LIST OF TABLES

Table 3.1: Comparative analysis of Savings Rate and Investment Rate for various
time periods ........................................................................................................................................54

Table 3.2: Gross Domestic Savings and its Components as a percentage of GDP,
1951-2012........................................................................................................................................55

Table 3.3: Private savings and its Components as a percentage of GDP, 1951-2012......56

Table 3.4: Household saving and its Components as a percentage of GDP, 1951-2012 .57

Table 3.5: Total Investment and its Components as a percentage of GDP, 1951-2012 60

Table 3.6: Private Investment and its Components as a percentage of GDP, 1951-2012 60

Table 3.7 Dummy Variable Analysis for Testing Structural Break in GDI in Year
1986................................................................................................................................................62

Table 3.8 Dummy Variable Analysis for Testing Structural Break in GDP in Year
1992................................................................................................................................................63

Table 3.9 Dummy Variable Analysis for Testing Structural Break in GDS in Year
1992................................................................................................................................................64

Table 3.10 Structure change in India’s GDP - GDI regression..............................................65

Table 3.11 Structure change in India’s GDP - GDS regression..............................................65

Table: 5.1 ADF Unit Root test for Log GDP Series.................................................................85

Table: 5.2 ADF Unit Root test for Log GDS Series.................................................................86

Table: 5.3 ADF Unit Root test for Log GDI Series .................................................................87

Table: 5.4 ADF Unit Root test for Log Private Savings Series .............................................88

Table: 5.5 ADF Unit Root test for Log Private Investment Series ......................................89

Table: 5.6 ADF Unit Root test for Log Household Savings Series .................................90

Table: 5.7 ADF Unit Root test for Log Household Investment Series .........................91

Table: 5.8 ADF Unit Root test for Log Private Corporate Savings Series ..................92

Table: 5.9 ADF Unit Root test for Log Private Corporate Investment Series ..........93
Table: 5.10 ADF Unit Root test for Log Public Sector Savings Series

Table: 5.11 ADF Unit Root test for Log Public Sector Investment series.

Table: 5.12 ADF Unit Root test for All Series.

Table 5.13 VAR Lag Order Selection Criteria.

Table 5.14 Johansen Test for Co-Integration for GDP and GDS.

Table 5.15 Johansen Test for Co-Integration for GDP and GDI.

Table 5.16 Johansen Test for Co-Integration for GDP, GDS and GDI.

Table 5.17 Long run Causality Test Based on VECM: GDP, GDS and GDI.

Table 5.18 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:

Table 5.19 Comparison of Long run and Short run Causality Test: GDP, GDS and GDI.

Table 5.20 VECM Diagnostic Tests for GDP, GDS.

Table 5.21 VECM Diagnostic Tests for GDP, GDI.

Table 5.22 VECM Diagnostic Tests for GDP, GDS and GDI.

Table 5.23 VAR Lag Order Selection Criteria.

Table 5.24 Johansen Test for Co-Integration for GDP and PS.

Table 5.25 Johansen Test For Co-Integration For GDP and PI.

Table 5.26 Johansen Test for Co-Integration for GDP, PS and PI.

Table 5.27 Long run Causality Test Based on VECM: GDP, PS and PI.

Table 5.28 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:

Table 5.29 Comparison of Long run and Short run Causality Test: GDP, PS and PI.

Table 5.30 VECM Diagnostic Tests for GDP and PS.

Table 5.31 VECM Diagnostic Tests for GDP and PI.

Table 5.32 VECM Diagnostic Tests for GDP, PS and PI.

Table 5.33 VAR Lag Order Selection Criteria.
Table 5.34 Johansen Test for Co-Integration for GDP and HHS................................. 117
Table 5.35 Johansen Test For Co-Integration For GDP and HHI............................... 117
Table 5.36 Johansen test for Co-Integration for GDP, HHS and HHI.......................... 118
Table 5.37 Long run Causality Test Based on VECM: GDP, HHS and HHI ............... 120
Table 5.38 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDP, HHS and HHI............................................................................................... 120
Table 5.39 Comparison of Long run and Short run Causality Test: GDP, HHS and
HHI....................................................................................................................... 121
Table 5.40 VECM Diagnostic Tests for GDP, HHS.................................................. 122
Table 5.41 VECM Diagnostic Tests for GDP, HHI................................................... 122
Table 5.42 VECM Diagnostic Tests for GDP, HHS and HHI................................... 122
Table 5.43 VAR Lag Order Selection Criteria......................................................... 124
Table 5.44 Johansen Test for Co-Integration for GDP and PCS ......................... 126
Table 5.45 Johansen Test For Co-Integration For GDP and PCI............................ 126
Table 5.46 Johansen Test for Co-Integration for GDP, PCS and PCI .................. 127
Table 5.47 Long run Causality Test Based on VECM: GDP, PCS and PCI............. 128
Table 5.48 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDP, PCS and PCI............................................................................................... 129
Table 5.49 Comparison of Long run and Short run Causality Test: GDP, PCS and
PCI......................................................................................................................... 130
Table 5.50 VECM Diagnostic Tests for GDP and PCS.......................................... 131
Table 5.51 VECM Diagnostic Tests for GDP and PCI............................................ 131
Table 5.52 VECM Diagnostic Tests for GDP, PCS and PCI.................................... 131
Table 5.53 VAR Lag Order Selection Criteria....................................................... 133
Table 5.54 Johansen Test For Co-Integration For GDP and PBI........................... 134
Table 5.55 Long run Causality Test Based on VECM: GDP and PBI.................... 135
Table 5.56 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDP, PS and PI.................................................................................................... 136
Table 5.57 Comparison of Long run and Short run Causality Test: GDP and PBI ...... 136
Table 5.58 VECM Diagnostic Tests for GDP, PBI.................................................. 137
Table: 5.59 ADF Unit Root test for All Series....................................................... 138
Table 5.60 Empirical Results of the Co-integration Test based on Johansen- Juselius Method.................................................................................................................. 139
Table 5.61 Long run Causality Test Based on VECM / VAR................................. 141
Table 5.62 Short Run Causality Test Based on VECM/ Block Exogeneity Wald Tests 144
Table: 6.1 ADF Unit Root test for Log GDP Series................................................. 152
Table: 6.2 ADF Unit Root test for Log GDS Series................................................. 153
Table: 6.3 ADF Unit Root test for Log GDI Series ................................................. 154
Table: 6.4 ADF Unit Root test for Log M1 Series.................................................. 155
Table: 6.5 ADF Unit Root test for Log M3 Series.................................................. 156
Table: 6.6 ADF Unit Root test for WPI Series ...................................................... 157
Table: 6.7 ADF Unit Root test for Interest Rate Series.......................................... 158
Table: 6.8 ADF Unit Root test for All Series ......................................................... 159
Table 6.9 VAR Lag Order Selection Criteria ......................................................... 160
Table 6.10 Johansen Test for Co-Integration for GDP and M1 ......................... 161
Table 6.11 Johansen Test for Co-Integration for GDP and M3 ........................... 162
Table 6.12 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests: GDP and M1, M3.......................................................... 163
Table 6.13 Comparison of Long run and Short run Causality Test: GDS and M1, M3. 164
Table 6.14 VECM Diagnostic Tests for GDP, M1 ......................................... 164
Table 6.15 VECM Diagnostic Tests for GDP, M3 ......................................... 165
Table 6.16 VAR Lag Order Selection Criteria......................................................... 166
Table 6.17 Johansen Test for Co-Integration for GDS and M1 ......................... 167
Table 6.18 Johansen Test for Co-Integration for GDS and M3 ........................... 168
Table 6.19 Long run Causality Test Based on VECM: GDS and M1, M3 .......... 169
Table 6.20 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDS and M1, M3.............................................................. 170

Table 6.21 Comparison of Long run and Short run Causality Test: GDS and M1, M3. 170
Table 6.22 VECM Diagnostic Tests for GDS, M1 .................................................. 171
Table 6.23 VECM Diagnostic Tests for GDS, M3 .................................................. 171
Table 6.24 VAR Lag Order Selection Criteria......................................................... 173
Table 6.25 Johansen Test for Co-Integration for GDI and M1................................. 174
Table 6.26 Johansen Test for Co-Integration for GDI and M3................................. 175
Table 6.27 Long run Causality Test Based on VECM: GDI and M1, M3................. 176
Table 6.28 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDI and M1, M3..................................................................... 177
Table 6.29 Comparison of Long run and Short run Causality Test: GDI and M1, M3.. 177
Table 6.30 VECM Diagnostic Tests for GDI, M1 .................................................. 178
Table 6.31 VECM Diagnostic Tests for GDI, M3 .................................................. 178
Table 6.32 VAR Lag Order Selection Criteria......................................................... 180
Table 6.33 Johansen Test for Co-Integration for GDP and WPI ......................... 182
Table 6.34 Johansen Test for Co-Integration for GDS and WPI ......................... 182
Table 6.35 Johansen Test for Co-Integration for GDI and WPI............................ 182
Table 6.36 Long run Causality Test Based on VECM: GDP and WPI................... 184
Table 6.37 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDP, GDS, GDI and WPI......................................................... 184
Table 6.38 Comparison of Long run and Short run Causality Test: GDP, GDS, GDI
and WPI............................................................................. 185
Table 6.39 VECM Diagnostic Tests for GDP and WPI ........................................ 186
Table 6.40 VECM Diagnostic Tests for GDS, WPI........................................... 186
Table 6.41 VECM Diagnostic Tests for GDI, WPI ........................................... 186
Table 6.42 VAR Lag Order Selection Criteria......................................................... 188
Table 6.43 Johansen Test for Co-integration for GDP and IR ........................................190
Table 6.44 Johansen Test for Co-integration for GDS and IR ........................................190
Table 6.45 Johansen Test for Co-integration for GDI and IR ........................................190
Table 6.46 Long run Causality Test Based on VECM: GDP, GDS, GDI and IR.............192
Table 6.47 Short run Causality Test Based on VECM/ Block Exogeneity Wald Tests:
GDP, GDS, GDI and IR ..................................................................................................193
Table 6.48 Comparison of Long run and Short run Causality Test: GDP, GDS, GDI
and IR ............................................................................................................................193
Table 6.49 VECM Diagnostic Tests for GDP and IR .......................................................194
Table 6.50 VECM Diagnostic Tests for GDS, IR ..........................................................195
Table 6.51 VECM Diagnostic Tests for GDI, IR ..........................................................195
Table: 6.52 ADF Unit Root test for All Series ................................................................197
Table 6.53 Empirical Results of the Co-integration Test based on Johansen- Juselius
Method ............................................................................................................................198
Table 6.54 Long run Causality Test Based on VECM .....................................................200
Table 6.55 Short run Causality Test Based on VECM/ Block Exogeneity Wald .............202
LIST OF FIGURES

Figure 3.1: Savings Rate and Investment Rates ................................................................. 53
Figure 3.2: Savings Rate and Investment Rate for various time periods ................. 54
Figure 3.3: Gross Domestic Savings and its Components as a percentage of GDP, 1951-2012 .................................................. 55
Figure 3.4: Private savings and its Components as a percentage of GDP, 1951-2012 57
Figure 3.5: Household saving and its Components as a percentage of GDP .......... 58
Figure 3.6: Total Investment and its Components as a percentage of GDP ............ 59
Figure 3.7: Private Investment and its Components as a percentage of GDP .......... 61
Figure: 5.1 Stationarity of GDP Series ................................................................. 85
Figure: 5.2 Stationarity of GDS Series ................................................................. 86
Figure: 5.3 Stationarity of GDI Series ................................................................. 87
Figure: 5.4 Stationarity of Private Savings Series ................................................. 88
Figure: 5.5 Stationarity of Private Investment Series ............................................. 89
Figure: 5.6 Stationarity of Household Savings Series ........................................... 90
Figure: 5.7 Stationarity of Household Investment Series ...................................... 91
Figure: 5.8 Stationarity of Private Corporate Savings Series ............................. 92
Figure: 5.9 Stationarity of Private Corporate Investment ..................................... 93
Figure: 5.10 Stationarity of Public Sector Savings .................................................. 94
Figure: 5.11 Stationarity of Public Sector Investment ............................................ 95
Figure: 6.1 Stationarity of GDP Series ................................................................. 152
Figure: 6.2 Stationarity of GDS Series ................................................................. 153
Figure: 6.3 Stationarity of GDI Series ................................................................. 154
Figure: 6.4 Stationarity of M1 Series ................................................................. 155
Figure: 6.5 Stationarity of M3 Series ................................................................. 156
Figure: 6.6 Stationarity of WPI Series ................................................................. 157
Figure: 6.7 Stationarity of Interest Rate Series .................................................... 158