Price ceiling	A price above which it is illegal to trade and so can create excess demand, causing a distortion (also known as maximum pricing)
Price floor	A price below which it is illegal to trade and so can create excess supply, causing a distortion (also known as minimum pricing)
Government failure	When government intervention reduces economic welfare, leading to an allocation of resources that is worse than the free-market outcome

Preview from Notesale.co.uk

Preview from Notesale.co.uk

Page 9 of 9