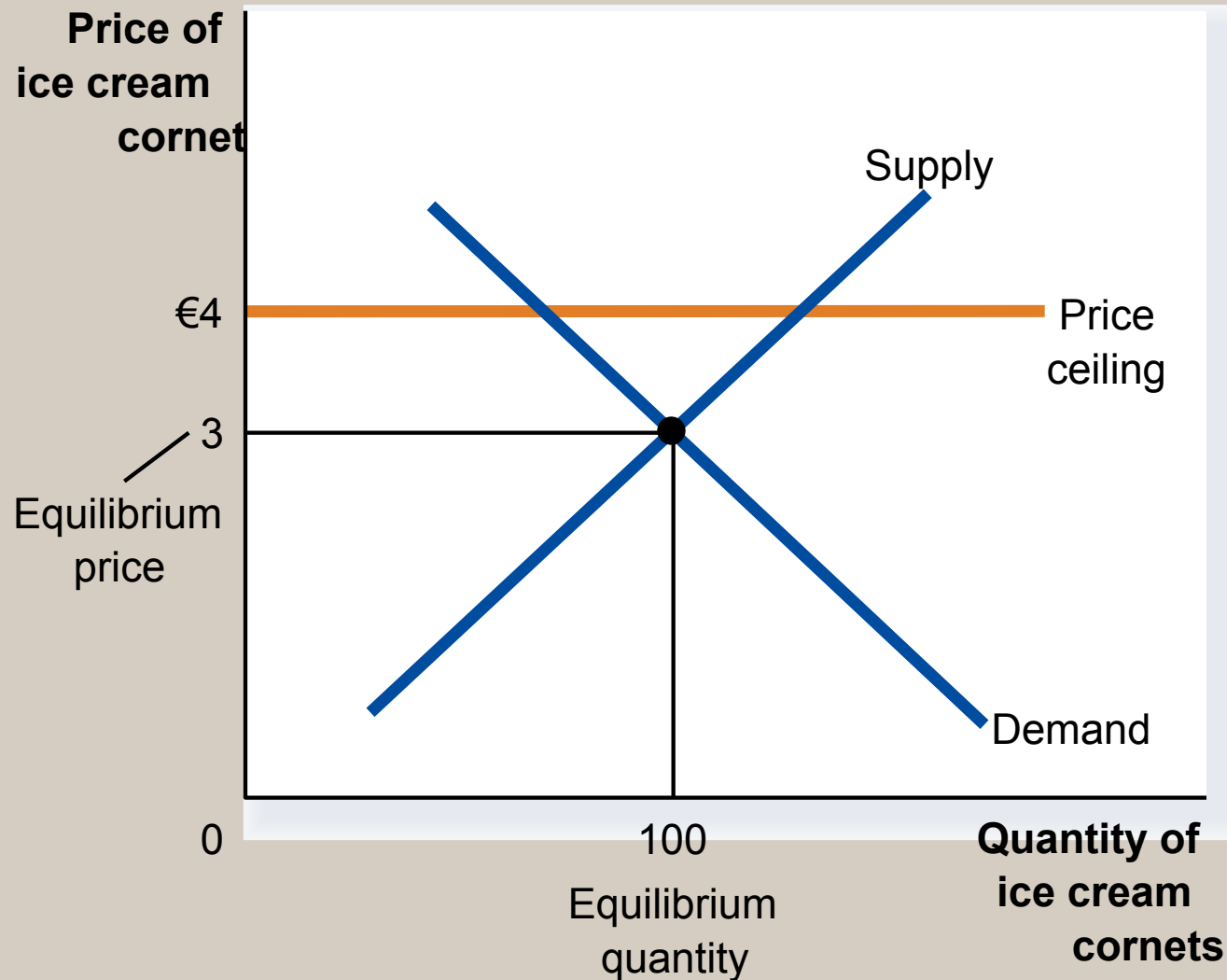


# 6

## Supply, Demand, and Government Policies

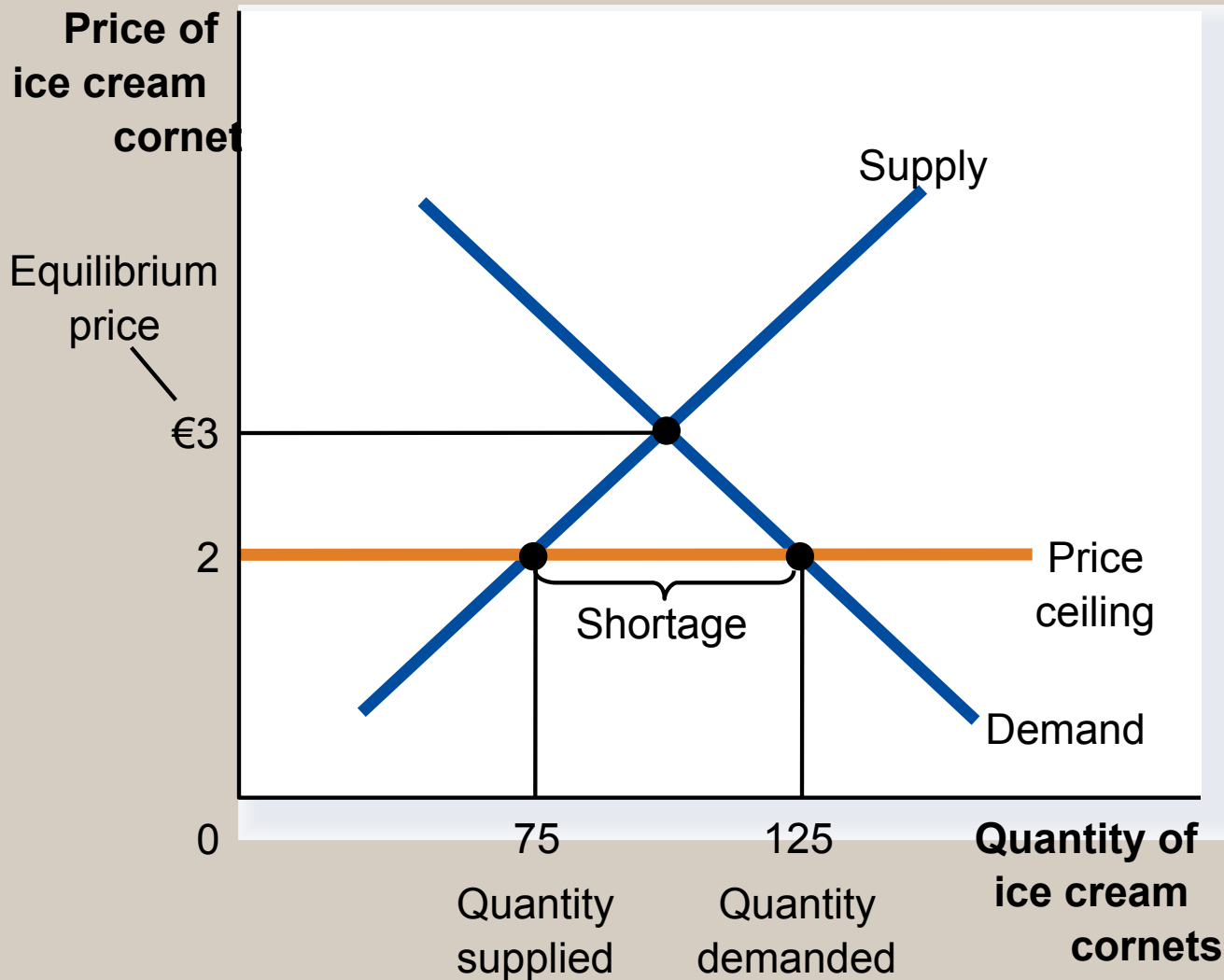
# Figure 1 A Market with a Price Ceiling (1)

(a) A price ceiling that is not binding



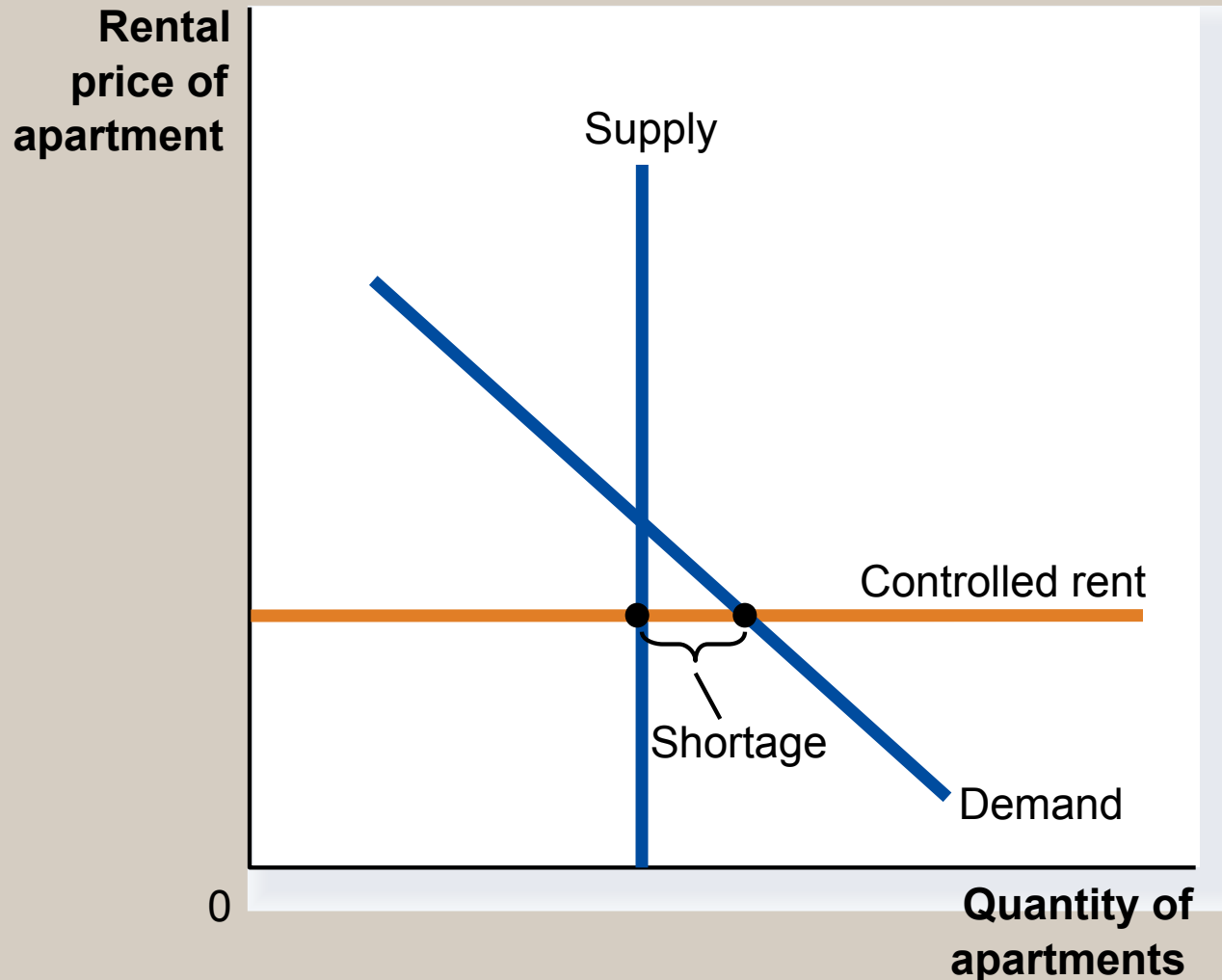
## Figure 1 A Market with a Price Ceiling (2)

(b) A price ceiling that is binding



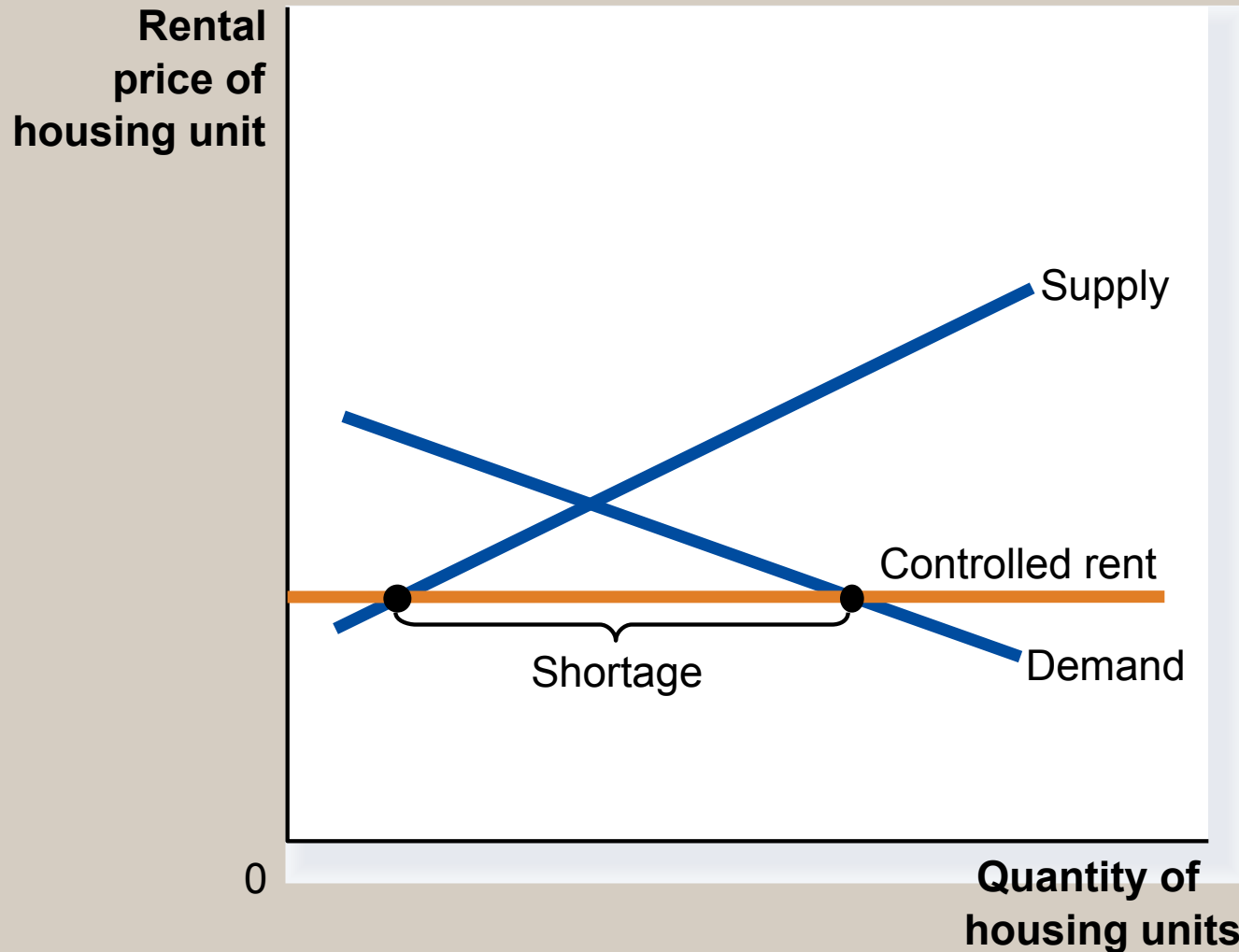
# Figure 2 Rent Control in the Short Run and in the Long Run (1)

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



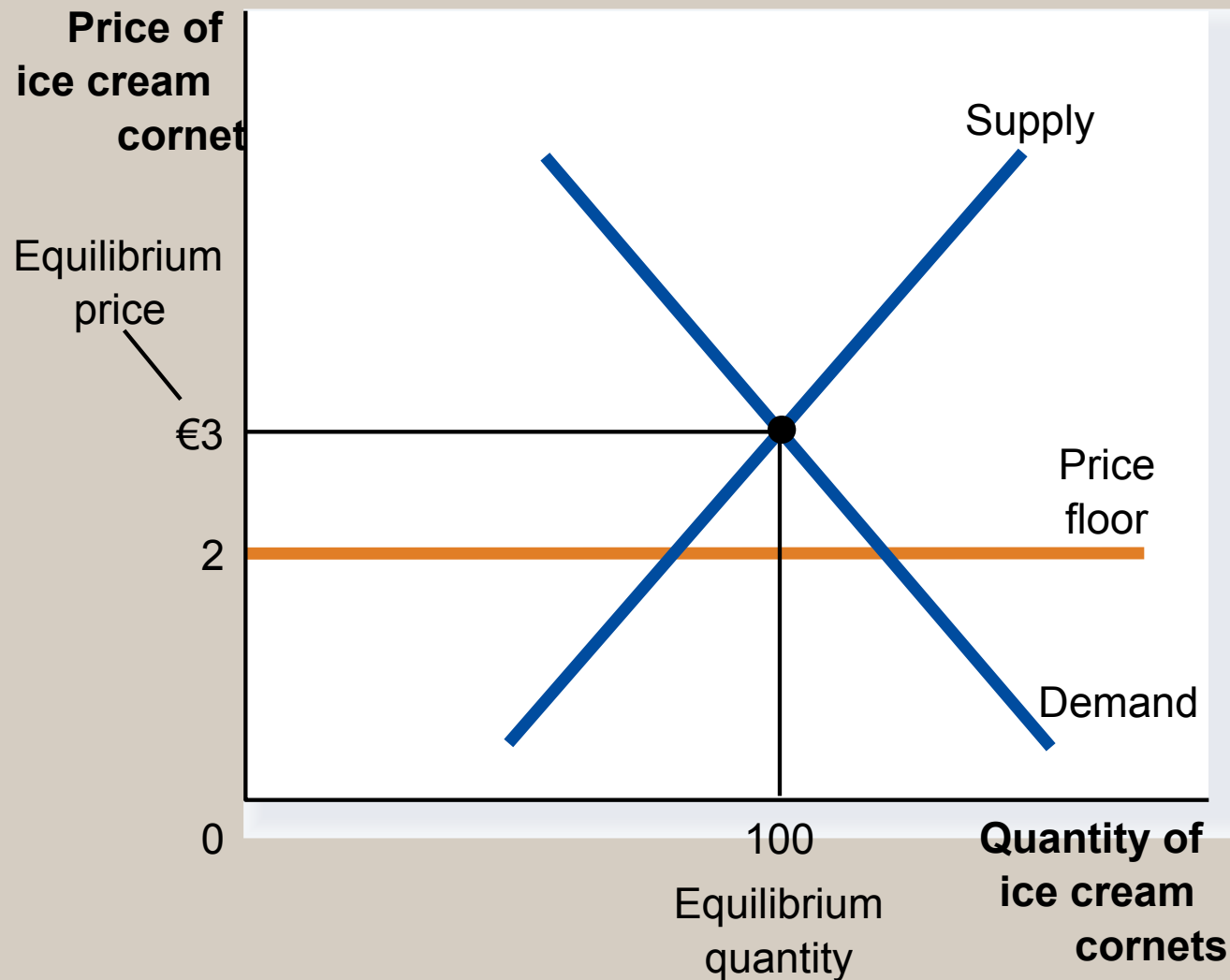
## Figure 2 Rent Control in the Short Run and in the Long Run (2)

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



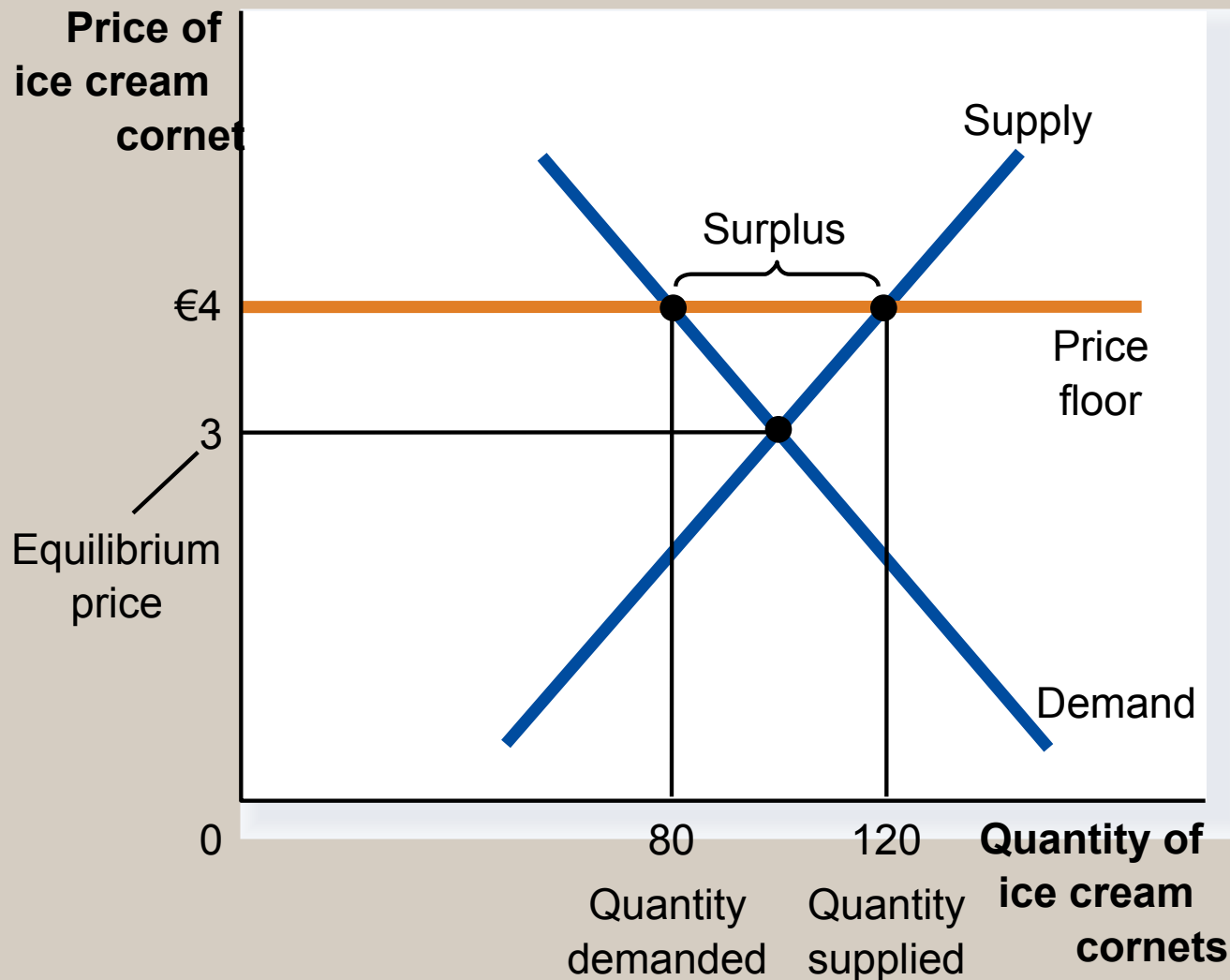
## Figure 3 A Market with a Price Floor (1)

(a) A Price Floor That Is Not Binding

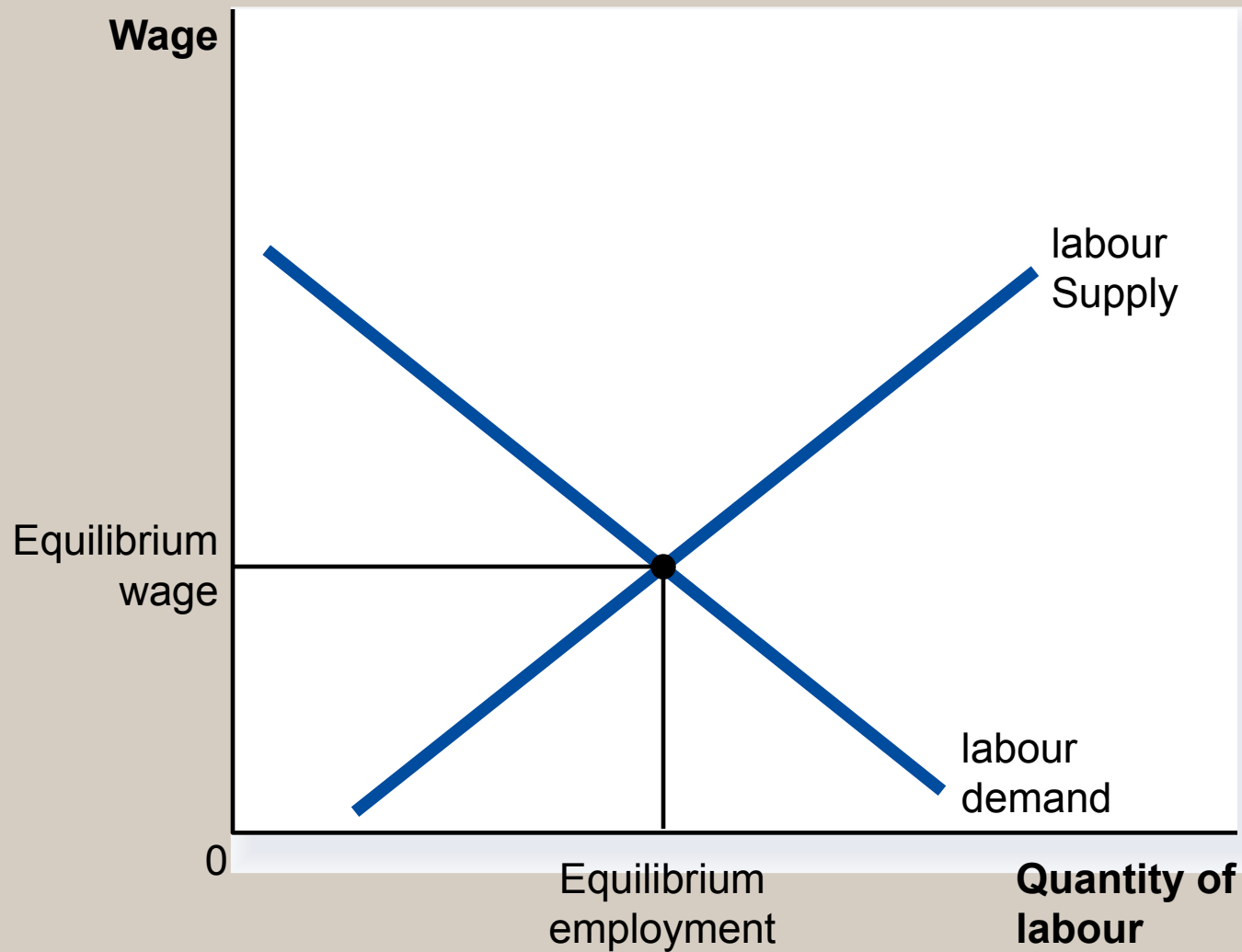


## Figure 3 A Market with a Price Floor (2)

(b) A price floor that is binding

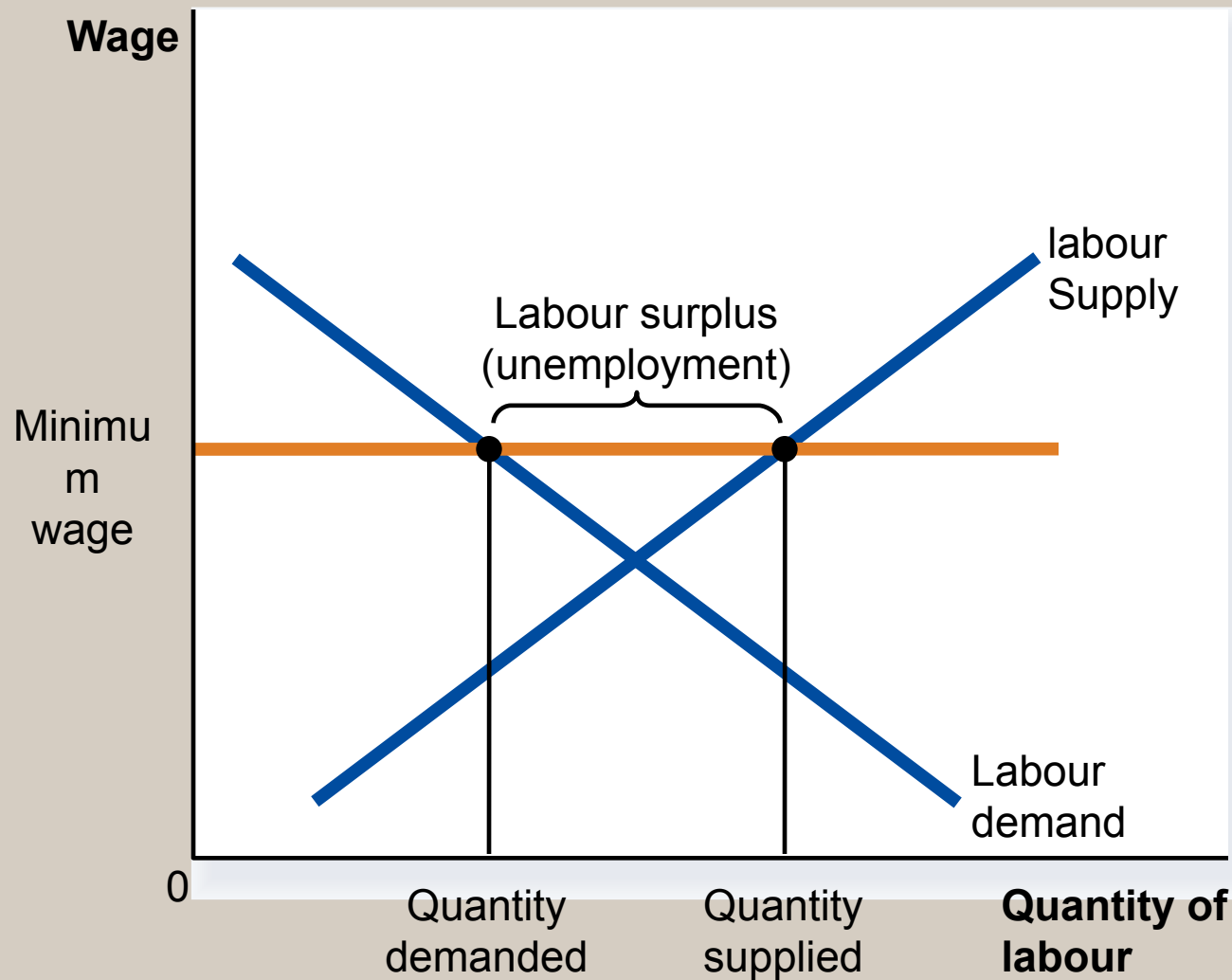


## Figure 4 How the Minimum Wage Affects the Labour Market (1)

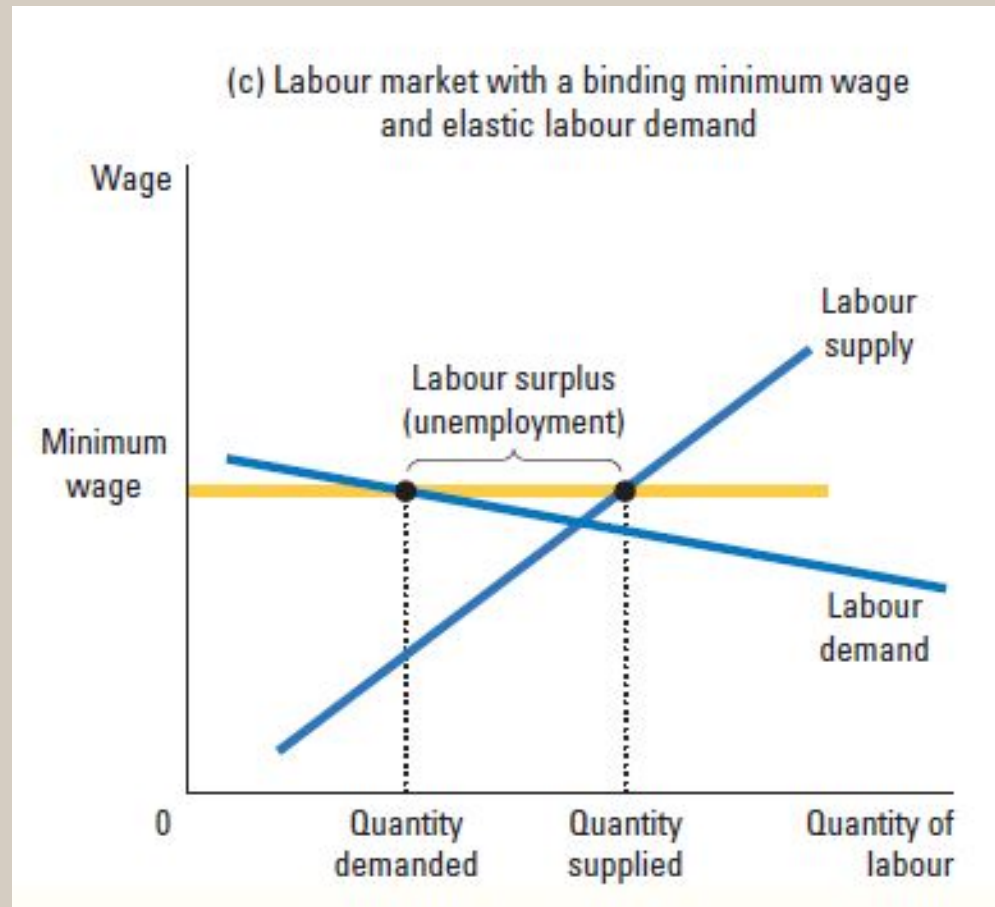




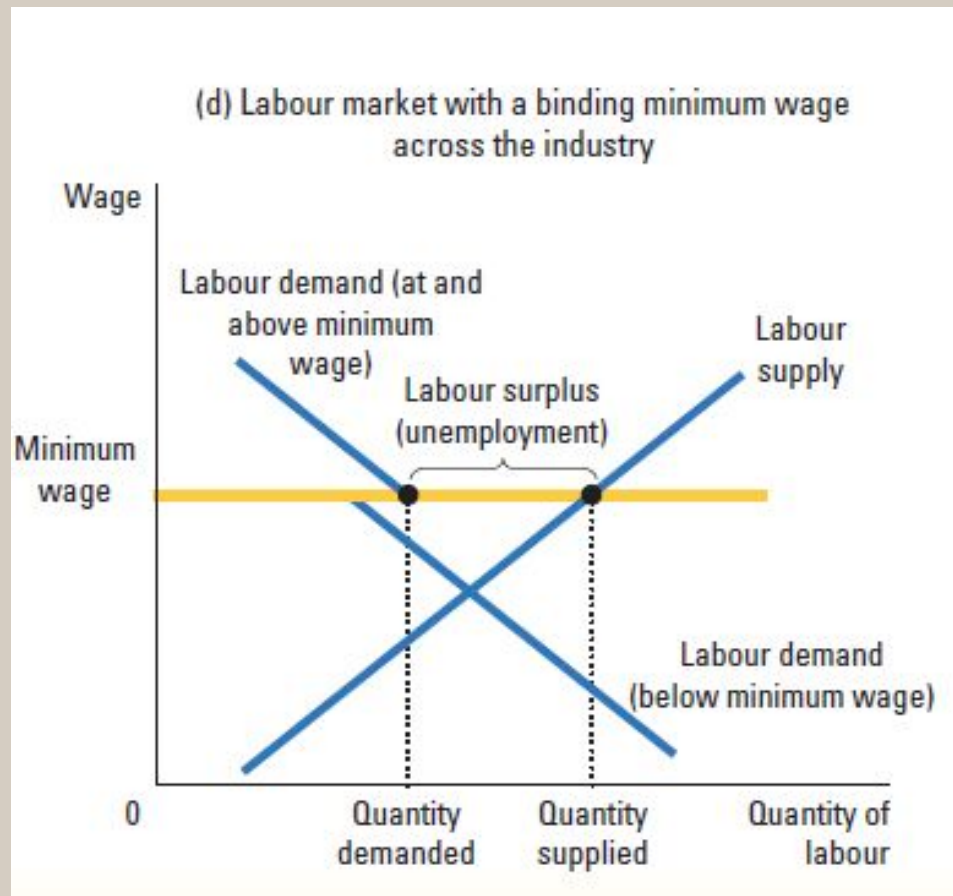
## Figure 4 How the Minimum Wage Affects the Labour Market (2)



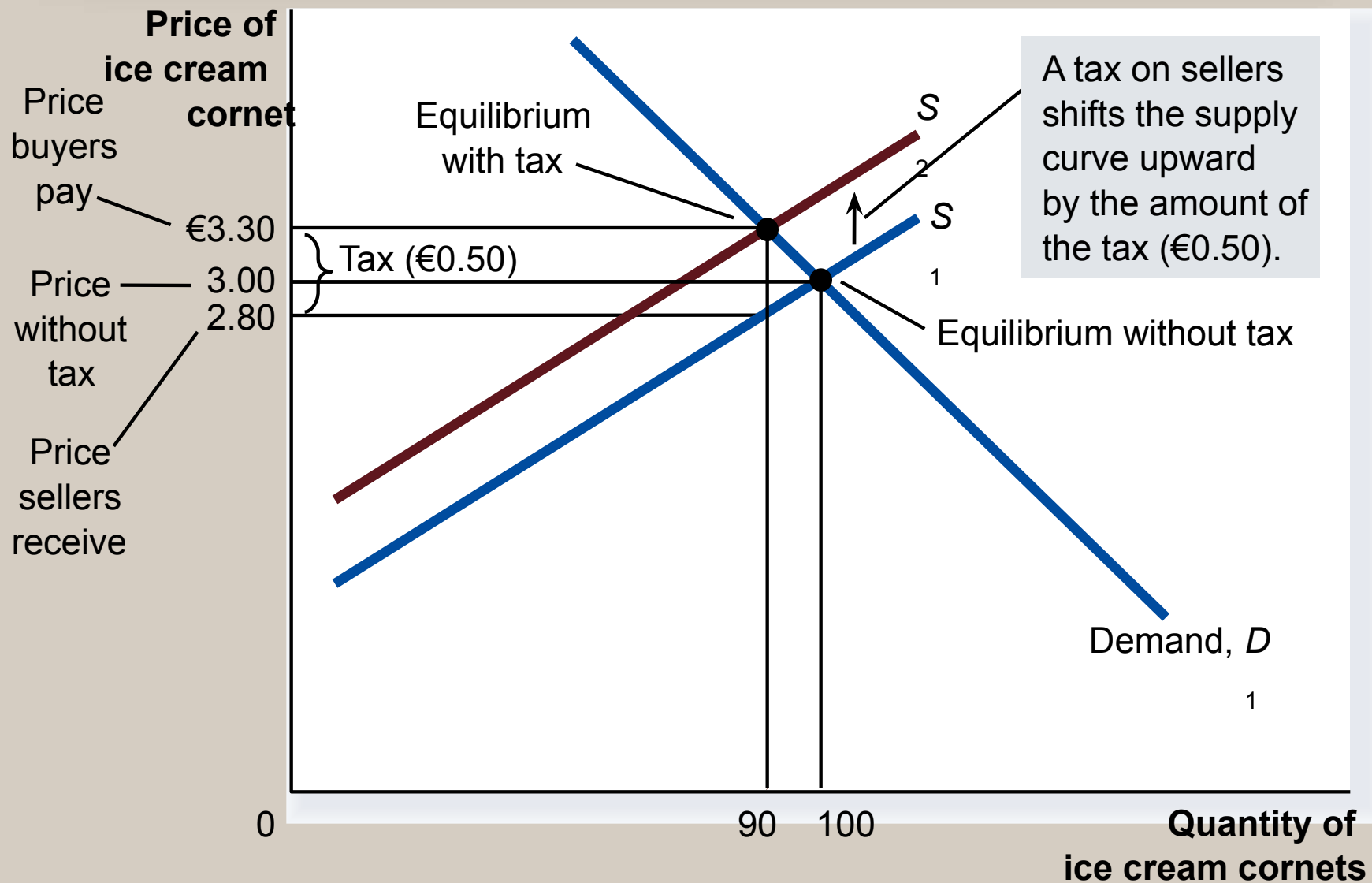
## Figure 4 How the Minimum Wage Affects the Labour Market (3)



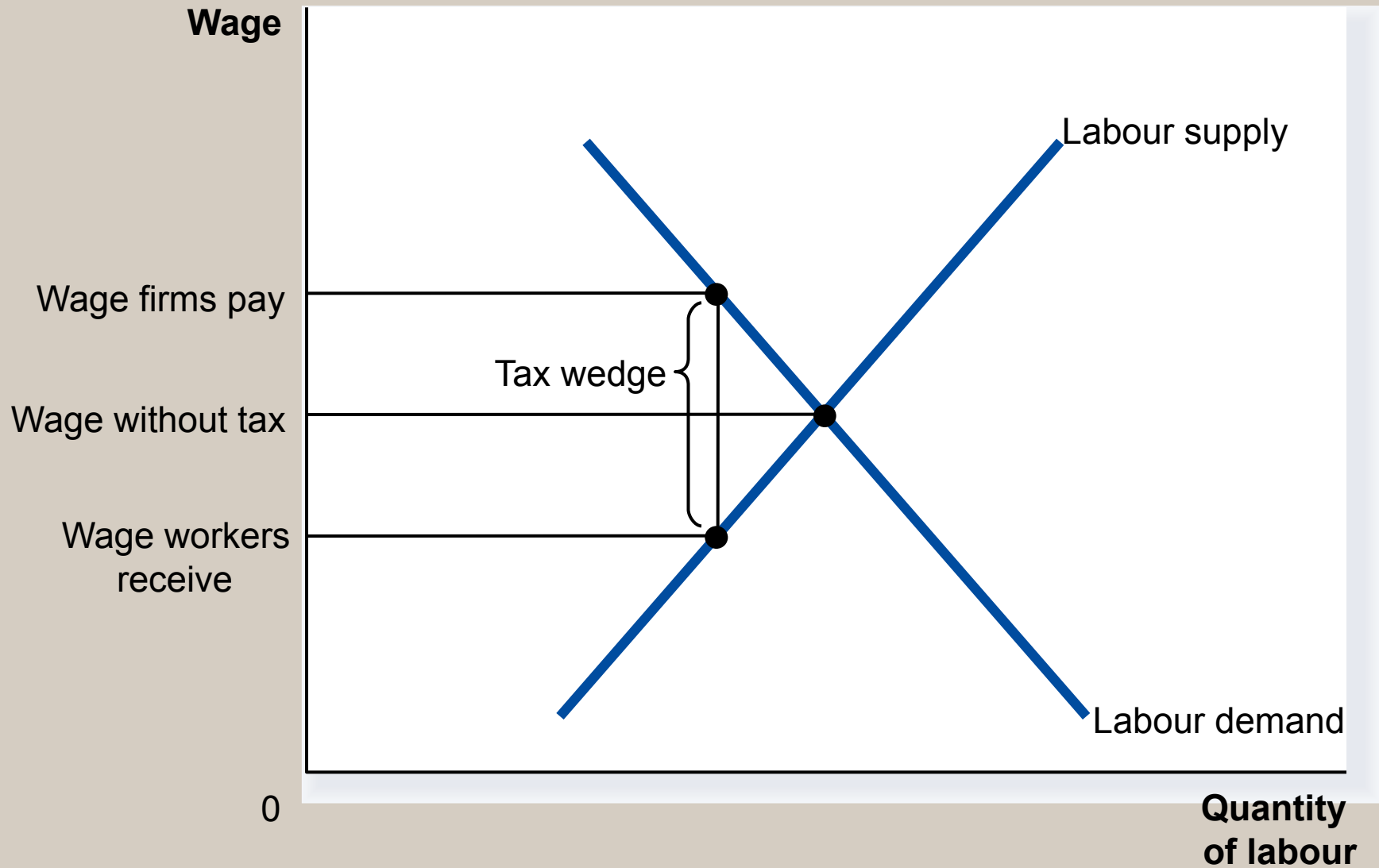
# Figure 4 How the Minimum Wage Affects the Labour Market (4)



## Figure 5 A Tax on Sellers

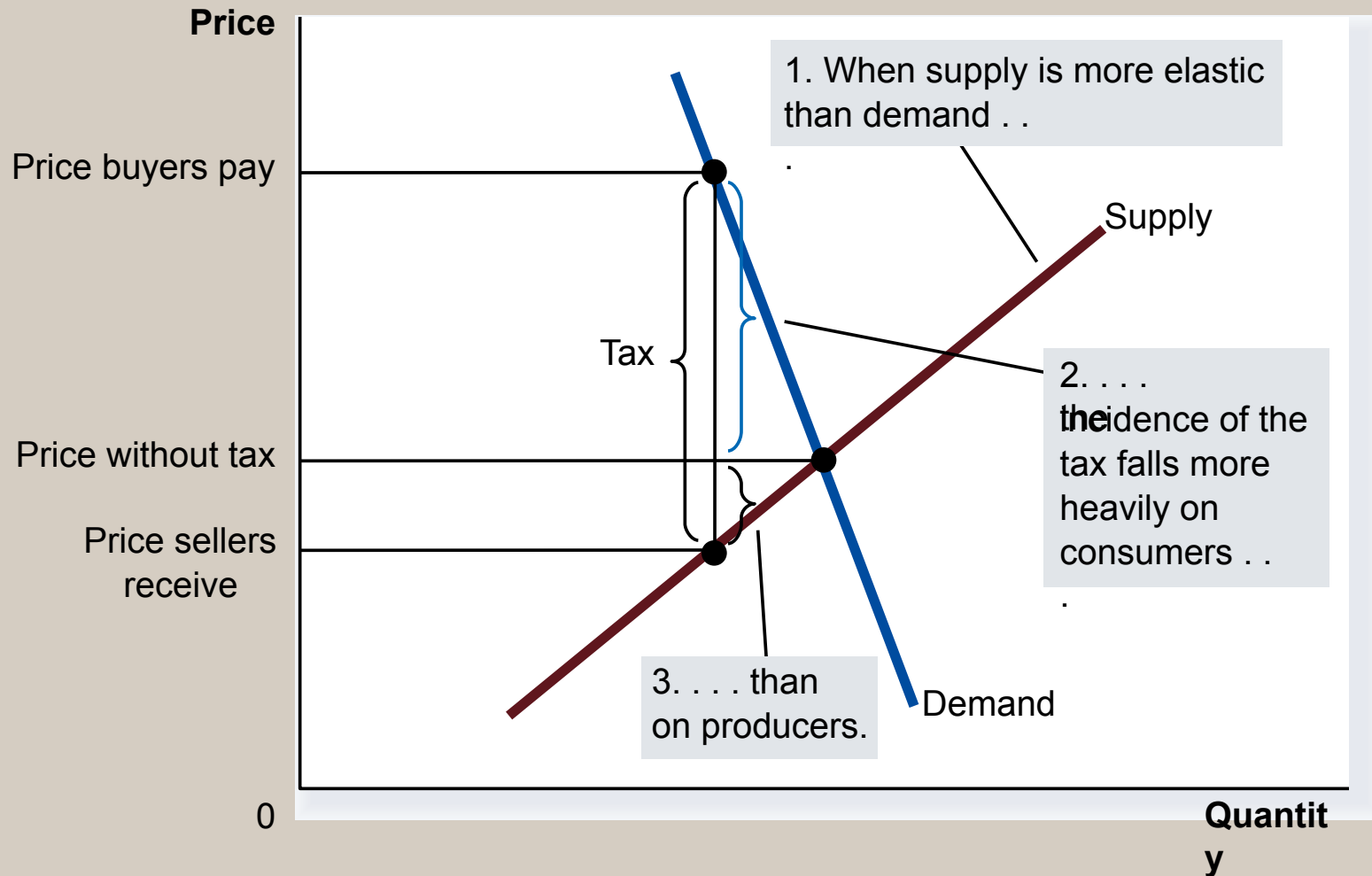


## Figure 6 A Payroll Tax



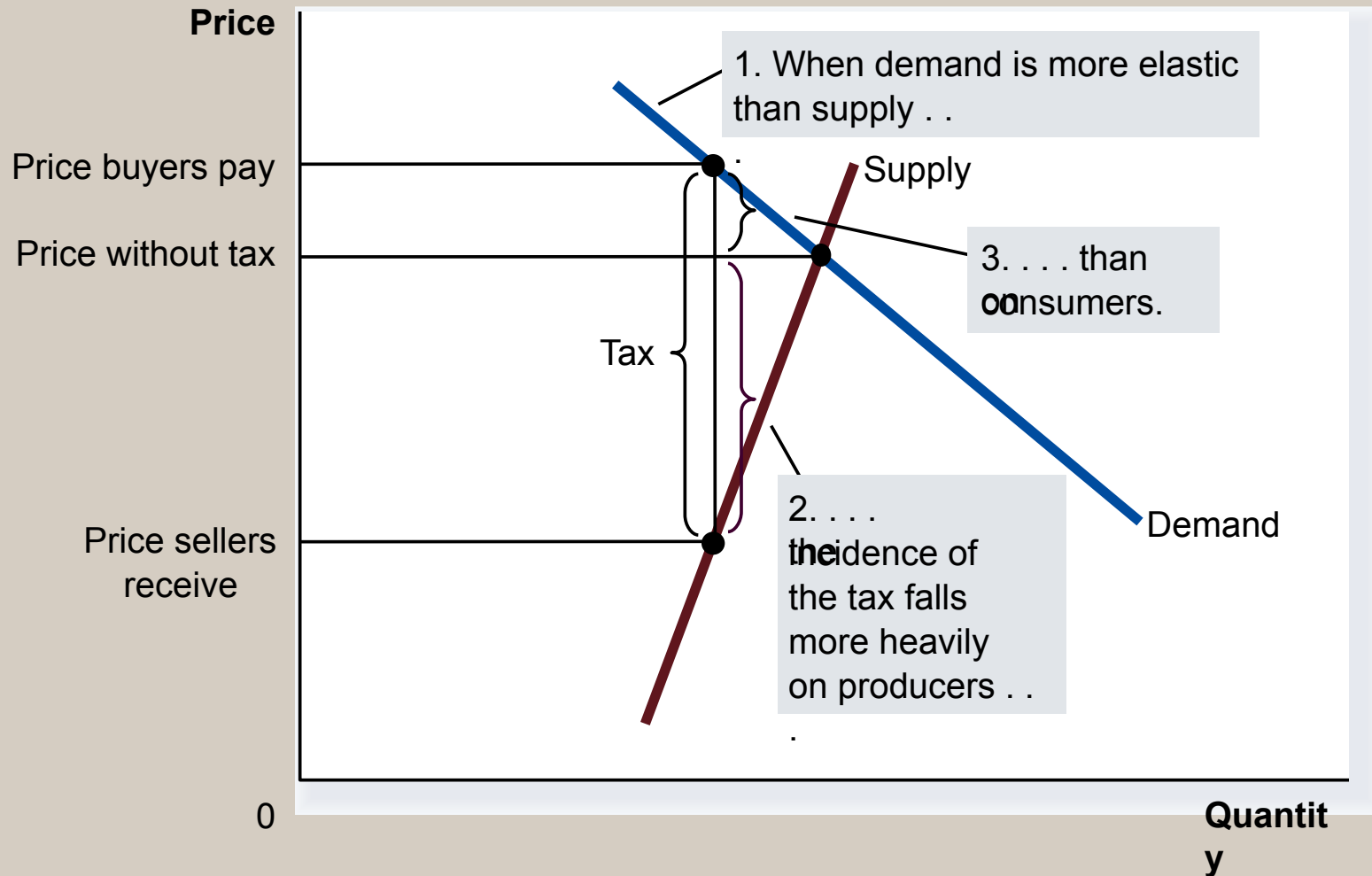
# Figure 7 How the Burden of a Tax Is Divided (1)

(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

