



PCE MECHANISM

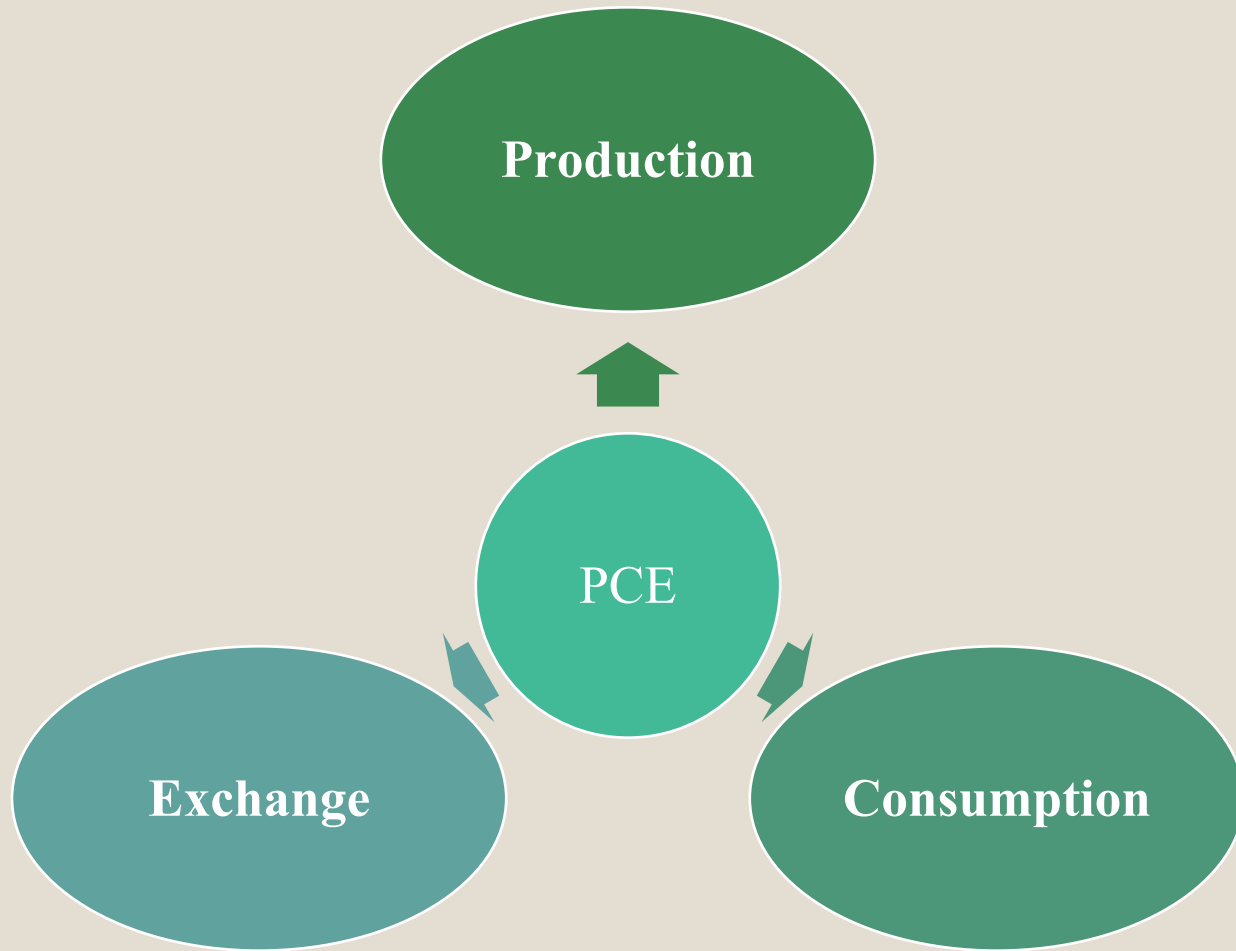


PCE Mechanism

- Earth as a whole is an accumulation of numerous market places for economic men. The tool of function in this market is a complex system named PCE mechanism.
- PCE mechanism refers to any process that increases economic value of a commodity beyond the value of its raw materials inputs.
- PCE mechanism is an economic system under which economic men conduct their economic activities in a cost effective manner in the market place.
- PCE mechanism is the combination of production, consumption and exchange regimes.



PCE Mechanism



Production

- **Primary production** includes age-old activities such as **hunting, gathering, agriculture, fishing, mining activities.** Primary producers might be labeled **Red-collar workers** due to the outdoor nature of their work.



Production

- Secondary production increases the value of a previously existing item by changing its form. Such activities include manufacturing and processing activities. They are labeled as blue collar labour force.



Production

❑ Tertiary production involves the **service sector rather than tangible goods**. This work refers to a range of personal and business services involving a rapidly growing share of the labour force in highly developed areas. They might be labeled as **pink collar labour force**.



Production

❑ **Quaternary services** represent a special type of service work, focusing on **professional and administrative services**, including financial and health service work, information processing, teaching, government service as well as entertainment activity. This group is known as **white collar labour force**.



Production

- Quinary services include **high-level managerial and executive administrative positions**. Scientific research and development services also considered as same services. This group is also known as **gold collar labour force**.



Exchange

- Exchange refers to a process by which **goods and services are transferred or traded** from one location to another location where they have more worth to end users.
- This exchange is known to **increase place utility of a commodity.**
- It works as a link between the producers and consumers



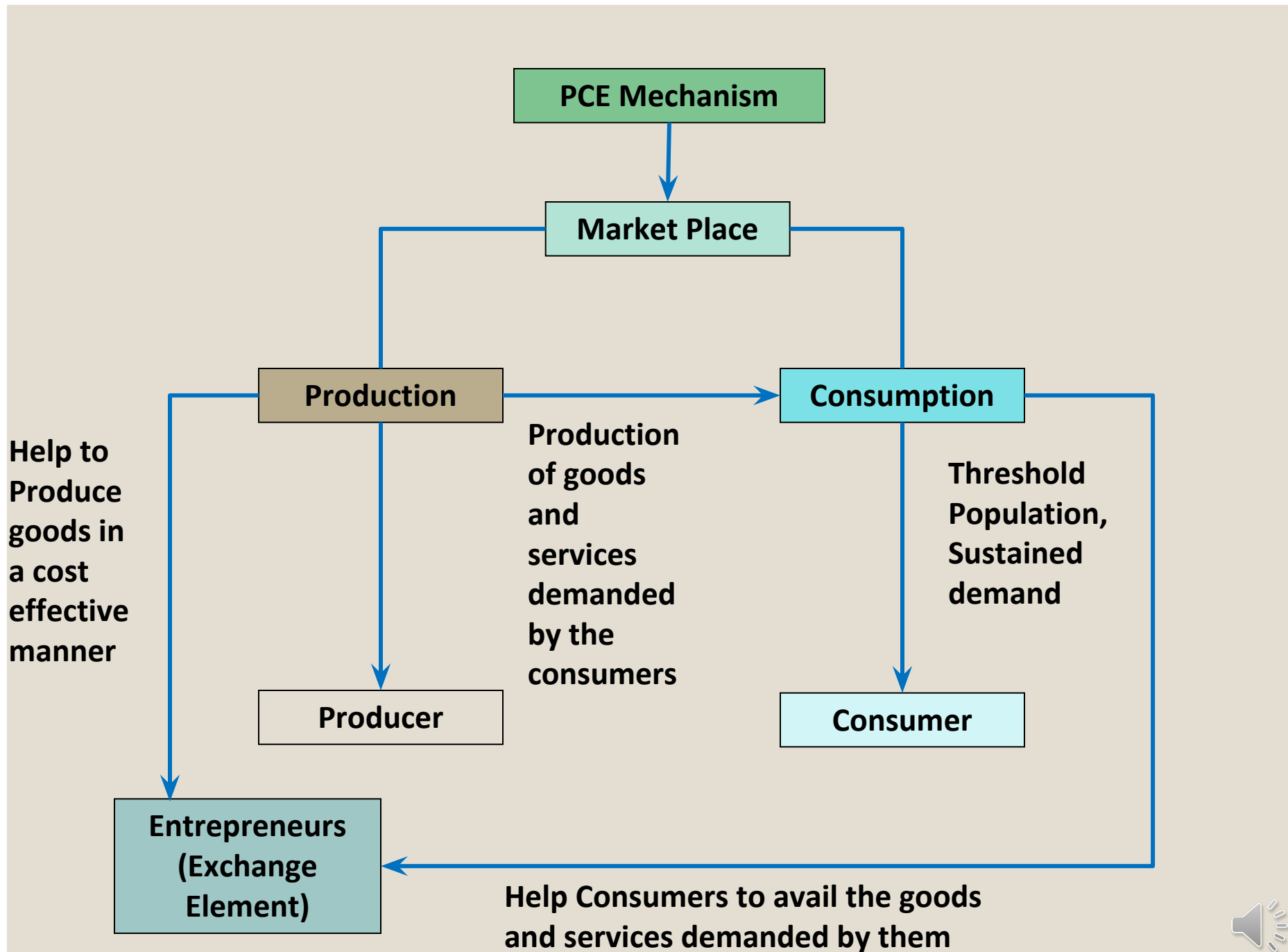
Exchange



Consumption

- The term refers to the **final or direct use of goods and services** to satisfy the wants and needs of human beings.
- This system is very much dependent on the **consumers and their income as demand** for quantity and variety of products depend on the income of the population





**Thank
You**

