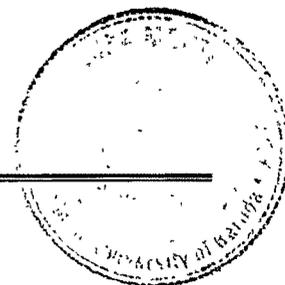


## *Appendices*

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Appendix	: I	Cointegration Test between Saving and Economic Growth [CRDW Test]
Appendix	: II	Cointegration Test between Saving and Macro Economic Variables [CRDW Test]
Appendix	: III	Household Saving and its Components [Unit Root Test]
Appendix	: IV	Determinants of Household Saving and its Components
Table	: 1	Household Saving
Table	: 2	Household Saving in Financial Assets
Table	: 3	Household Saving in Currency
Table	: 4	Household Saving in Demand Deposits
Table	: 5	Household Saving in Time Deposits
Table	: 6	Household Saving in Life Funds
Table	: 7	Household Investment in Shares and Debentures
Appendix	: V	Cointegration Test for Household Saving Equations

Cointegration Test between Saving and Economic Growth

*Cointegration Regression Durbin-Watson Test*

Test for Cointegration						
Time Period : 1950-51 to 2003-04						
Eqn No.	Variables		CRDW Test			Inference
	Dependent	Independent	Residual	D-W value	Cointegration	
1.	S	Y	ECT 01	0.72 <sup>^</sup>	Yes	Cointegration : implies Granger causality
2.	S	Y <sub>fc</sub>	ECT 02	0.78 <sup>^</sup>	Yes	Cointegration : implies Granger causality
3.	S	YNA <sub>fc</sub>	ECT 03	1.025 <sup>^</sup>	Yes	Cointegration : implies Granger causality

<sup>^</sup> implies that the DW value is significantly away from zero [based on the thumb rule that DW value should be above 0.5 for significance].

The CRDW test results indicate that the residuals ECT 01, ECT 02 and ECT 03 are stationary. Hence, the three pairs of saving and income - S and Y, S and Y<sub>fc</sub> and S and YNA<sub>fc</sub> are cointegrated or share a stable long-run relationship between them. This implies Granger causality between saving and income pairs in atleast one direction.