



MobLab
A playground for decisions




Controls on Prices

Price Ceilings and Floors

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Sign up www.moblab.com or download the app

- 1 Sign up as a student using your [Student Email](#)
- 2 Join the class



Student Sign Up

Learn complex concepts with more depth and context through the power of strategic social interactions

Name (Private)

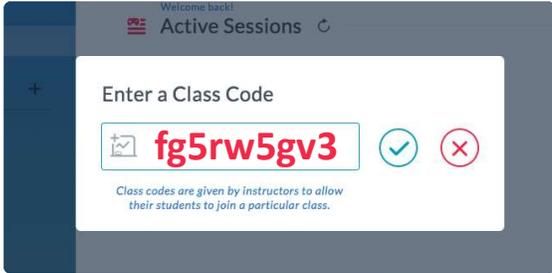
First Last

School/University Email

Confirm Email

Password

Enter Password Confirm Password



Welcome back!

Active Sessions

Enter a Class Code

Class codes are given by instructors to allow their students to join a particular class.

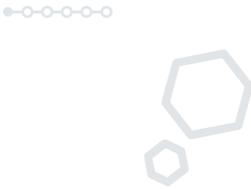
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Enter the Activity



Market Forces





Game Instructions

Market Forces



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Groups of 5 sellers and 5 buyers.
Trade to maximize your profits!

*Orange producer,
selling oranges*

*Hungry consumer,
buying oranges*



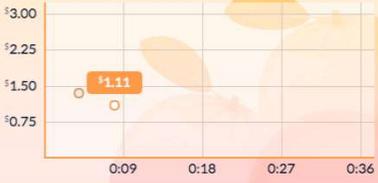
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SELLERS

SELLER
Order Book >

Cost \$0.65
Oranges 3/3
Earnings \$0.00





\$1.24

Profit \$0.59

ASK

or

Sell at Highest Bid

BIDS	ASKS
\$1.03	\$1.62
\$0.51	\$2.10
\$0.30	--

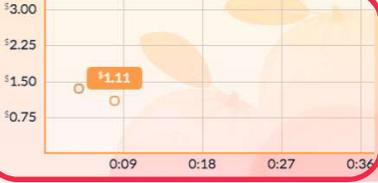
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Bids are offers to buy, Asks are offers to sell

SELLER
Order Book >

Cost \$0.65
Oranges 3/3
Earnings \$0.00





\$1.24

Profit \$0.59

ASK

or

Sell at Highest Bid

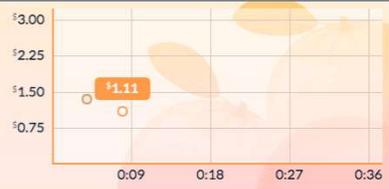
BIDS	ASKS
\$1.03	\$1.62
\$0.51	\$2.10
\$0.30	--

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Submit an **ASK** using the slider, or **Sell at Highest Bid**

SELLER Order Book >

Cost	\$0.65
Oranges	3/3
Earnings	\$0.00



Profit \$0.59

ASK

BIDS	ASKS
\$1.03	\$1.62
\$0.51	\$2.10
\$0.30	--

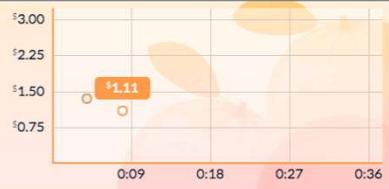
or Sell at Highest Bid

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Seller's Profit = Sale Price - Cost

SELLER Order Book >

Cost	\$0.65
Oranges	3/3
Earnings	\$0.00



Profit \$0.59

ASK

BIDS	ASKS
\$1.03	\$1.62
\$0.51	\$2.10
\$0.30	--

or Sell at Highest Bid

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BUYERS

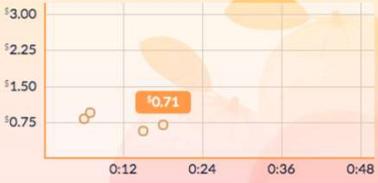
BUYER
Order Book >

Value \$1.38

Oranges 0/3

Earnings \$0.00





\$1.04 Profit \$0.34



BID

or

Buy at Lowest Ask

BIDS	ASKS
\$0.34	\$0.87
\$0.23	\$0.90
--	\$1.03

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Submit a BID using the slider, or Buy at Lowest Ask

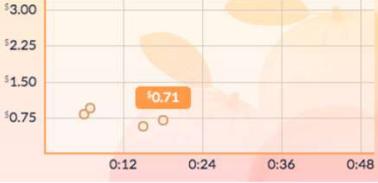
BUYER
Order Book >

Value \$1.38

Oranges 0/3

Earnings \$0.00





\$1.04 Profit \$0.34



BID

or

Buy at Lowest Ask

BIDS	ASKS
\$0.34	\$0.87
\$0.23	\$0.90
--	\$1.03

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Buyer's Profit = Value - Purchase Price

BUYER Order Book >

Value	\$1.38
Oranges	0/3
Earnings	\$0.00

Profit \$0.34

\$1.04

BIDS

\$0.34
\$0.23
--

ASKS

\$0.87
\$0.90
\$1.03

Buy at Lowest Ask

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When does a transaction occur?

- Someone uses **Buy at Lowest Ask** or **Sell at Highest Bid**
- A Buyer places a **BID** higher than the lowest outstanding Ask (Purchase Price at Lowest Ask)
- A Seller places an **ASK** lower than the highest outstanding Bid (Sale Price at Highest Bid)

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As a **buyer**, what is your profit if you
“Buy at Lowest Ask”?

BUYER Order Book >

Value **\$1.38**
 Oranges 0/3
 Earnings \$0.00

Profit **\$0.34**

\$1.04 **BID**

BIDS **ASKS**

\$0.34	\$0.87
\$0.23	\$0.90
--	\$1.03

Buy at Lowest Ask

Value – Purchase Price = \$1.38 - \$0.87 = \$0.51

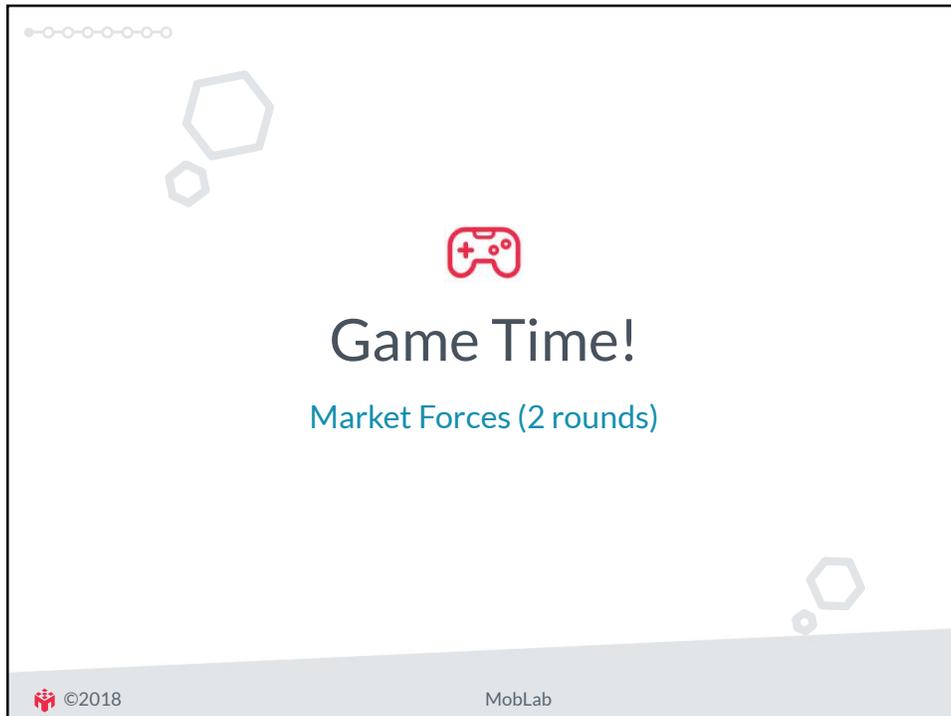
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What will Price and Quantity be?

Let's find out:

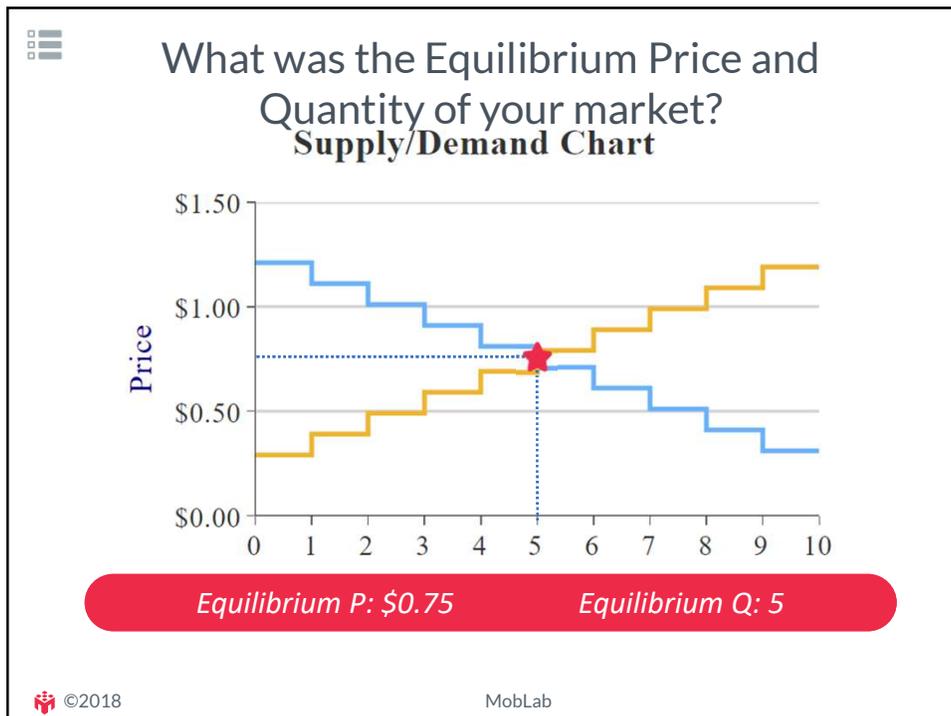
- You've been told to maximize your own profits.
- The Law of Supply and Demand predicts your group's behavior.
- Will the prediction be accurate?

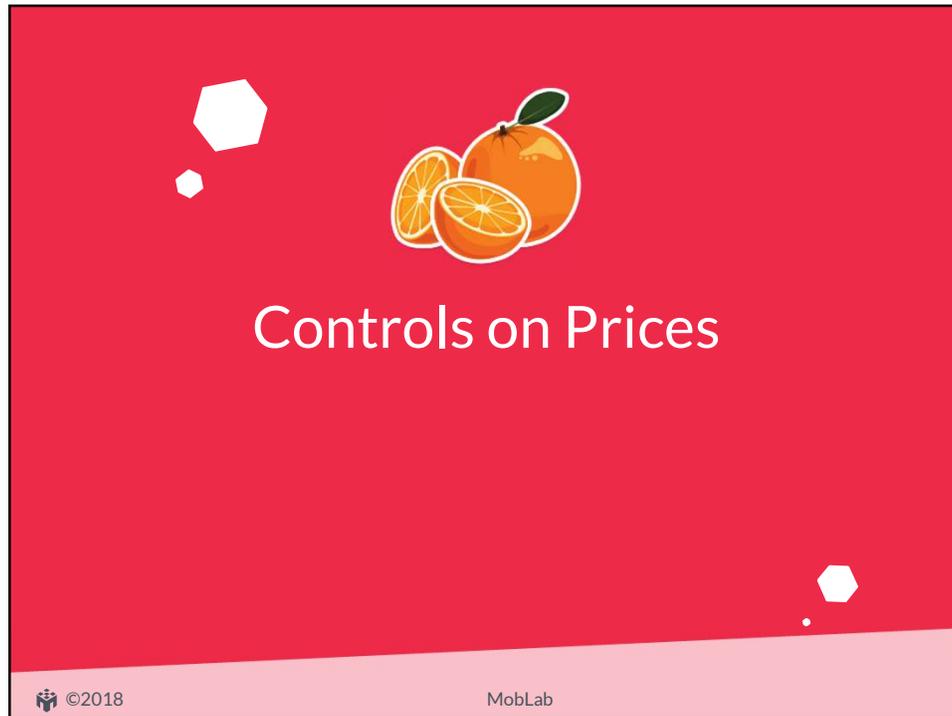
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Game Time!
Market Forces (2 rounds)

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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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The slide has a white background with a red decorative element in the top-left corner. The title 'What will happen to Price and Quantity?' is underlined. Below the title, the text 'Let's find out:' is followed by a bulleted list. The list item describes a price ceiling of \$0.50 on oranges. Below the text is an illustration of a wooden crate filled with oranges. A white price tag with a black dollar sign (\$) is attached to the front of the crate. To the right of the crate, there are three individual oranges on small grey platforms. At the bottom left, there is a small red icon of a person and the text '©2018'. At the bottom center, the text 'MobLab' is displayed.

EVERYDAY MONEY • PRICE GOUGING

Price Gouging Is Already an Issue in Florida As Hurricane Irma Draws Near

[f](#) [t](#) [e](#)

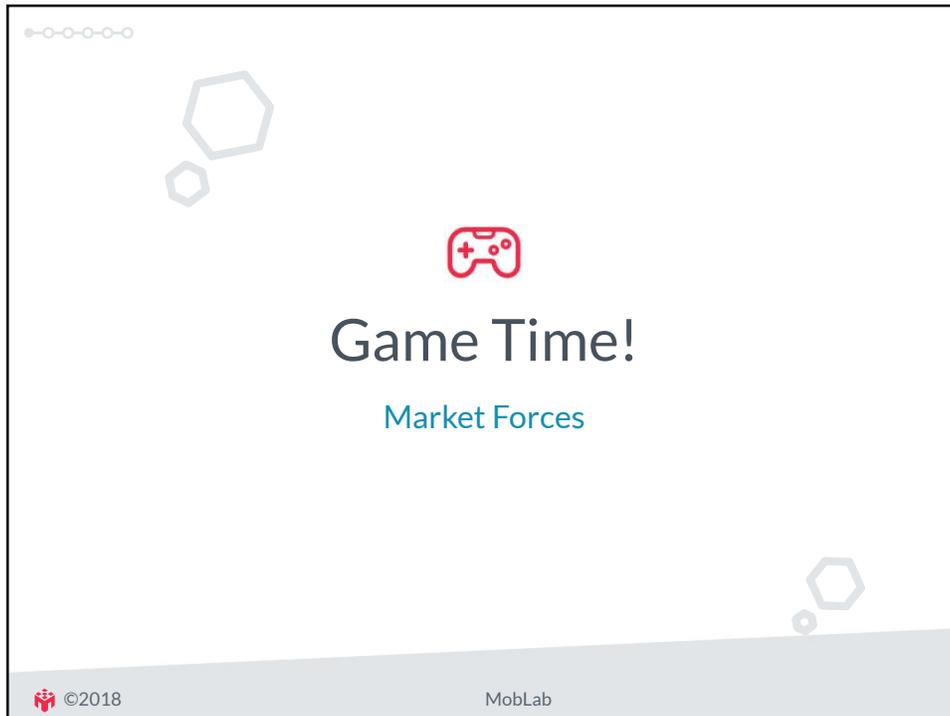


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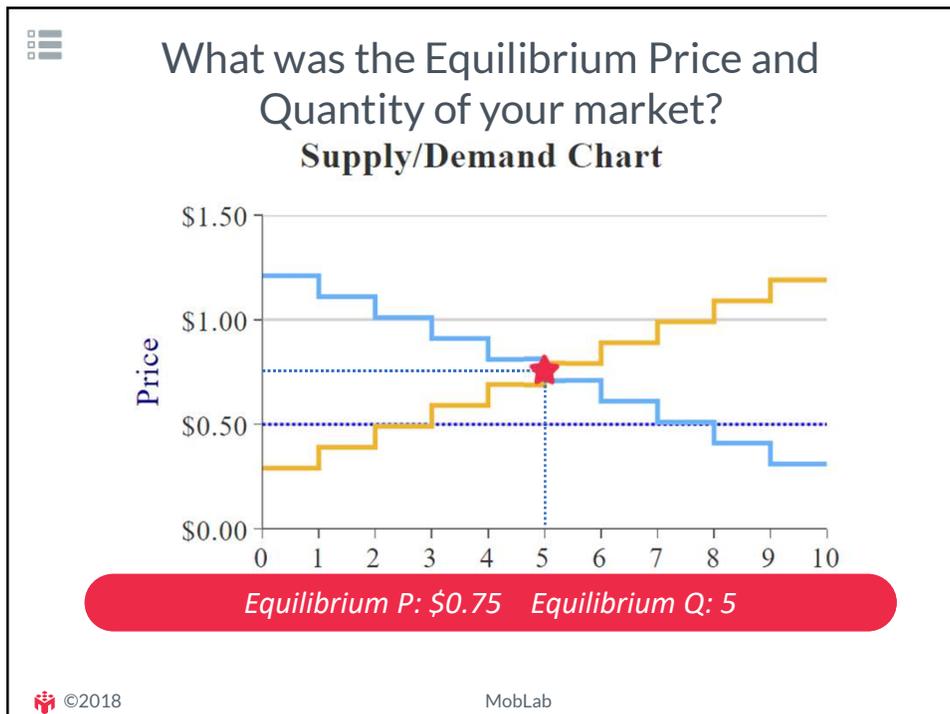
Price Floor of \$0.50

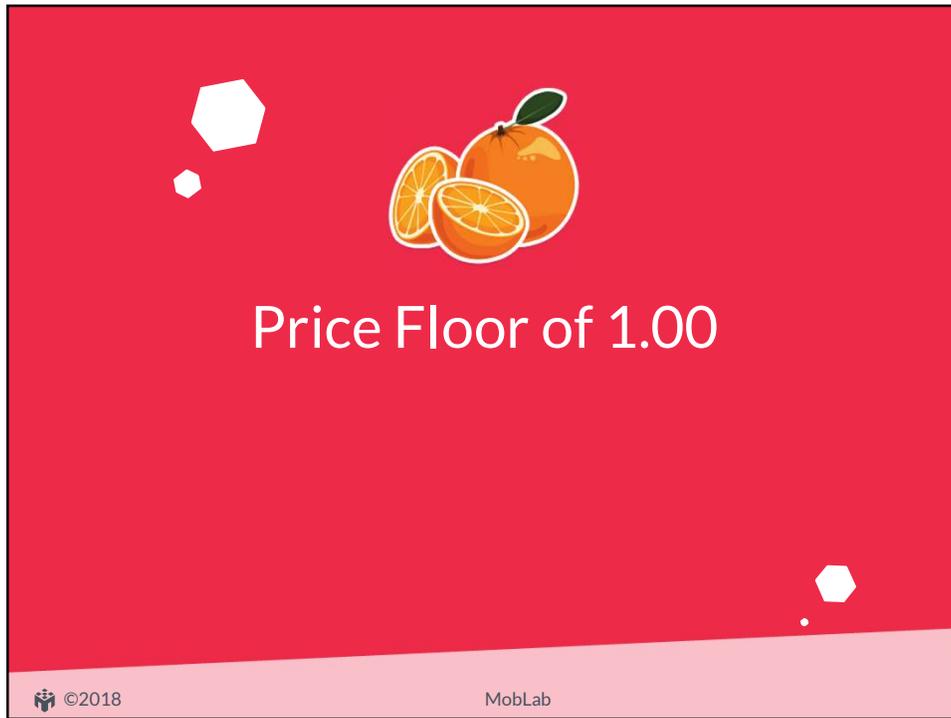
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Game Time!
Market Forces

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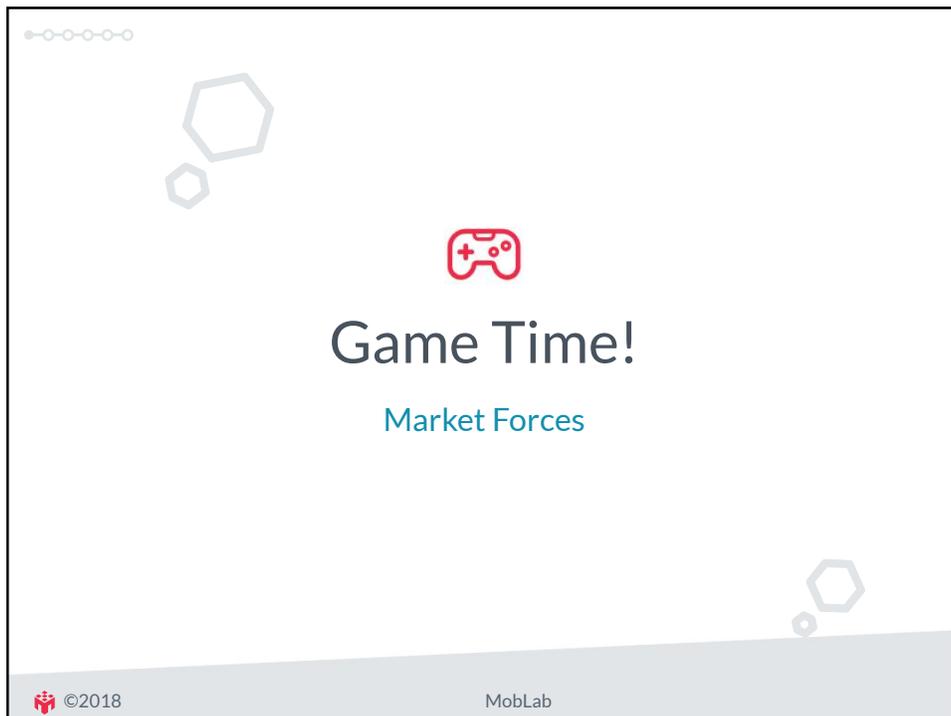




Price Floor of 1.00

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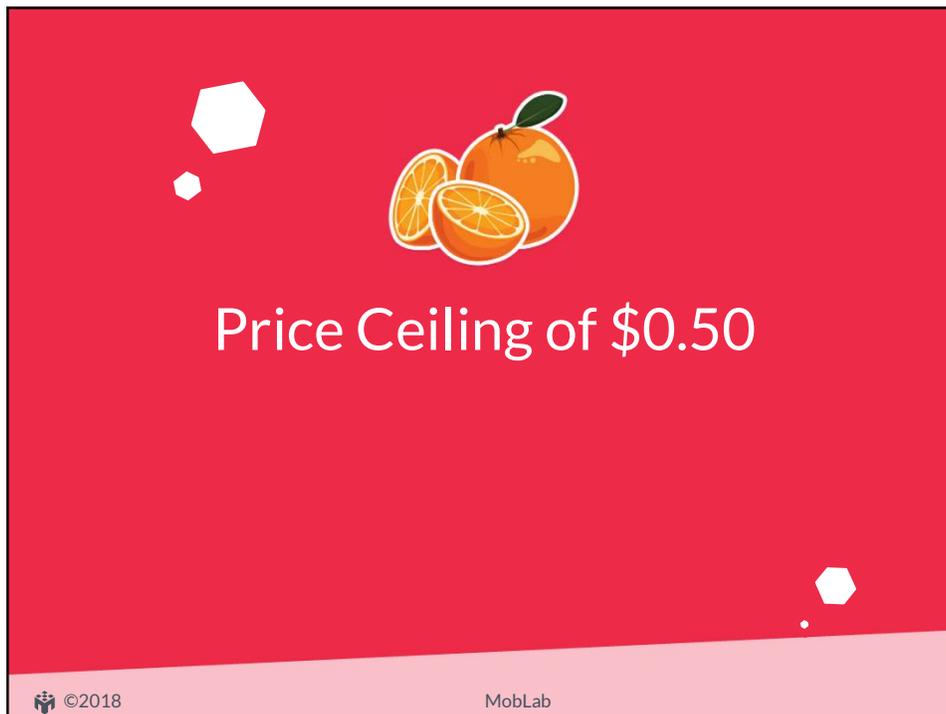
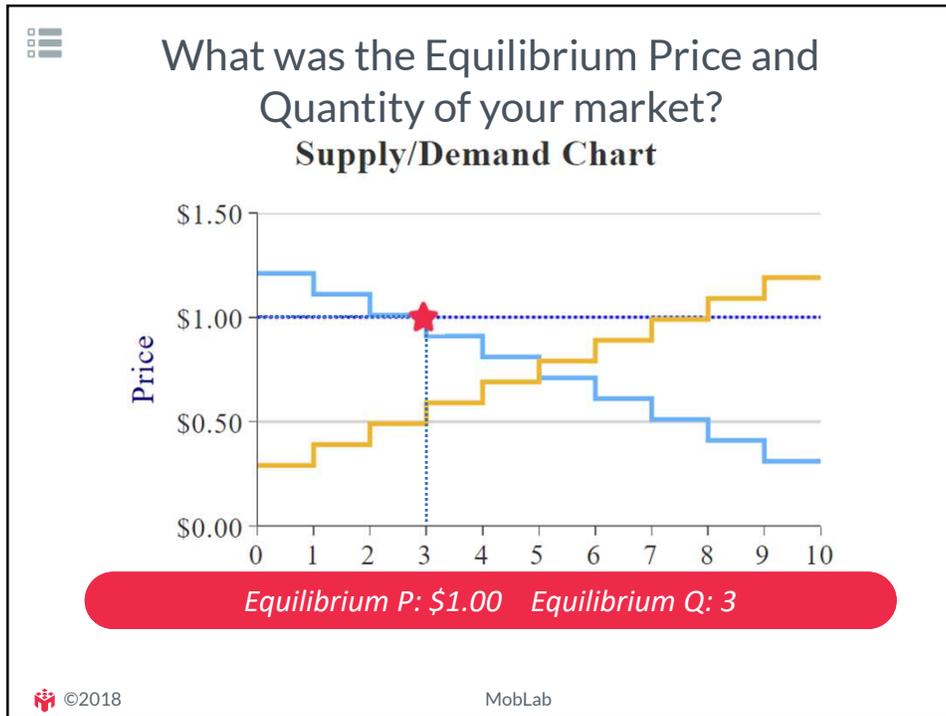
This slide features a red background with a white gradient at the bottom. It includes an illustration of oranges and orange slices in the upper center, and several white hexagonal shapes of varying sizes scattered around. The text "Price Floor of 1.00" is centered in white. The footer contains a small icon, "©2018", and "MobLab".

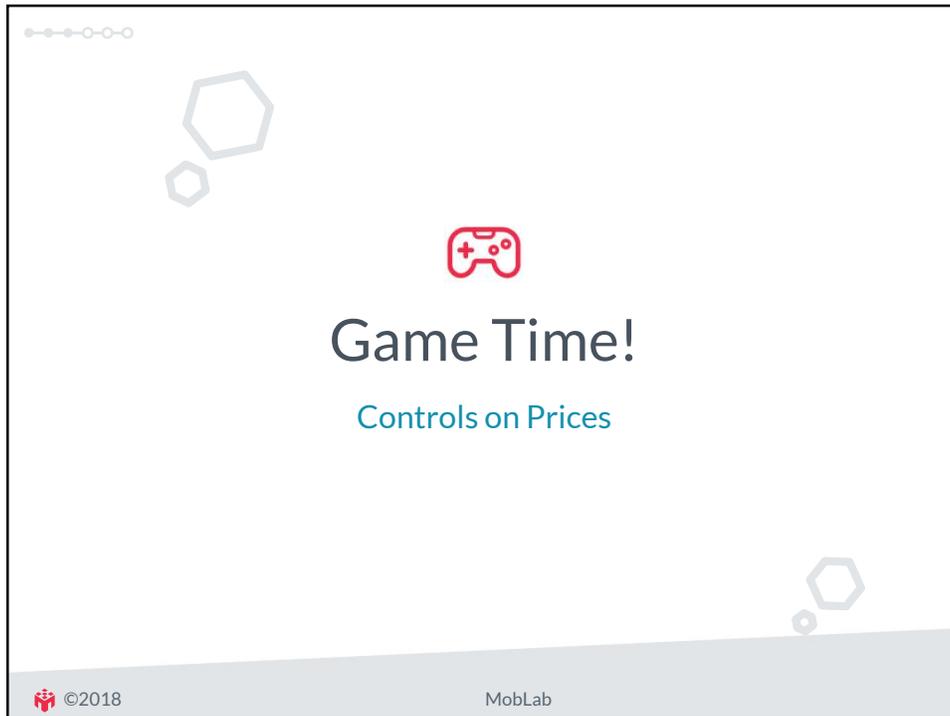


Game Time!
Market Forces

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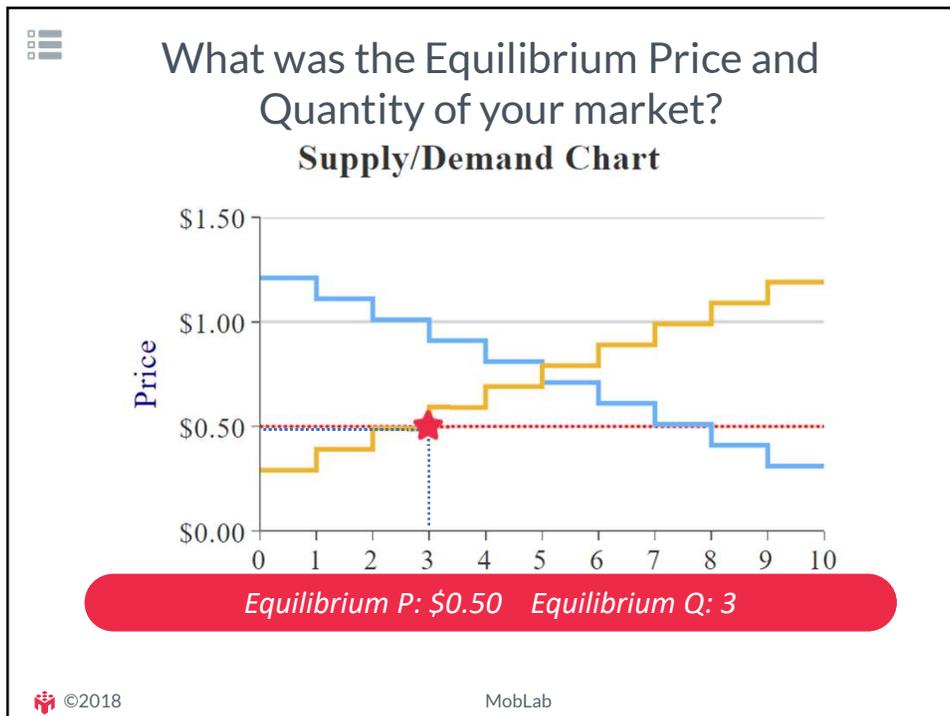
This slide has a white background with a grey gradient at the bottom. It features a red game controller icon in the center, with the text "Game Time!" in dark grey and "Market Forces" in blue below it. There are several grey hexagonal shapes of varying sizes scattered on the slide. The footer contains a small icon, "©2018", and "MobLab".

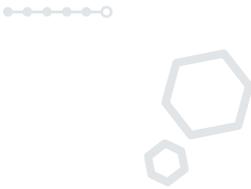




Game Time!
Controls on Prices

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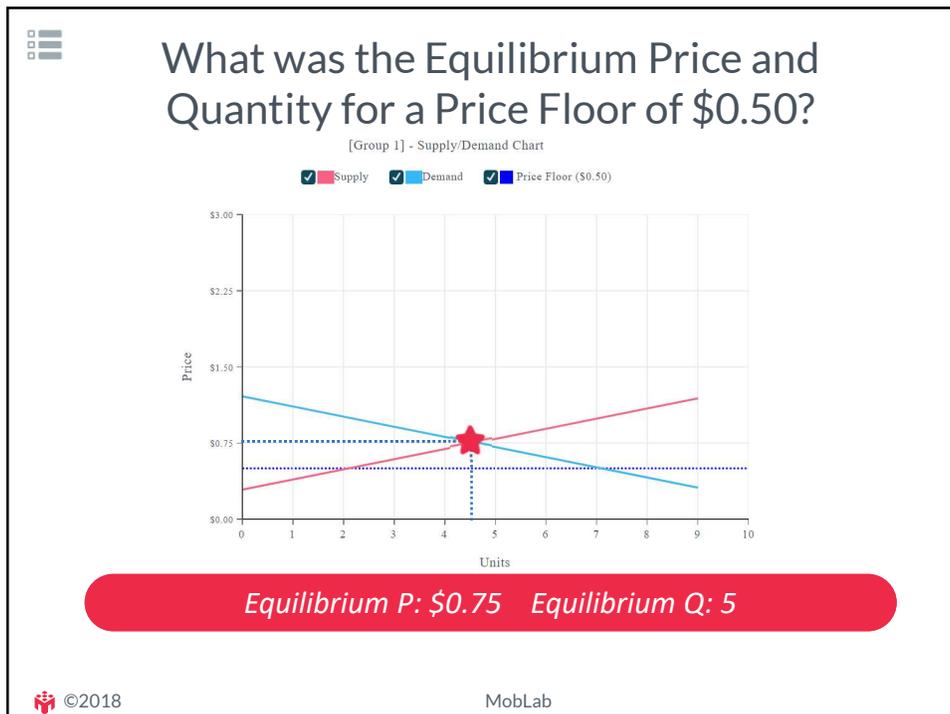


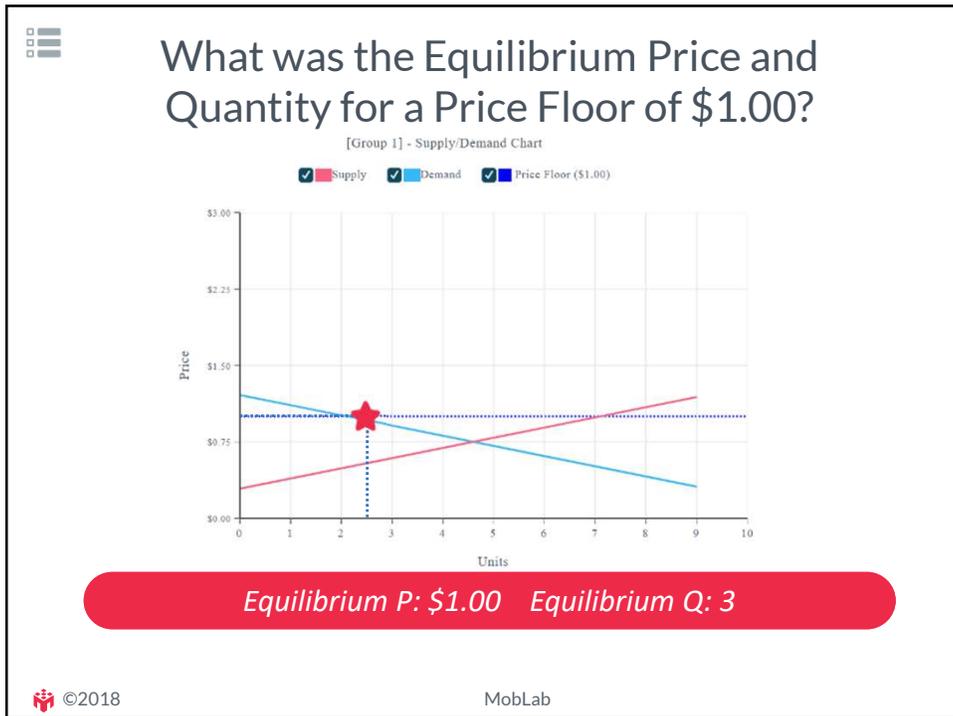
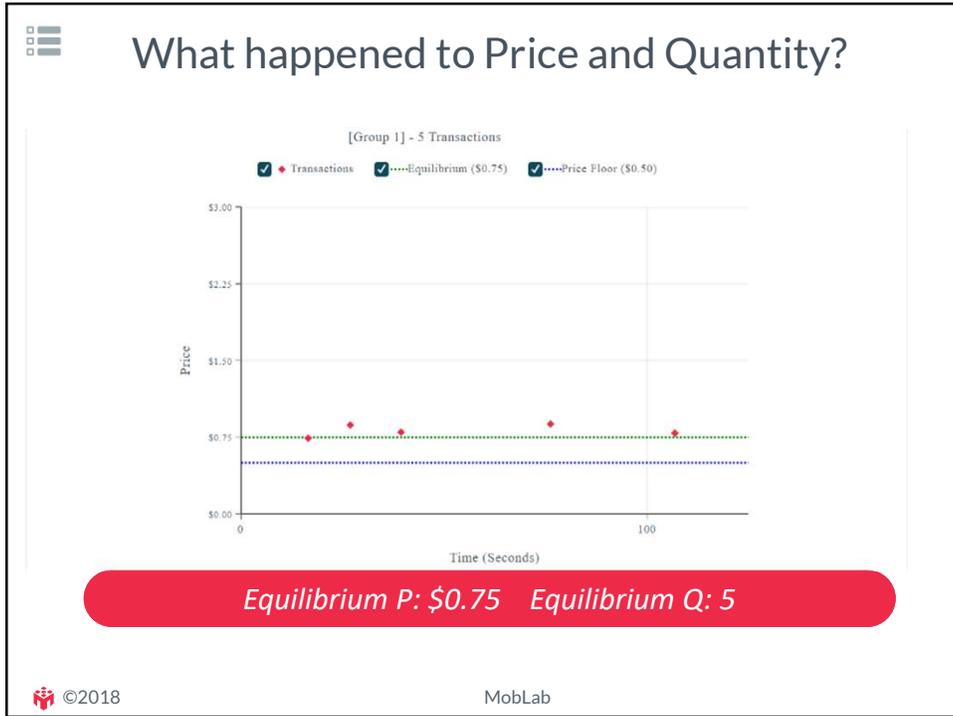

Results Discussion

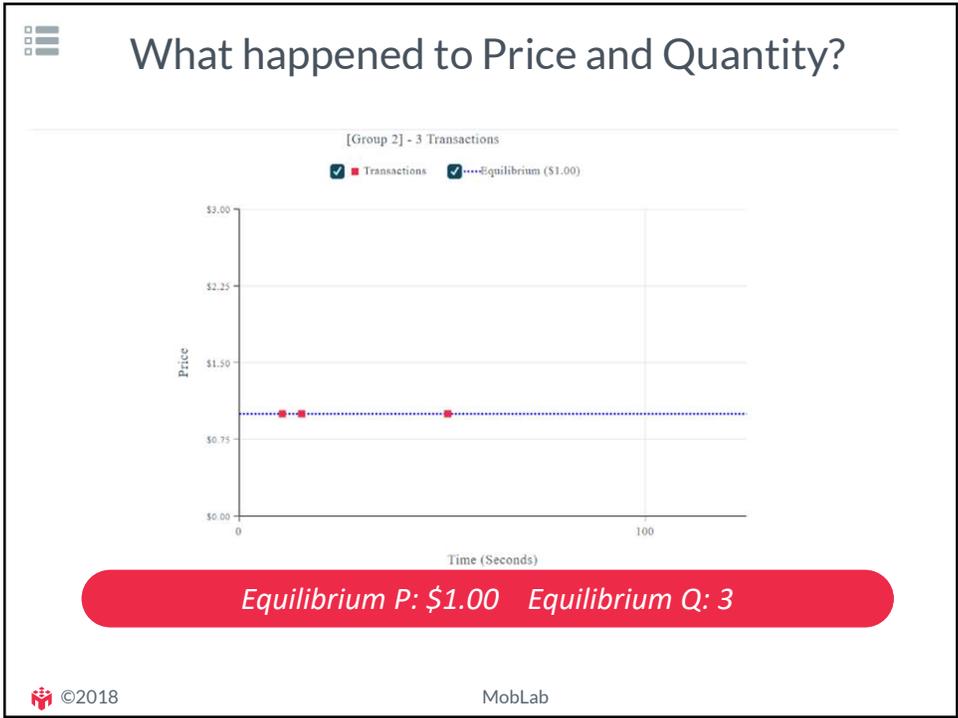
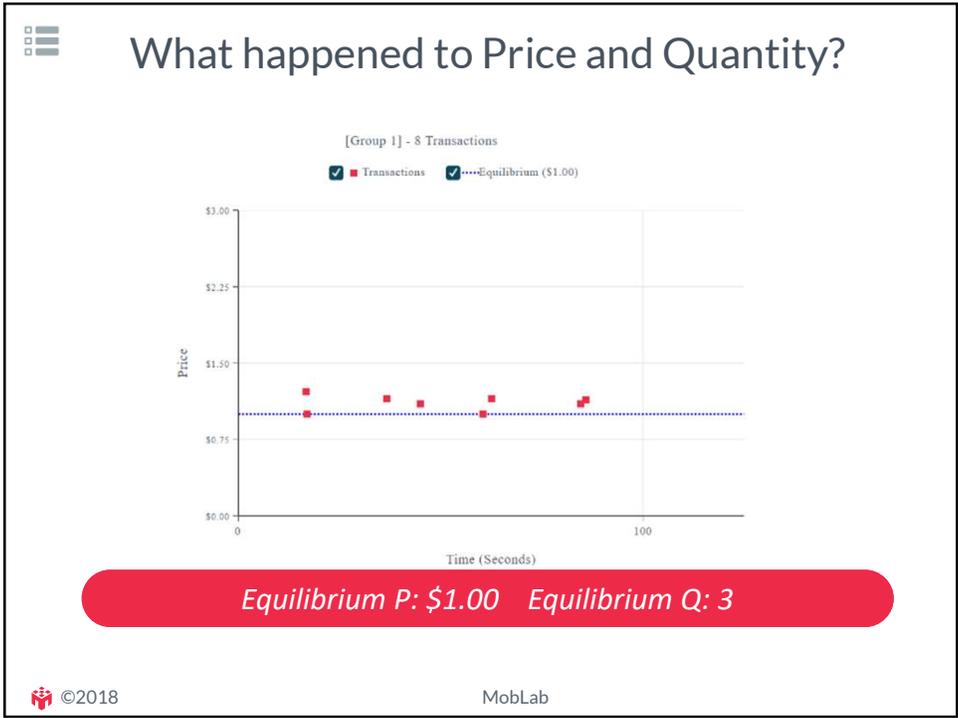
Controls on Prices

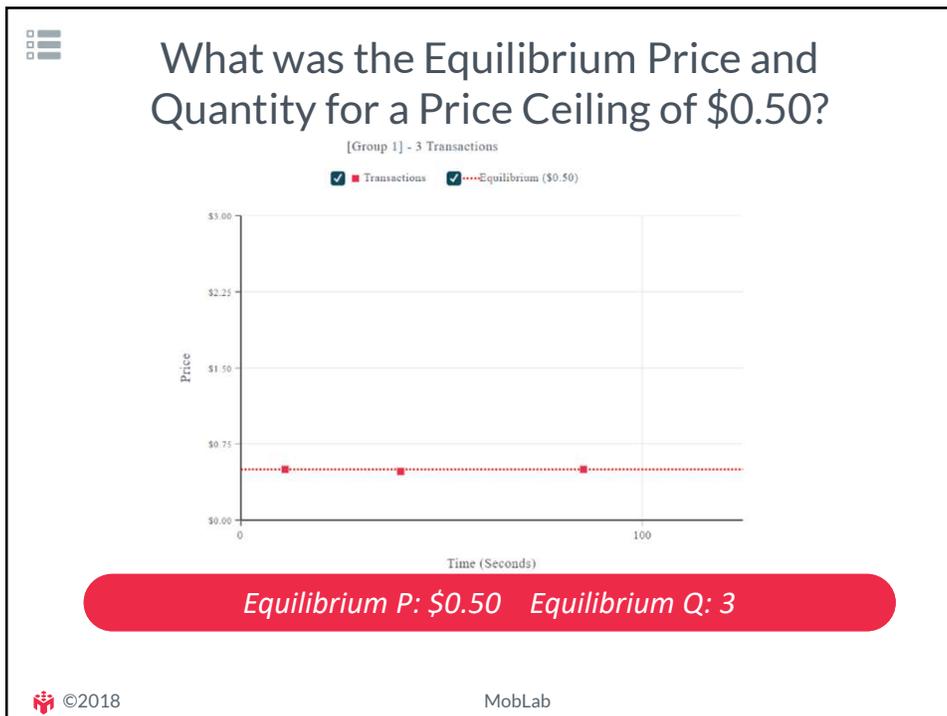
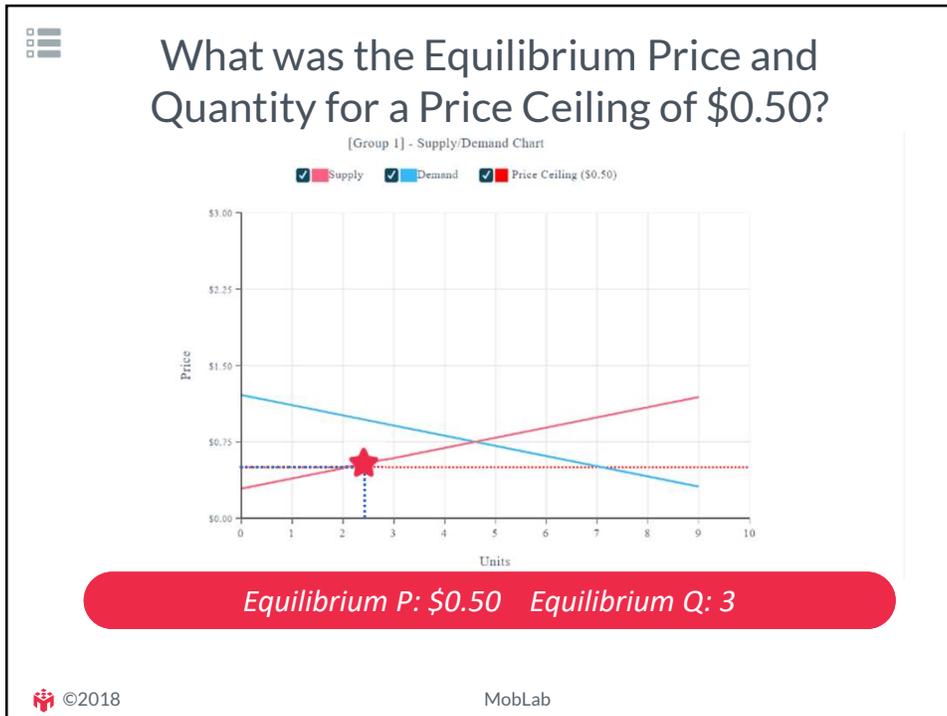


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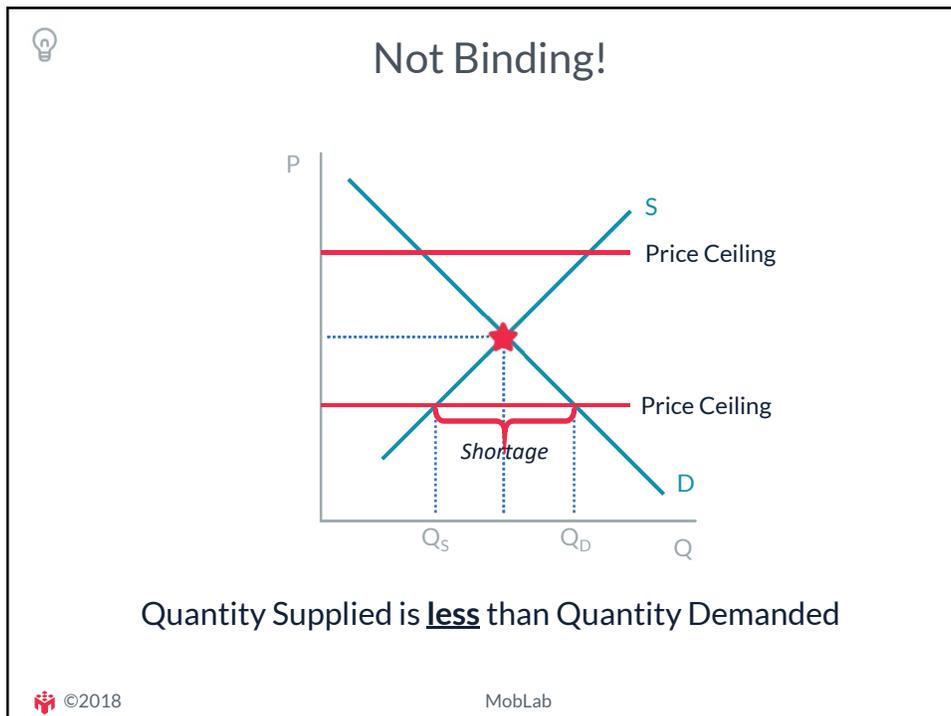


Concept Review

Controls on Prices

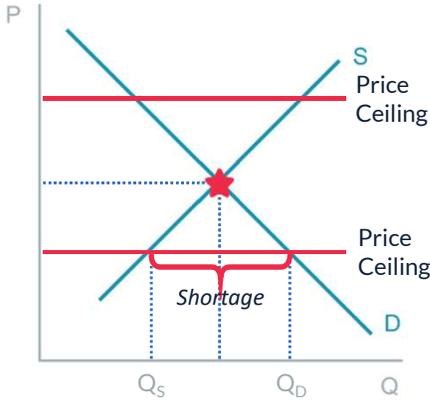
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This slide features a lightbulb icon at the top center, the title "Concept Review" in a large font, and the subtitle "Controls on Prices" in a smaller font. Below the text are two orange slices. The slide is decorated with faint geometric shapes like hexagons and a dotted line in the top left corner.



Price Ceilings

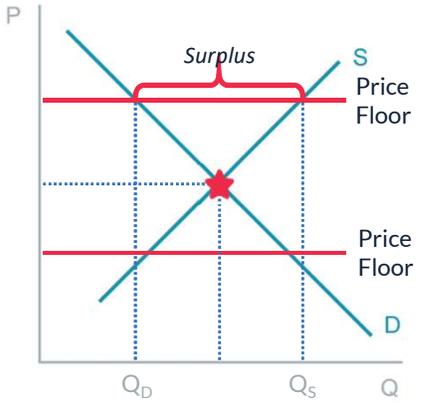
- If the ceiling is above equilibrium, it is not binding.
- If the ceiling is below equilibrium, Quantity Supplied is less than Quantity Demanded.
- This creates a shortage.



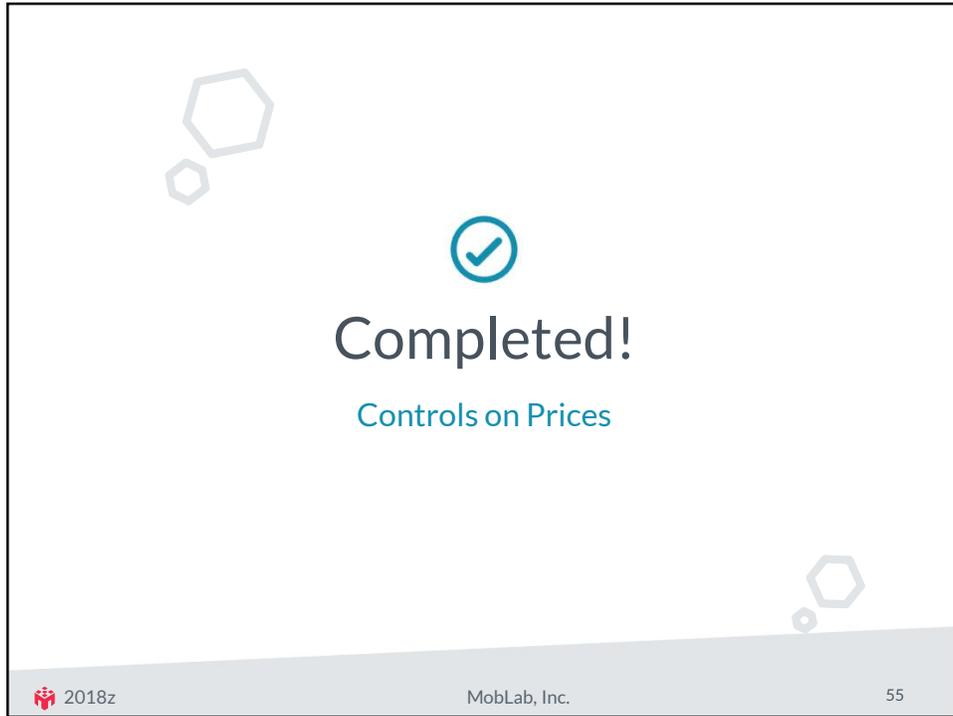
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Price Floors

- 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

2018z MobLab, Inc. 55

This slide features a white background with a light gray gradient at the bottom. In the top left, there are two faint gray hexagonal shapes. In the center, there is a blue checkmark icon inside a circle. Below the icon, the word "Completed!" is written in a large, bold, dark gray font, and "Controls on Prices" is written in a smaller, blue font. In the bottom left corner, there is a small red icon followed by the text "2018z". In the bottom center, it says "MobLab, Inc.", and in the bottom right, it says "55".



MobLab
A playground for decisions

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This slide has a solid red background with a light red gradient at the bottom. In the top left, there are two faint white hexagonal shapes. In the center, there is the MobLab logo, which consists of a white 3D cube-like structure with a checkered top surface. To the right of the logo, the word "MobLab" is written in a large, white, sans-serif font, and "A playground for decisions" is written in a smaller, white, sans-serif font below it. In the bottom left corner, there is a small white icon followed by the text "©2018".