I express my deep sense of gratitude to my research supervisor Dr. B Kamaiah, Reader in Economics, University of Hyderabad, who exposed me to the promising area of International Trade and Finance. I am highly indebted to him for his guidance and constant encouragement that has ever been a source of motivation to build up my career.

I gratefully acknowledge the generous advice given by Prof. V.V.N. Somayajulu at all stages of my research. Besides, I owe a great deal to Prof. D. Narasimha Reddy, and Prof. T. Divakara Rao, Head of the Department of Economics, University of Hyderabad for their encouragement.

A great debt is owed to Prof. Hemanta K Pradhan, Institute of Financial Management and Research, Madras, who suggested the topic. I am also grateful to those who have provided comments on individual chapters, including Prof. Ganti Subrahmanym and Prof. Gopal Karkal, National Institute of Hank Management, Pune; Prof. Vikas Chitre, Gokhale Institute of Politics and Economics, Pune and Prof. D. Sambandham, Pondicherry Central University, Pondicherry.

I must thank my colleagues especially Mr. M. Ramachandran and Mr. Purna Chandra Dash for their academic support at various stages of my research. I always remember with thanks the help rendered by my friend Mr. K.S.S. Moosath.

I always remember the valuable service rendered by Mr. L.V.S.R. Sastry, Mr. G. Venkateswaralu and Mr. B. Venkateswara Rao, the office staff of the Department of Economics, University of Hyderabad and Mr. D.R.P. Gangaji, the staff of the Computer Centre, University of Hyderabad, and I express my sincere gratitude to them.

On a more personal note, I would like to thank my mother, and brother Mr. Unnikrishnan for their insight and frequent advice that only helped to keep sight of my goals even during the roughest periods.

I am indebted to the University Grants Commission for awarding me a search fellowship without which the work would not have been materialised.