Select Issues in Macroeconomics:
A Quantitative Approach

A Festschrift in Honour of Dilip Nachane

Editors
Rauti Kamath
S V Seshagh
GRK Murty

Copies available from
IUP Publications
(A Division of ICFAI)
Plot # 4-102(1st Floor), Suchitra Academy Campus,
Suchitra Junction, NH-7 Medchal Road, Hyderabad- 500067
Ph: +91 (40) 39933351/52; M: +91 8498843633
E-mail: info@iupindia.in
Price: ₹990 / US $50

Payment to be made by crossed Demand Draft
drawn in favor of “ICFAI A/ c IUP”, Hyderabad.
## Contents

Foreword

Preface

Introduction 1

### Monetary Economics

1. Sector Composition Effects on Money Demand: Some Empirical Evidence for India  
   *Ganti Subrahmanyam and B Padma Narayan*  
   25

2. Some Measures of Core Inflation for India  
   *Naresh K Sharma and Motilal Bitchalal*  
   33

3. An Empirical Analysis of Monetary Transmission in India in the Post-Reform Period: Relevance of the Banking Channel  
   *Amaresh Samantaraya*  
   61

4. Disaggregated Analysis of Monetary Policy: An Indian Experience  
   *Md Zikrulla Khan*  
   79

5. Fisher’s Equation: Some Methodological Doubts  
   *Rajas Parchure*  
   104

6. Is Disinflation Harmful to Growth?  
   *S Raja Sethu Durai and M Ramachandran*  
   113

7. A Time-Varying Parameter Model of Inflation in India  
   *Sudhanshu Kumar, Naveen Srinivasan and M Ramachandran*  
   127

### Banking and Insurance

8. Forewarning Indicator System for Banking Crisis in India  
   *Basabi Bhattacharya and Tanima Niyogi Sinha Roy*  
   157

9. Data Envelopment Analysis Models to Measure Risk Efficiency - Indian Commercial Banks  
   *C Subbarami Reddy and T Subramanyam*  
   187
10. Concentration and Indian Insurance
   D V S Sastry

11. Efficient Contracts for Accident and Health Insurance
   T V S Ramamohan Rao

Financial Economics

12. Volatility in Stock Markets of India and Canada
   Prashant Joshi and Kiran Pandya

13. Spillover of Volatility Among Equity Markets:
    An Empirical Study of Nikkei, Nifty and S&P500
    Rajesh P N

14. Expiration Effects of Stock Futures on the Price and Volume
    of Underlying Stocks: Evidence from India
    Anver Sadath and Bandi Kamaiah

15. Time Varying Market Integration as a Regime Switching Process
    Lakshmi Narasimhan S and H K Pradhan

16. US Subprime Crisis and Its Comovement Upshot on Major
    Asian Countries: A DCC-MGARCH Analysis
    Puja Padhi and M A Lagesh

Development Economics

17. External Shocks and the Indian Economy: Analyzing
    Through a Short-Term Quarterly Macroeconometric Model
    N R Bhanumurthy and Lokendra Kumawat

18. Economic Growth and Infrastructure Development:
    A Study of China
    Pravakar Sahoo, Ranjan Kumar Dash and Geethanjali Nataraj

19. India’s Agricultural Exports Sources of Growth and
    Relative Sophistication
    C Veeramani and Gordhan K Saini

20. On the Terms of Trade Deterioration in a Small Open
    Developing Economy with External Debt
    Mark Assibey-Yeboah and Mohammed Mohsin

21. Cointegration Between India’s Exports and Imports
    M Upender
22. Employment in a Globally Integrating Economy
   Errol D’Souza
   446

23. Environmental Externality and Some Results of Pure Theory of International Trade – A Reexamination
   Biswajit Chatterjee
   457

24. Human Development Index: Revisiting Well-Being Transform of Income Component
   P K Chaubey
   470

25. What has Happened to Inequality in India? An Analysis Using Decomposition Methods, 1983-2005
   Vani K Borooah and Smita Das
   497

   Sibabrata Das and Partha Ray
   514

27. Trends in Technical Progress in India – Analysis of Input-Output Tables from 1968 to 2003
   Ravindra H Dholakia, Astha Agarwalla, Amir Bashir Bazaz and Prasoon Agarwal
   543

28. Alternative Futures for Smallholder Agriculture: A Theoretical Comparison of Cooperative, Corporate and Traditional Solutions
   Stripad Motirama and Vamsi Vakulabharanam
   569

Economic Theory and Econometrics

29. On Time Consistency
   Romar Correa
   603

30. The Neoclassical Analysis of Fertility: Some Preliminary Remarks
   Pat McGregor
   618

31. Comparison of Conditional Quantile Forecasts from Quantile Regression Models
   Deniz Baglan and Aman Ullah
   627