

Winter 2004

Econ 163. The Japanese Economy

TuTh 9:30-10:50 AM (WLH 2001)

Takeo Hoshi

Office Hour: Tu 2:00-3:20 PM (IR/PS 1319)

Teaching Assistants' Office Hours & Office Locations

Munechika Katayama (Th 1:00-2:20 PM, Econ 119)

Kazuki Onji (M 2:00-3:20 PM, Econ 115)

David Vera (W 9:00-10:20 AM, Econ 118)

This course surveys issues related to the Japanese economy. The textbooks are *The Japanese Economy* by David Flath (Oxford University Press, 2000) 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 one I recommend is Nikkei Net Interactive (<http://www.nni.nikkei.co.jp>). Some contents of the web site are for subscribers only, but there are some free articles as well.

The grade for this course will be determined by four factors.

- (1). Homework #1 ---- 15%. Distributed on 1/20, due on 1/27
- (2). Mid-term exam ---- 35%. Scheduled on 2/5
- (3). Homework #2 ---- 15%. Distributed on 2/24, due on 3/2
- (4). Final exam ---- 35%. Scheduled during the final week of the quarter

The following is the rough schedule for this course. The PowerPoint presentation for each section will be available at the class web site.

1. Introduction (1/6)
Reading: Flath, Introduction, Chapter 1.
2. Historical Background of the Japanese Economy (1/8, 1/13)
Reading: Flath, Chapters 2 and 3. Hoshi and Kashyap, Chapters 2 and 3.
3. Post-war Economic Growth (1/15)
Reading: Flath, Chapter 4.
4. Macroeconomics (1/20, 1/22, 1/27)
Reading: Flath, Chapter 6.

(Homework #1 distributed on 1/20, due on 1/27)

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Reading: Flath, Chapter 5.

6. Technology (2/3)
Reading: Flath, Chapter 16.

Mid-term exam on 2/5.

7. International Trade (2/10)
Reading: Flath, Chapter 8.

8. International Finance (2/12)
Reading: Flath, Chapter 7.

9. Industrial Organization and Policy (2/17, 2/19)
Reading: Flath, Chapters 9, 11, and 12.

10. Financial System (2/24, 2/26, 3/2)
Reading: Flath, Chapter 13. Hoshi and Kashyap, Chapters 4, 5, 6, 7, and 8.

(Homework #2 distributed on 2/24, due on 3/2)

11. Labor (3/4, 3/9)
Reading: Flath, Chapter 15.

12. Public Finance (3/11)
Reading: Flath, Chapter 10.

Final exam in the final week of the quarter.