

Figure 10-1: Market equilibrium with supply shift

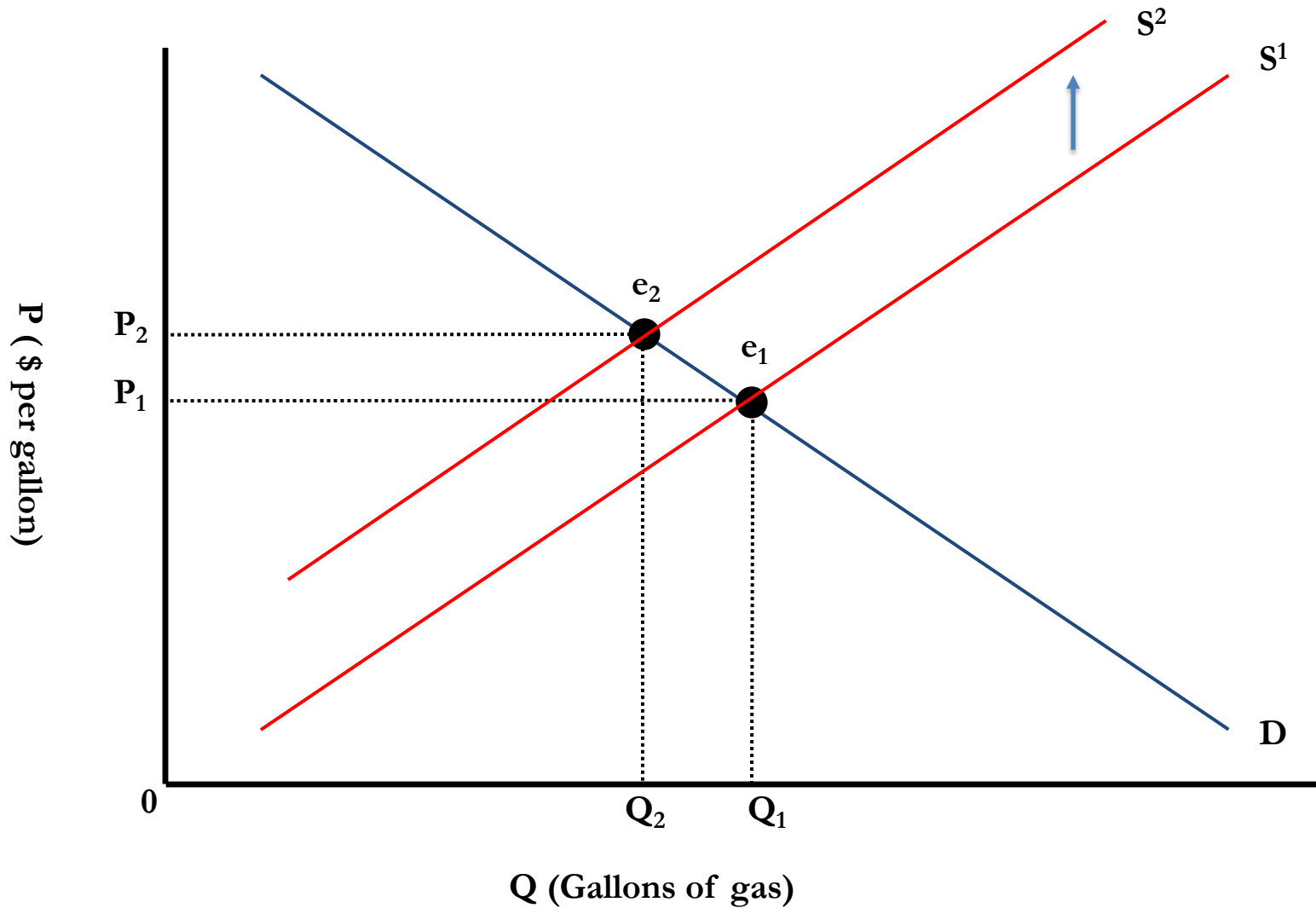


Figure 10-2(i): Supply shift

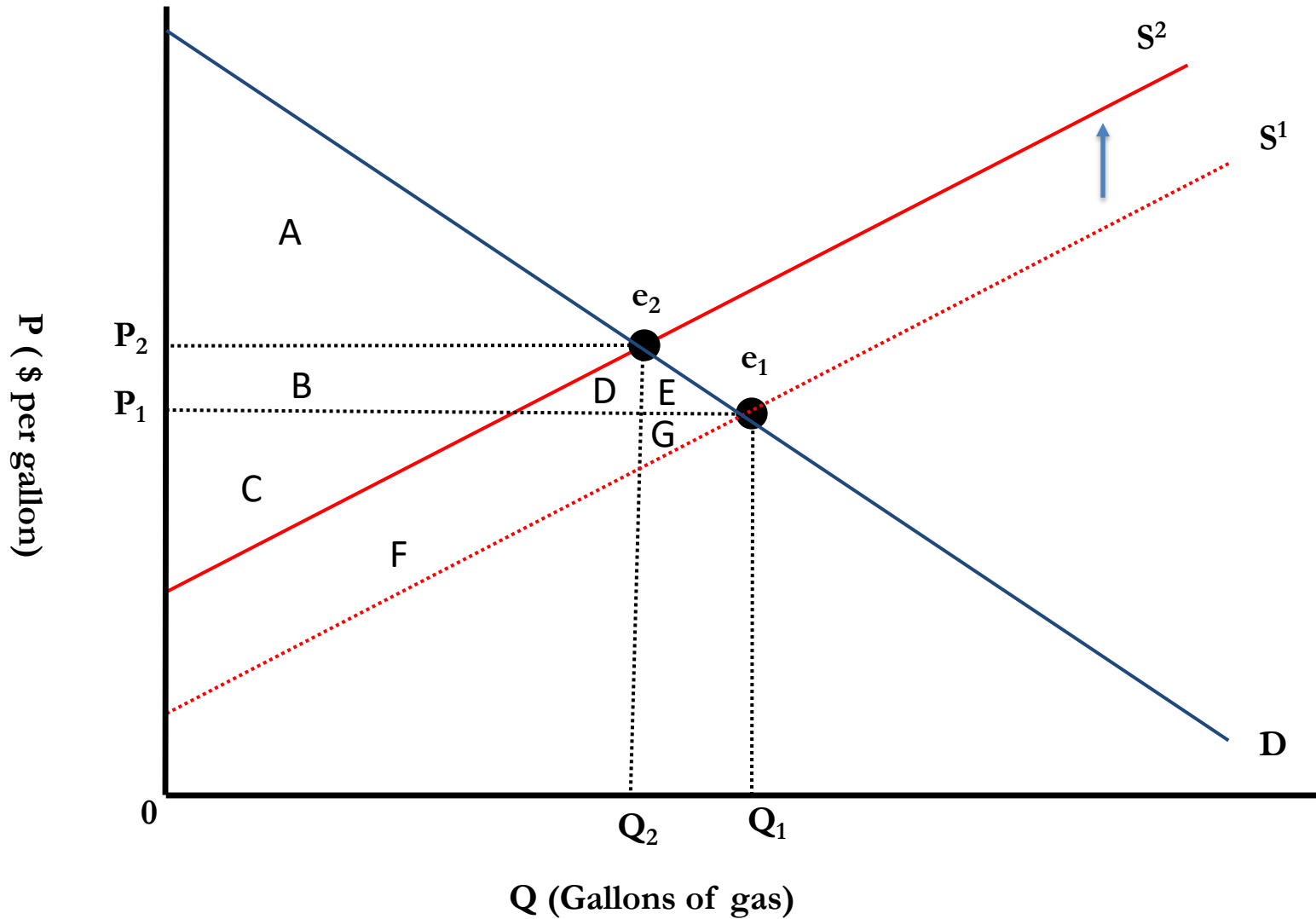
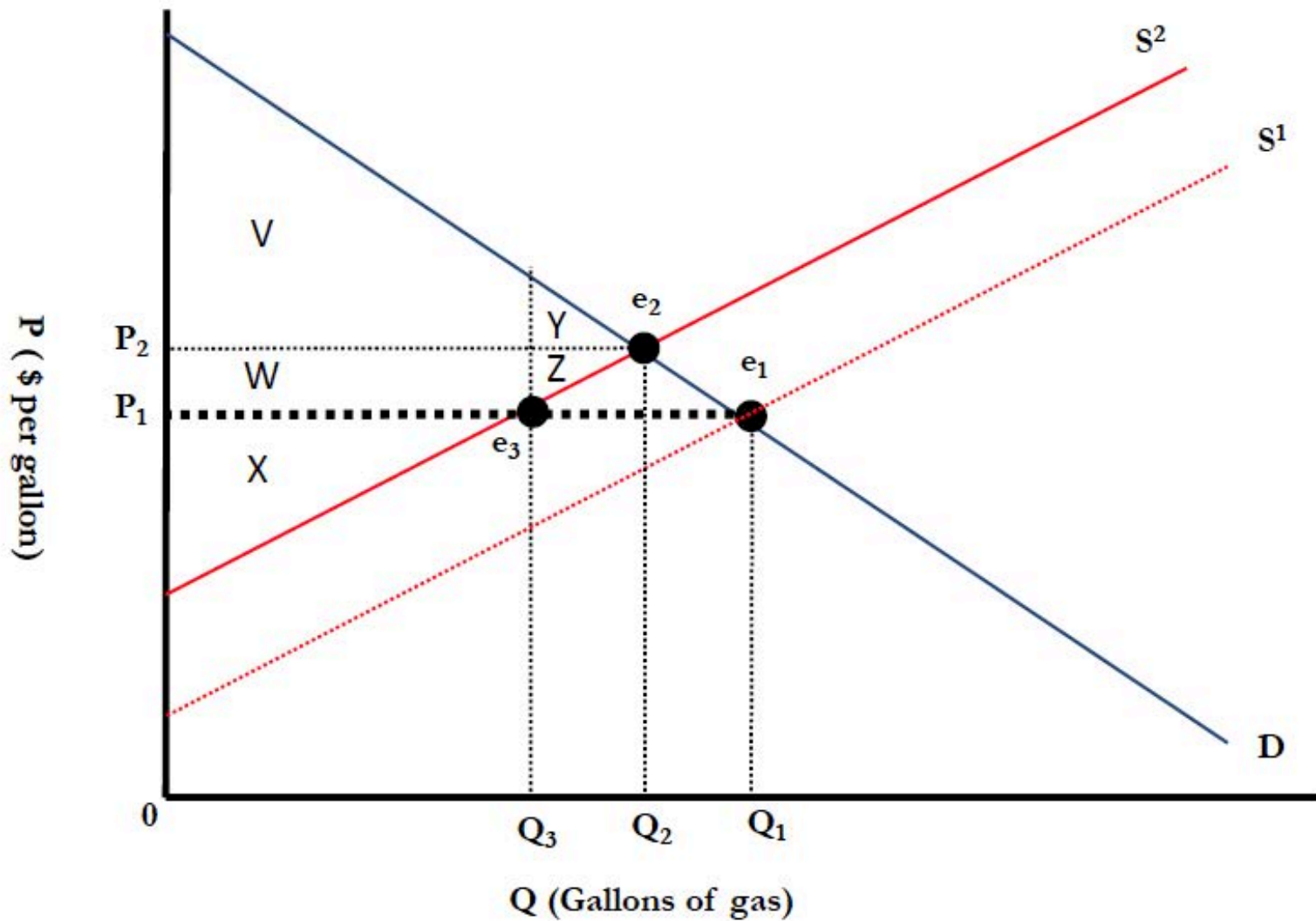
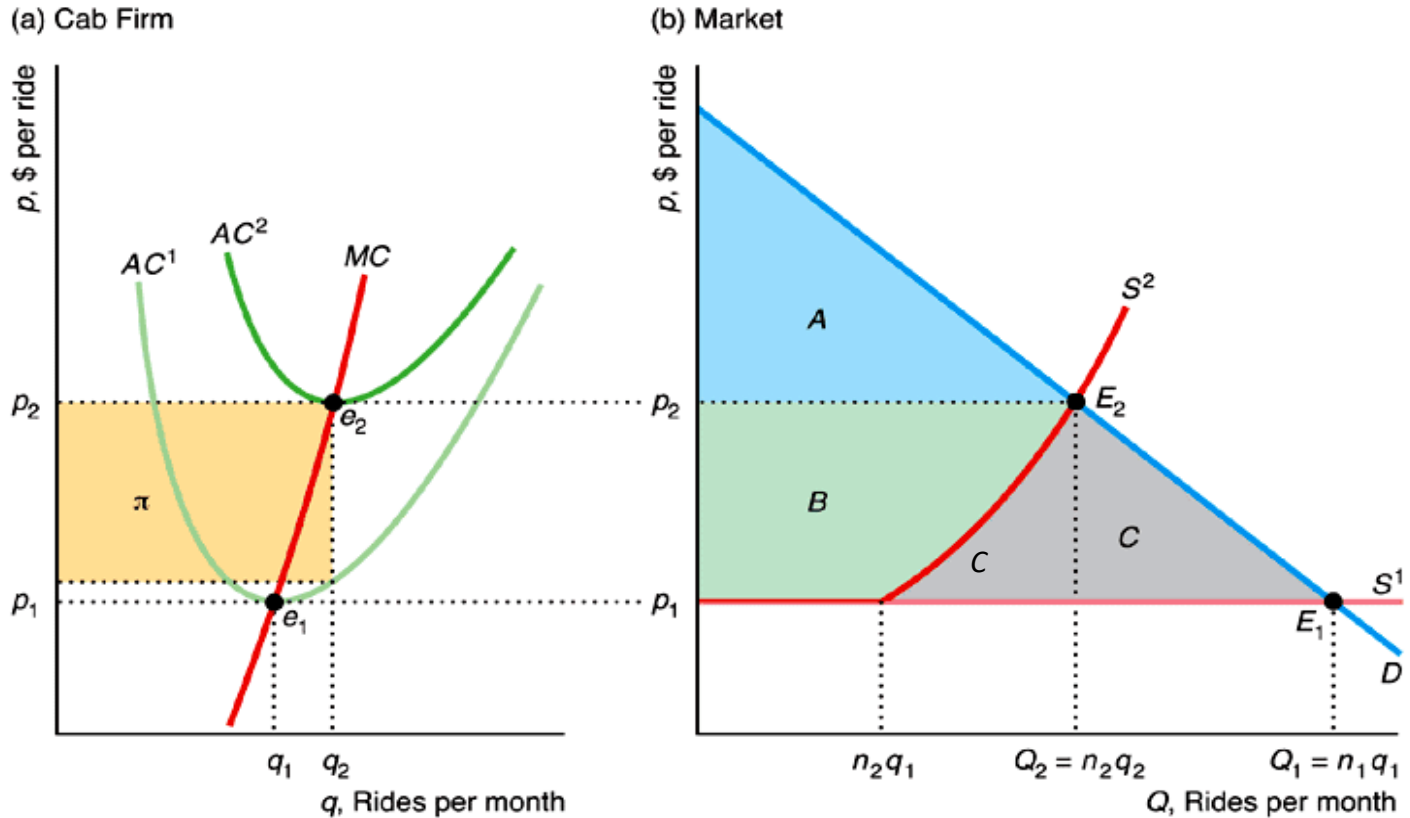


Figure 10-2(ii): Price Ceiling at  $P_1$



# Figure 10-3: Effect of a Restriction on the Number of Cabs



	No Restrictions	Restrictions	Change
Consumer Surplus, $CS$	$A + B + C$	$A$	$-B - C = \Delta CS$
Producer Surplus, $PS$	$0$	$B$	$B = \Delta PS$
Welfare, $W = CS + PS$	$A + B + C$	$A + B$	$-C = \Delta W = DWL$

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