

Suva Sangam College

Year 11

Economics

Worksheet 9

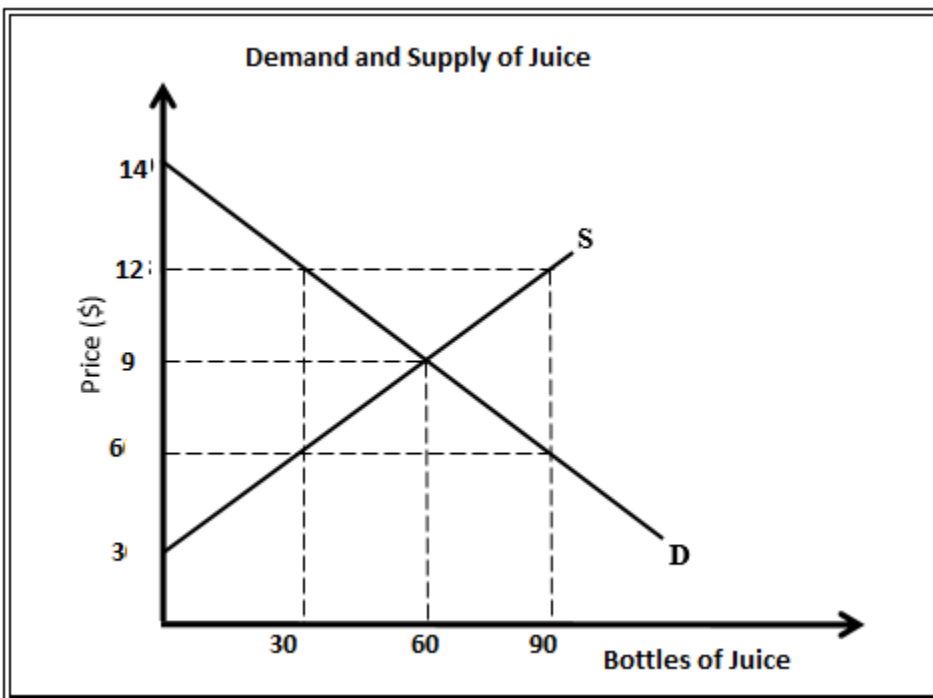
1) Define the following terms

- a) Price Control
- b) Price Floor

2) Differentiate the terms producer surplus and Consumer Surplus.

3) Discuss why there is a dead weight loss created after price control.

4) Use the graph below and answer the questions that follow.



- i) Draw and label a price ceiling at the price of \$6 and label it.
- iii) Calculate the consumer surplus at the equilibrium of \$9.
- iii) Calculate the new producer surplus after the price ceiling is set.
- iv) Explain two effects of price ceiling set by the government.