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MEASURING CORRELATION BETWEEN INFLATION RATE AND WEIGHTED AVERAGE LENDING RATE OF PRIVATE AND PUBLIC SECTOR BANKS IN INDIA

Dr. Nandkumar Baburao Bodhgire*

*Assistant Professor in Economics,
School of Social Sciences, SRTM University,
Nanded, INDIA

ABSTRACT

Last 10 years, inflation rates are decreasing and lending rates of banks are either in steady or decreased position. In this context, the study has endeavored to analyse the relationship between inflation rate and lending rate of private and public sector banks in India. The time period of the study is from 2010 to 2019. Inflation rate is compared with weighted average lending rates with the help of regression and ANOVA tools. The study concludes that moderate significant relationship present in inflation rate and weighted average lending rate of private and public banks in India.

KEYWORDS: *Weighted Average Lending Rate (WALR), Inflation Rate*

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