Currency Returns and Volatility in Foreign Exchange Market in India : A Test of Market Efficiency

- Madhusudan Karmakar

This paper investigates the time-series features of currency return and volatility using six pairs of daily nominal exchange rate series in Indian foreign exchange market. Variance ratio test accepts the hypothesis that currency return follows a random walk for all but one currencies. The result thus supports the weak-form efficiency in the foreign exchange market in India. Application of GARCH model provides strong evidence of time-varying volatility and shows volatility is highly persistent and predictable which suggest the departure of market efficiency theory. The conflicting results thus call for more rigorous research to resolve the issue.

Analytics of Agricultural Growth in Orissa

- Satyananda Sahoo, Biswa Swarup Misra

This paper studies the relative performance of the agriculture sector in Orissa vis-a-vis industry and services over the last three decades. An attempt is made to discern the impact of different factors on agricultural production and yield. Area under production, rainfall, availability of irrigation facilities, fertiliser consumption, use of electricity in agriculture and consumer price index of agricultural labourers are considered in the study, which possibly influence production and yield in agriculture. The interrelations among the various agricultural inputs and outputs have been studied in a simultaneous framework using aggregated data at the State level. Policy simulations have been carried out for innovations in irrigation, fertiliser and electricity. The finding is that, one critical area, which requires policy attention is irrigation. This is borne out from the fact that the per year gain in production and yield is by 2.5 per cent point and 2.8-3.0 per cent points, respectively, consequent to 1 per cent point increase in irrigation every year.

Brief Articles, Notes and Comments

Book Reviews, Telegraphic Reviews

Booknotes