Price Ceilings and Price Floors Infographic Classroom Activity

What effect do price ceilings and floors have on markets? The price ceilings and price floors infographic highlights basic concepts such as market equilibrium, binding and nonbinding price ceilings and price floors, shortages and surpluses, and real-world examples.

Price ceilings and price floors infographic questionnaire

(Student will refer to the infographic to answer the following questions.)

1. Define market equilibrium.

2. The equilibrium price is the price that ____________.

3. Define a price ceiling.

4. Define a price floor.

5. What makes a price ceiling effective or binding? What is the result of a binding price ceiling?

6. What makes a price floor effective or binding? What is the result of a binding price floor?

7. What makes a price ceiling nonbinding? When does it occur?

8. What makes a price floor nonbinding? When does it occur?

9. Give two real-world examples of price ceilings and two real-world examples of price floors.