

Econ 163. The Japanese Economy

TuTh 8:00-9:20 AM (WLH 2001)

Takeo Hoshi

Office Hour: Th 11:00 AM - 12:20 PM (IR/PS 1201)

TAs' Office Hours & Office Locations

Jess Diamond (M 3:30 – 5:00 PM, Econ 117)

Chim Lau (W 10:00 – 11:30 AM, Econ 122)

Kirti Gupta (M 5:00 – 6:30 PM, Econ 125)

Andrew Brownback (M 2:00 – 3:30 PM, Econ 128)

Adam Greenberg (Th 9:30 – 11:00 AM, Sequoyah 205)

This course surveys issues related to the Japanese economy. The textbooks are *The Japanese Economy*, 2nd Edition by David Flath (Oxford University Press, 2006), which you can purchase at the UCSD Bookstore. We will be also reading some chapters from the following books, which I asked the UCSD Bookstore to have available and put on reserve at the library:

Corporate Financing and Governance in Japan: The Road to the Future by Takeo Hoshi and Anil Kashyap (MIT Press, 2001)

Choose and Focus by Ulrike Schaeede (Cornell University Press, 2008)

The Public Sector in Japan by Takero Doi and Toshihiro Ihori (Edward Elgar, 2009)

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>). I think 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 4/12, due on 4/19
- (2). Mid-term exam ---- 35%. Scheduled on 4/26 in class
- (3). Homework #2 ---- 15%. Distributed on 5/19, due on 5/26
- (4). Final exam ---- 35%. Scheduled on 6/9, 9:30-11:00 A.M.

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) = floor (70 + 10*[(weighted average score)-(class average)]/(sample standard deviation of weighted average score)). The floor(x) function returns the largest integer value that does not exceed x. The table on the other side of this sheet shows the correspondence between standardized scores and letter grades.

If the standardized score is:	The letter grade is:
80 or higher	A
between 75 and 79	A-
between 70 and 74	B+
between 65 and 69	B
between 60 and 64	B-
between 55 and 59	C+
between 45 and 54	C
between 35 and 44	C-
between 30 and 34	D
29 or lower	F

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

March 29: Introduction (Reading: Flath, Introduction, Chapter 1)
March 31, April 5: Post-war Economic Growth (Reading: Flath, Chapter 4)
April 7: Saving (Reading: Flath, Chapter 5)
April 12, 14: Business Cycles (Reading: Flath, Chapter 6)
(Homework #1 posted on 4/12, due on 4/19)
April 19: Macroeconomic Policy (Reading: Flath, Chapter 6)
April 21: Movie "Bubble Fiction"
April 26: Mid-term exam (in class)
April 28: Labor (Reading: Flath, Chapter 15; Schaede, Chapter 9)
May 3: Corporate Restructuring (Reading: Schaede, Chapters 1, 2, and 6; Hoshi and Kashyap, Chapter 5)
May 5: Guest Lecture: Yuri Okina (Japan Research Institute) "IRCJ and ETIC"
May 10, 12: Financial System (Reading: Flath, Chapter 13; Hoshi and Kashyap, Chapters 4, 7, and 8, Schaede, Chapter 5)
May 17, 19: Public Finance (Reading: Flath, Chapter 10; Doi and Ihori, Chapters 1, 2, 9, and 10)
(Homework #2 distributed on 5/19, due on 5/26)
May 24: Movie "Hula Girl"
May 26: International Trade (Reading: Flath, Chapter 8)
May 31, June 2: International Finance (Reading: Flath, Chapter 7)

June 9, 9:30-11:00 AM, Final exam.