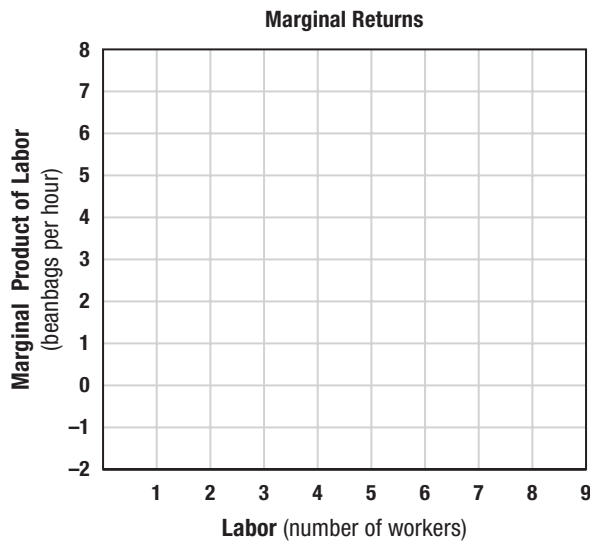


Graphs can be useful tools for displaying information. There are three main types of graph: line graphs; bar graphs; and circle, or pie, graphs.

- Line graphs reveal how a quantity or value changes, usually over a period of time. For example, a line graph could show a firm’s profits over several years.
- Bar graphs show the quantity or value of different factors. The bars can be vertical or horizontal. For example, a bar graph could show a firm’s various costs.
- Circle, or pie, graphs show the share of a whole amount contributed by each of several factors. For instance, if a circle represents the total output of a business each day, “pie” slices could show the proportion of the total that came from each worker.

◆ Transfer the data for marginal output of labor in Figure 5.3, on page 117, onto the following grid to make a line graph. Then, compare this line graph with the bar graph in Figure 5.4, on page 117 of the textbook. On the back of this sheet, answer the questions that follow.



Apply the Skill

1. (a) How are the two graphs similar? (b) How are they different?
2. Which graph do you think is better suited for displaying this data? Why?
3. What kind of data would the other type of graph be useful for?
4. (a) Why would a circle graph not be suited to showing this data? (b) What is an example of a subject for which a circle graph would be suited?