EFFECTIVE REVENUE DEFICIT – It is a new term introduced in the Union Budget 2011-12. While revenue deficit is the difference between revenue receipts and revenue expenditure, the present accounting system includes all grants from the Union Government to the state governments/Union territories/other bodies as revenue expenditure, even if they are used to create assets. 'Effective revenue deficit' excludes those revenue expenditures (or transfers) in the form of grants for creation of capital assets.

ENGEL CURVE – An Engel curve describes *how household expenditure on a particular good or service varies with household income.* A good's Engel curve reflects its income elasticity and indicates whether the good is an 'inferior', 'normal', or luxury good.

EXCLUSIV ECONOMIC ZONE – EEZ – Under the UN Convention on Law of the Sea, an exclusive economic zone (EEZ) is a seazone over which a state has special rights over the exploration and use of marine resources. It stretches from the seaward edge of the state's territorial sea out to 200 nautical miles from its coast. India recently requested UN to expand this area to 350 Nautical miles (which is the maximum limit as well).

EXIM BANK– An Exim bank provides finances/credit to facilitates mainly exports and also imports. The Export-Import (EXIM) Bank of India is the principal financial institution in India for *coordinating the working of institutions engaged in financing export and import trade*. It is a statutory corporation wholly owned by the Government of India. The main functions of the EXIM Bank are as follows –

I. Financing of exports and imports of goods and services, not only of India but also of the third world countries;
II. Financing of joint ventures in foreign countries;
III. Providing loans to Indian parties to enable them to contribute to the share capital of joint ventures in foreign countries;
IV. To provide technical, administrative and financial assistance to parties in connection with export and import.

FDI and FII – FDI is relatively durable investment and is a long term investment in actual capital creation in form of brick and mortar investment in tangible assets. FII on the other hand is investment in secondary market like stocks and share and is through institutional channels like stock markets. RBI, FIPR and DIPP are three core bodies which oversee and approve FDI entry into India. FII on the other hand are regulated by SEBI and other institutions. FDI brings technology, skills and long terms capital which creates capacity in an economy. FDI helps to relax domestic savings gap. It provides equity financing and additional capital. FIIs also help in bringing international best practices into domestic institutional and legal framework. They also increase depth of the market, help lower capital costs. However, FIIs are more volatile in nature and can leave in situation of distress in market and can make financial situation even more acute at the time of trouble and hence can lead to financial instability in economy as well as it happened during time of global financial crisis. However, FDI in India too has certain limitations of its own. FDI in the past has been capital intensive and not labour intensive. Foreign companies tend to use more technology to retain their competitiveness and flexibility than go for hiring more workers. Further target of investors is also selective.