

MACRO ECONOMIC VARIABLES AND FOREIGN INSTITUTIONAL INVESTMENT IN INDIA: A STUDY WITH GRANGER CAUSALITY TEST

AKANSHA JAIN

Research Scholar, Jai Narain Vyas University, Rajasthan, India

ABSTRACT

The attempt is made with this paper to examine the causal relationship of macro-economic variables of Foreign Institutional Investment inflows in India. This study has covered the period of global financial crises due to which, the macro variables such as money supply, inflation. The Foreign exchange reserve, IIP and FIIs. The role of FII has been observed which was helpful to frame economic policies of India For this study monthly data has been used ranging from April 2008 to March 2015. EViews software has also been used to test stationarity and granger causality test. So that objective behind this paper can be achieved. And further, this research can contribute in others research so as to understand the different policies running in the economy.

KEYWORDS: Foreign Institutional Investments (FII), Granger Causality Test, Macro-Economic Variables, Unit Root Test & Global Financial Crises