



**INDIA'S CURRENT ACCOUNT DEFICIT : EXTERNAL AND
INTERNAL IMPLICATION**



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ABSTRACT

Current Account Deficit shows the difference between the nation's exports and imports. Current Account Deficit (CAD) in Balance of payment is more or less a common phenomenon amongst the countries. It does not matter, whether a country is rich or poor. India is no exception to that. India has been persistently running deficit in its current account for many years like USA , Australia, Newzealand, UK etc. But this cannot be a certificate for a huge gap of CAD. How long a country will allow its current account deficit to be widened ? This paper intends to study the implications of CAD in both the external implications as well as the internal implications in India's economy.

KEYWORDS

current account deficit, balance of payment, intra-temporal trade , inter-temporal trade export, import, implication.