

Using Graphs to Understand Relationships:

Given their visual nature, graphs are an effective way to show the relationships that exist between two different variables. By plotting data along two axis lines, we can clearly see the relationship between the two sets of data. Let's look at a specific example to understand how economists use graphs.

INDIRECT RELATIONSHIP

Price per Cone	Number of Cones Sold	Point on Graph
\$1	60 000	A
\$2	40 000	B
\$3	20 000	C

Answer the questions below after making a graph from the above information

- If the selling price is \$1.50, how many cones will most probably be sold?
- If the price is increased to \$2.50, how many cones will most probably be sold?
- If the price is increased to \$3.50, how many cones will most probably be sold?
- Why can the price of an ice cream cone never be increased to \$5 in this community?