



**EFFECT OF EXTERNAL DEBT ON ECONOMIC GROWTH
AND DEVELOPMENT OF INDIA**

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ABSTRACT

This paper aims at finding out the effect of macroeconomics variable to the India economic sector. The data is collected by using World Bank website by gathering 40 years of external data starting from 1974 to 2013 and there are 5 variable being chosen which is gross domestic product, debt services payment, external debt, interest rate and foreign direct investment. The method will be used in this study are multiple linear regression. The expectations result in this study is negatively effects of external debt towards economy growth in India which contributes to both economist and policy makers and this study would provide us with an indicative view and could form an important basis for investor to their investment.

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