

MobLab
A playground for decisions

Controls on Prices
Price Ceilings and Floors

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MobLab
A playground for decisions

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Mankiw Principles of Economics 9e

Expand all

- The Visible Hand
Due Sep 25, 2020 @ 11:59 PM CST
COUNTS TOWARDS GRADE
- Price Control
Due Sep 25, 2020 @ 11:59 PM CST
COUNTS TOWARDS GRADE
- Getting Started: Key Tools for Learning
- Chapter 1: Ten Principles of Economics
14 activities
- Chapter 2: Thinking Like an Economist
18 activities
- Chapter 3: Interdependence and the ...
21 activities
- Chapter 4: The Market Forces of Supply and Demand
39 activities

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The Visible Hand

MobLab

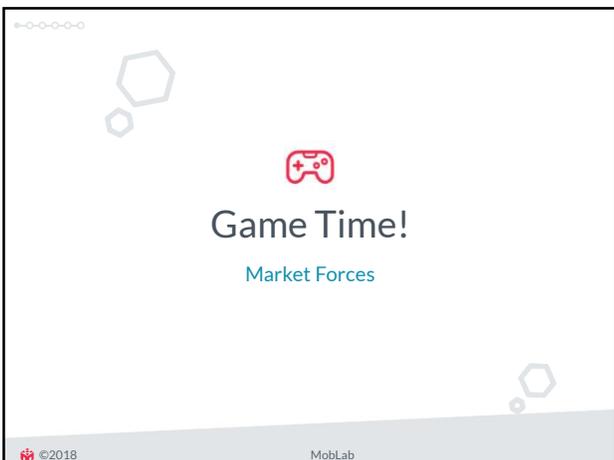
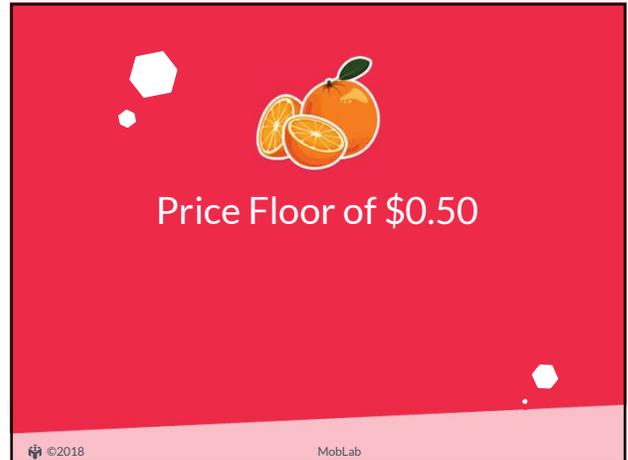
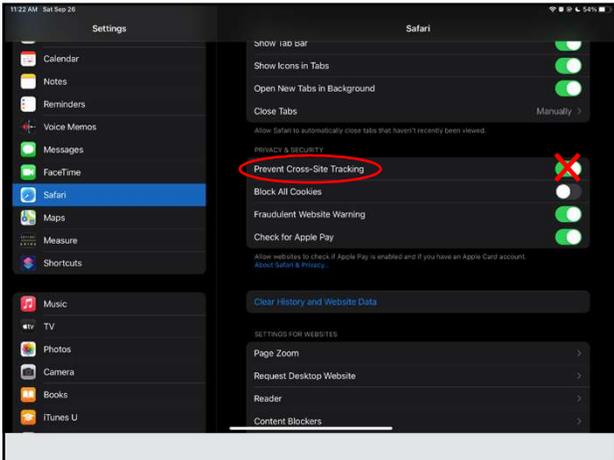
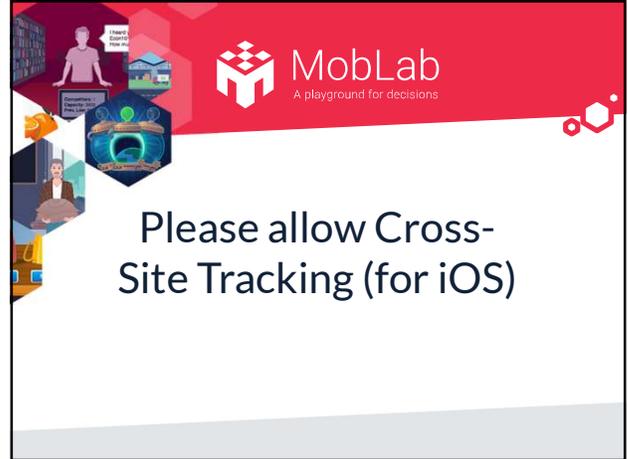
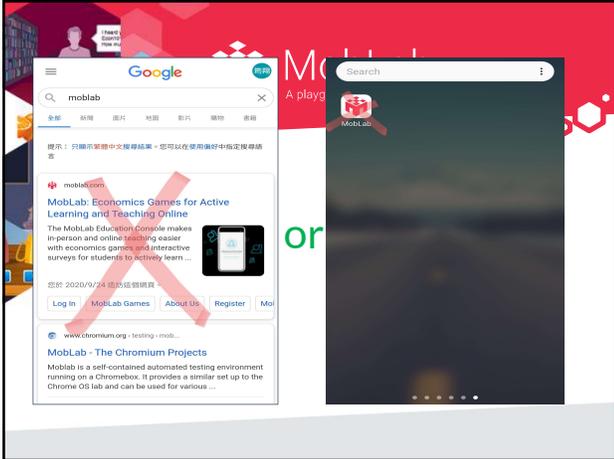
Tap the link to launch the MobLab app.

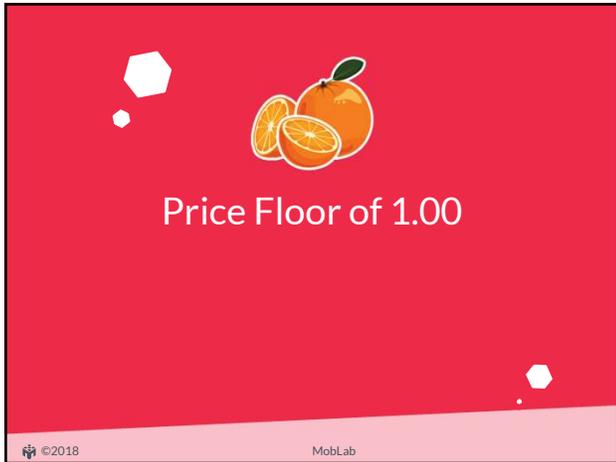
Launch

or Log in on a desktop browser.

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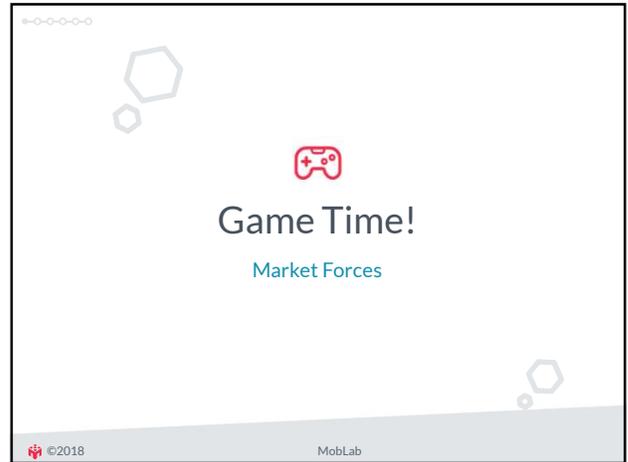
Please don't sign in
MobLab App directly





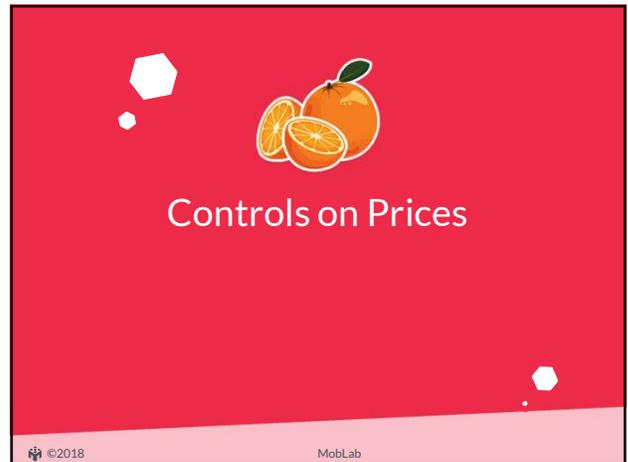
Price Floor of 1.00

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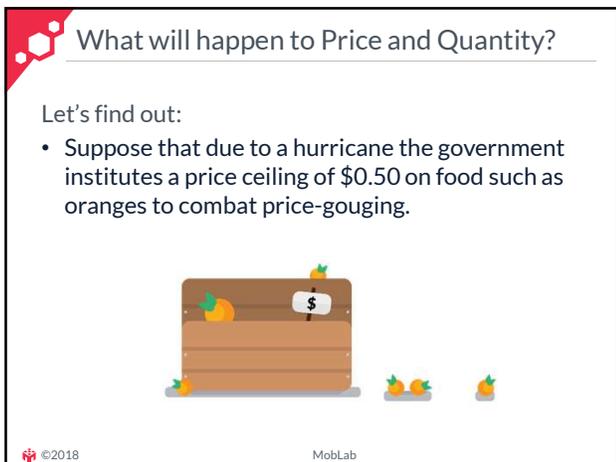
Game Time!
Market Forces

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Controls on Prices

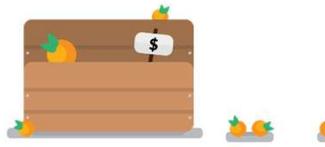
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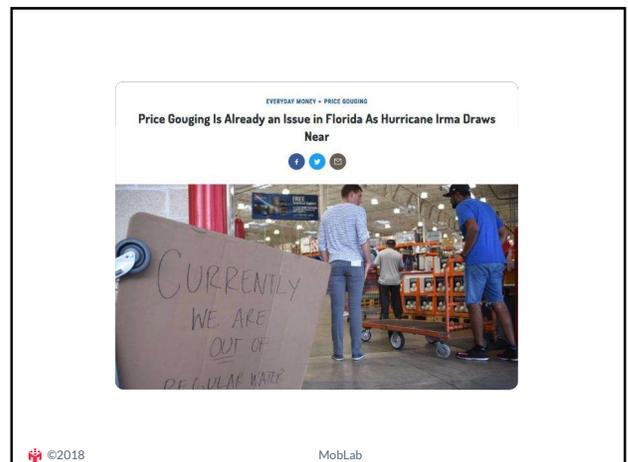
What will happen to Price and Quantity?

Let's find out:

- Suppose that due to a hurricane the government institutes a price ceiling of \$0.50 on food such as oranges to combat price-gouging.



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EVERYDAY MONEY • PRICE GOUGING
Price Gouging Is Already an Issue in Florida As Hurricane Irma Draws Near

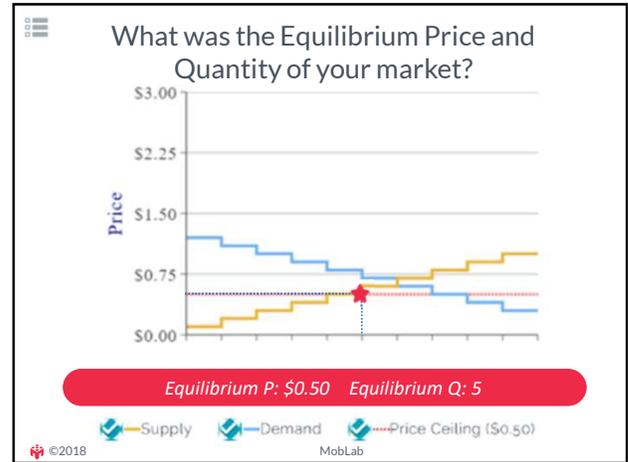
CURRENTLY WE ARE OUT OF REGULAR WATER

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Game Time!

Controls on Prices

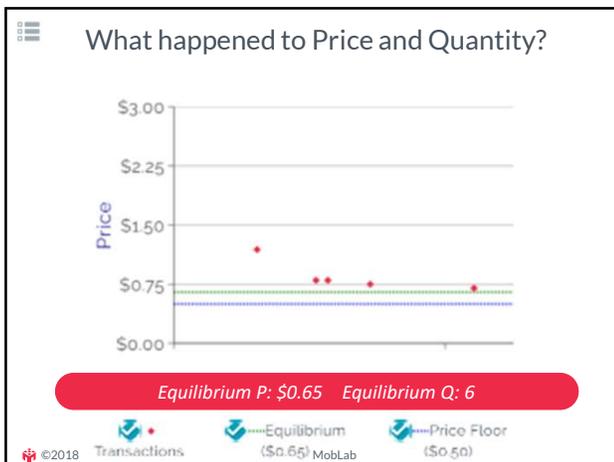
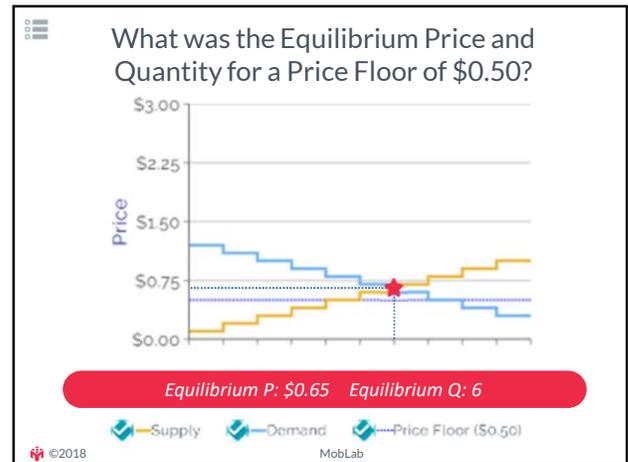
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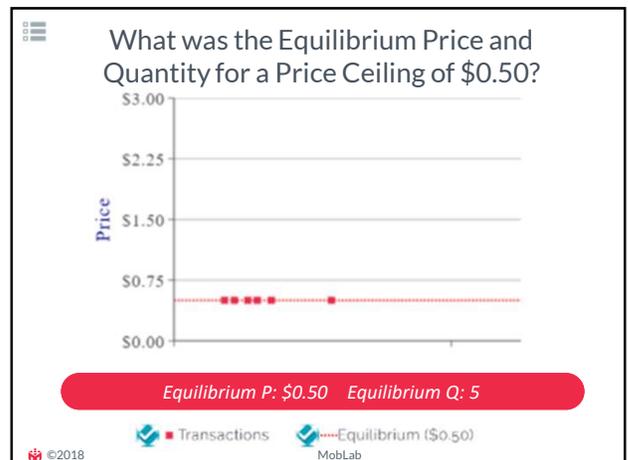
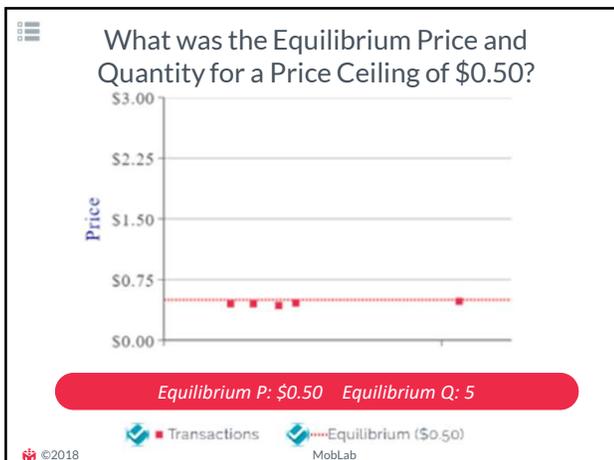
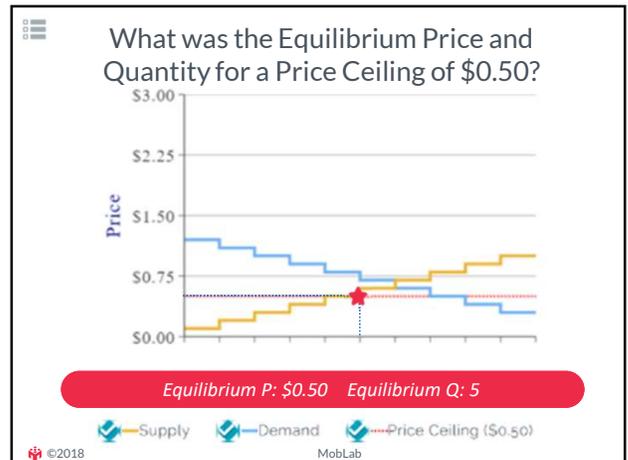
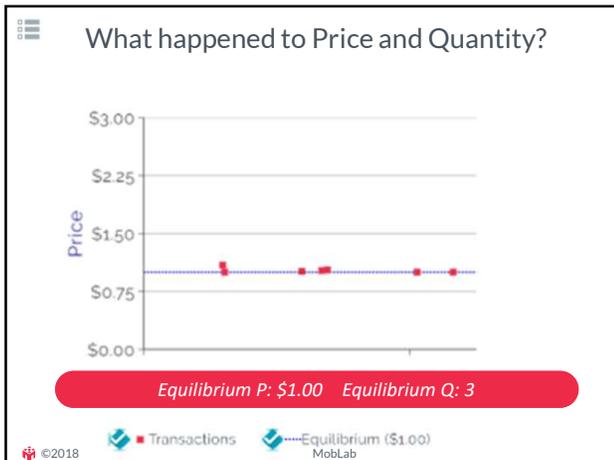
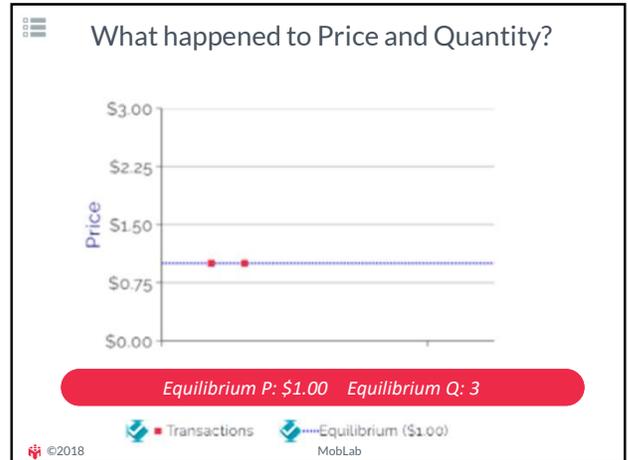


Results Discussion

Controls on Prices

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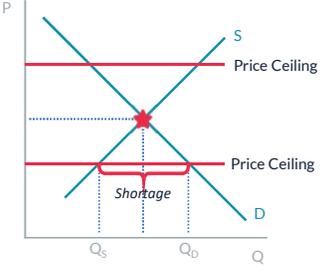
Concept Review

Controls on Prices



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Not Binding!

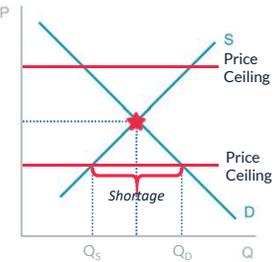


Quantity Supplied is less than Quantity Demanded

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Price Ceilings

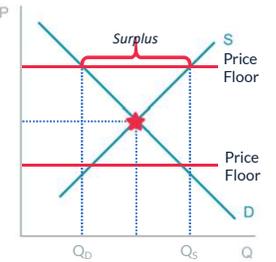
- If the ceiling is above equilibrium, it is not binding.
- If the ceiling is below equilibrium, Quantity Supplied is less than Quantity Demanded.
- This creates a shortage.



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Price Floors

- If the floor is below equilibrium, it is not binding.
- If the floor is above equilibrium, Quantity Demanded is less than Quantity Supplied.
- This creates a surplus.



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Completed!

Controls on Prices

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