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# **Pactera's Expansion in the United States**

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**Evolution of crisis**  
 Working of banks:  
 Banks borrow short and lend long  
 The credit market: trading  
 No position in net worth (bank's no. value assets = liabilities)  
 No phone: investors purchase over time  
 Creditors: borrowers value over or under (bank's)  
 Creditors: investors value over or under (bank's)  
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**Conclusion & Options strand**  
 Emerging Issues  
 Money Market Institutions  
 Advances in Risk Modeling  
 Emerging Equities  
 Financing Credit in Financial Crisis  
 And in Systemic Risks  
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**India's credit Regulator**  
**& challenges**  
 State of Economy in India  
 2007 Credit Regulator  
 Government's Credit Regulator  
 And its Challenges  
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**Impact of crisis on India**  
 Impact of Global Financial Crisis  
 Report of Financial Regulator in India  
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**Final Document of Crisis**  
 Document of Global Financial Crisis  
 Financial Regulator  
 Report of Financial Regulator in India  
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**Evolution of Credit**  
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## *Backdrop of crisis?*

*Working of Banks;*

*Banks borrow short and lend long*

*This creates inherent fragility*

*No problem in normal times, i.e. when people have confidence. However, problem arises when confidence disappears.*

*Confidence disappears when one or more banks experience solvency problem (e.g. bad loans)*

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## *Genesis & Development of Crisis:*

*Efficient markets paradigm was very influential  
It was captured by bankers to lobby for deregulation*

*Consequently, Bankers achieved their objective*

*Banks were progressively deregulated in  
US and in Europe*

*Culmination was the repeal of the Glass-Steagall act  
in 1999 (Clinton-Rubin)*

# *Varied Dimension of Crisis:*

*Global spread of the crisis*

*Financial Globalization*

*Decline in the credibility of International Financial  
Institutions*

*State Capitalism and  
Protectionism*

*Credit Crunch*

*Crisis of Confidence and Credibility in the Financial  
Market*

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*Impact of crisis on  
India*

*Offshoot of Globalized Economy*

*Aspects of Financial Turmoil in India*

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*India's crisis Responses  
& challenges*

*State of Economy in Crisis Time*

*RBI's Crisis Response*

*Government's Crisis Response*

*Risks and Challenges*



# *Conclusion & Options Ahead*

*Diversifying Exports*

*Boosting Domestic Consumption*

*Enhancing Public Spending*

*Generating Employment*

*Provisioning Credit to Productive Sectors*

*Need for Structural Reforms*

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