Econ 163. The Japanese Economy

TuTh 9:30-10:50 (Peterson 110)
Takeo Hoshi
Office Hour: W 10:00-11:20 AM (IR/PS 1319)

TAs' Office Hours & Office Locations
Jess Diamond (M 10:00-11:20 AM, Econ 117)
Mike Callen (M 12:30-1:50 PM, Econ 119)
Munechika Katayama (Th 1:30-2:50 PM, Sequoyah 239)

This course surveys issues related to the Japanese economy. The textbooks are *The Japanese Economy*, 2nd Edition by David Flath (Oxford University Press, 2006) and *Corporate Financing and Governance in Japan: The Road to the Future* by Takeo Hoshi and Anil Kashyap (MIT Press, 2001). You can purchase the textbooks at the UCSD Bookstore. *The Japanese Economy* by Takatoshi Ito (MIT Press, 1992) is also a good reference, although it is a bit dated. You are encouraged to follow the current events in the Japanese economy. There are many web sites that you can visit to follow the economic news from Japan. The ones that I recommend are The Economist (http://www.economist.com) and Nikkei Net Interactive (http://www.nni.nikkei.co.jp). UCSD subscribe to both services, so you can access all the articles on these web sites if you are on UCSD network. I ask you to read all the articles on Japan published in *The Economist* during this quarter.

The grade for this course will be determined by four factors.
(1). Homework #1 ---- 15%. Distributed on 1/22, due on 1/29
(2). Mid-term exam ---- 35%. Scheduled on 2/7 in class
(3). Homework #2 ---- 15%. Distributed on 2/19, due on 2/26
(4). Final exam ---- 35%. Scheduled on 3/18, 8:00-10:59 AM.

In the exams, you are required to write the answers on a bluebook. Please bring your copies of bluebooks to the exams. More detailed instructions will be given a week before each exam.

Grading of homework and exams is final. There will be no "re-grading." The only exception is corrections of adding-up errors in calculating the scores.

The grade for the course will be calculated as follows. After each of the scores for homework and exams is normalized so that the full score is 100, the weighted average using the above weights is calculated. The weighted average score is then standardized using the following formula: (standardized score) = 70 + 10*[(weighted average score)-(class average)]/(sample standard deviation of weighted average score). The following table shows the correspondence between standardized scores and letter grades.

(Continue to the other side)

If the standardized score is: The letter grade is:
       higher than 82   A
       between 77 and 82   A-
       between 72 and 77   B+
       between 67 and 72   B
       between 62 and 67   B-
       between 57 and 62   C+
       between 52 and 57   C
       between 47 and 52   C-
       between 42 and 47   D
       below 42   F

The following is the schedule for this course. The PowerPoint presentation for each section will be available at WebCT after each class.

January 8: Introduction (Reading: Flath, Introduction, Chapter 1)
January 10 and 15: Post-war Economic Growth (Reading: Flath, Chapter 4)
January 17, 22: Business Cycles (Reading: Flath, Chapter 6)
(Homework #1 distributed on 1/22, due on 1/29)
January 24: Movie "Bubble Fiction"
January 29: Macroeconomic Policy (Reading: Flath, Chapter 6)
January 31 and February 5: Financial System (2/14, 2/19) (Reading: Flath, Chapter 13; Hoshi
    and Kashyap, Chapters 4, 7, and 8)

February 7: Mid-term exam (in class)

February 12: Saving (Reading: Flath, Chapter 5)
February 14: Restructuring and Economic Growth (Reading: Hoshi and Kashyap, Chapter 5)
(Homework #2 distributed on 2/19, due on 2/26)
February 19: Movie "Hula Girl"
February 21: Labor (Reading: Flath, Chapter 15)
February 26: Corporate Governance (Reading: "Special Report on Business in Japan," *The
    Economist*, Dec. 1, 2007)
February 28: Public Finance (Reading: Flath, Chapter 10)
March 4: International Trade (Reading: Flath, Chapter 8)
March 6: Guest Lecture: Professor Robert Dekle (University of Southern California) "Chinese
    Economic Growth: Perspectives from Japanese Manga"
March 11 and 13: International Finance (Reading: Flath, Chapter 7)

March 18 (9:00-10:30 AM) Final exam.