

# Tutorial: Issues related to India

May 9, 2004

## **Problem 1**

What is India's exchange rate policy: Distinguish between the official position and the de-facto regime?

## **Problem 2**

What explains the addition to forex reserves in India in the last two years?

## **Problem 3**

Discuss how India has liberalised the capital account in the 1990s.

## **Problem 4**

What are the measures of reserve adequacy. Are India's foreign exchange reserves adequate by these measures?

## **Problem 5**

Explain the impossible trinity. How does it apply to India?