APPLYING ECONOMIC THINKING

 Direct Relationship
Ice cream cone sales relative to temperature (data table)

| Price per Cone | Number of Cones Sold | Point on Graph |
| --- | --- | --- |
| 12°C | 20 000 | X |
| 24°C | 50 000 | Y |
| 32°C | 70 000 | Z |

Draw a graph of the economic relationship between temperature and ice cream sales using the graph in Figure 2.1 as a model. Replace price with temperature on the y-axis of your graph, but use the same scale for the sales axis. Decide on an appropriate scale for the temperature axis. Use your new graph to answer the following questions.

1. If the temperature climbs to 38°C, how many ice cream cones will be sold in your community? Mark this as point A on your graph.
2. How many cones will be sold when the temperature drops to 8°C? Mark this as point B on your graph.
3. What temperature would generate sales of 35 000 cones? Mark this as point C on your graph.
4. At what temperature would ice cream sales stop completely in your community? Explain.
5. How does the slope of the curve help explain the kind of relationship that exists between temperature and ice cream sales and between price and sales? Explain.