

## Syllabus for the Academic Year 2014

### **PRESENTATION AND DISCUSSION SKILLS (PCP):** 2 Credits (Spring Semester)

Presenting like a professional - Discussing like an intellectual

Lecturer: Tatsuya MITSUDA

#### Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

Two skills important to the PCP programme and in students' future careers -- those of presenting and discussing -- will be developed in this course. The course will be especially helpful for those who are uncomfortable about either of these two skills or about their level of spoken English in general.

Through this course, students will nurture the following skills:

- 1) Presenting in an entertaining and engaging way
- 2) Presenting in a persuasive and thought-provoking way
- 3) Presenting in a logical and easy-to-follow way
- 4) Discussing in an active and enthusiastic fashion
- 5) Discussing in an intensive and collaborative fashion
- 6) Discussing in a analytical and critical fashion

Note: Only students enrolled in the PCP course are permitted to participate in this course,

#### Course Plan:

- 1 Session 1: Introduction
- 2 Session 2: Basics of Presentation I
- 3 Session 3: Basics of Presentation II
- 4 Session 4: Presentation in Action I
- 5 Session 5: Presentation in Action II
- 6 Session 6: Individual Presentations I
- 7 Session 7: Individual Presentations II
- 8 Session 8: Basics of Discussion I
- 9 Session 9: Basics of Discussion II
- 10 Session 10: Discussion in Action I
- 11 Session 11: Discussion in Action II
- 12 Session 12: Leading Discussion I
- 13 Session 13: Leading Discussion II
- 14 Session 14: Final Debate
- Session 15: Review and Summary

#### Evaluation:

Attendance: 10%

Participation: 30%

Presentation: 30%

End-of-semester debate: 30%

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### **ENVIRONMENTAL ECONOMIC POLICY (PCP):** 2 Credits (Autumn Semester)

Global Economic Environmental Policy

Lecturer: Anne MCDONALD

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

Environmental economic policy is relatively new to the global stage of policy dialogue and initiatives. This course will explore the environmental degradation and causes that catalyzed global level inter-governmental policy discussions leading to United Nations conventions and protocols, among other global level policy initiatives.

In order to better understand environmental degradation and its challenges, as well as what drives global environmental economic policy design and implementation, in addition to economic dimensions, the social, cultural, and political mechanisms that advance and/or hinder environmental protectionism at the global level will also be explored.

It is the aim of this course to help students further both their ability to analyze environmental problems and their understanding of global economic environmental policy.

Course Plan:

- 1 Course overview: environmental degradation and the globalization of environmental policy dialogue
- 2 From problems to solutions: the making of environmental policy.  
From environmental policy at the national level to international environmental policy making
- 3 Historical context of putting environment and economics on the same agenda: the Club of Rome and The Limits to Growth, Garrett Hardin's The Tragedy of the Commons, United Nations Conference on the Human Environment (Stockholm Conference) and Our Common Future (the Brundtland Commission report)
- 4 Towards integration of economics and environmental interests. The turning point for global environmental + economics policy: 1992 United Nations Conference on Environment and Development (Earth Summit/Rio Summit) and its legacy. Brief overview of notable achievements including, United Nations Framework Convention on Climate Change (UNFCCC), Convention on Biological Diversity (CBD) and Agenda 21.
- 5 Part 1 of reports that shaped global environmental economic policy at the turn of the 21st Century: Stern Report
- 6 Part 2 of reports that shaped global environmental economic policy at the turn of the 21st Century: the Millennium Ecosystem Assessment Report (MEA) and The Economics of Ecosystems and Biodiversity (TEEB)
- 7 Lecture 7 through 14 will explore a few select environmental issues and the challenges to environmental economic policy  
Putting a price tag on nature: a look at IPBES, TEEB, habitat banking and other efforts to translate nature into monetary values.
- 8 Can payment for ecosystem (PES) work? A look at Coca-Cola, Vittel, Syngenta and other private business led PES initiatives.
- 9 Market solutions to climate change: the potentials and limitations of carbon emission schemes. A look at the EU, Australia, and recent trends from China.
- 10 Private industry initiatives in MEAs: Getting private industry to buy into countermeasures to combat the depletion of the ozone layer. A look at Dupont R+D strategies, private industry initiatives that contributed to the success of the Montreal Protocol.
- 11 Weighing out the 3Es economics, environment and ethics. Exploring the 3Es through discussion of genetically modified organisms (GMOs), pesticides (i.e. DDT debates in the USA and Africa) and global trade.
- 12 Water governance and corporate water management strategies among global 500 companies.
- 13 Securing safe sustainable energy for the future: Are renewable energies the way of the future?
- 14 Willingness to pay (WTP) and nature conservation. Explore how much tourists may be willing to

pay for nature conservation through ecotourism by looking at case studies from safari ecotours in Tanzania and rainforest ecotours in Costa Rica.

The growth of green jobs and environmental skill: case studies from the UK, Netherlands, France and Germany

Evaluation:

Final grade will be based on the following:

20% lecture attendance

80% written report about topic of student's choice in English

Textbook:

No one textbook will be used for this course but rather a diverse range of readings from reports, books and journal publications. Readings for each lecture will be prepared and distributed to students one week before each lecture.

Comment from Lecturer:

The content of the syllabus is subject to change. The updated syllabus will be distributed on the first day of lectures but may also be subject to slight changes and modifications during the lecture session.

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**THE KOREAN ECONOMY (PCP):** 2 Credits (Spring Semester)

Lecturer: Fukunari KIMURA/ Masayuki YAO/ Jaymin LEE (Yonsei University)

Course Outline:

Non-PCP students can also register for this class.

This on-time TV conference course is given by renowned Professor Jaymin Lee, Faculty of Economics, Yonsei University, Korea. He was granted Ph.D. in economics from Harvard University in 1983 and recorded extensive research work on economic development, industrial economics, and international relations. He is particularly knowledgeable about the historical perspective of economic development through the eyes of orthodox economics. The course is not only learning the Korean case but also drawing rich implication for economic development in general as well as reviewing various theoretical thoughts and analytical methods in economics on the way. Active real-time interactions through TV are expected in classes held both in Seoul and Tokyo. --- Written by Fukunari Kimura

Course Plan:

- 1 Korean economic development in perspective, historical background of the "miracle", outward-looking development (1)
- 2 Korean economic development in perspective, historical background of the "miracle", outward-looking development (2)
- 3 Korean economic development in perspective, historical background of the "miracle", outward-looking development (3)
- 4 Industrial policy
- 5 Industrial organization and finance
- 6 Stabilization and the second spurt
- 7 Liberalization drive
- 8 Transition without building a system
- 9 The nature of the crisis
- 10 The post-crisis reform
- 11 The consequences of the crisis

- 12 Beyond the miracle and the crisis (1)
  - 13 Beyond the miracle and the crisis (2)
  - 14 Wrapping up
- Exam and review

Evaluation:

- term exam: 70%
  - Class attendance: 10%
  - Home assignments: 20%
- (tentative)

Consultation:

Recommended Pre-requisite

Principles of Microeconomics & Principles of Macroeconomics

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**ENVIRONMENTAL ECONOMIC THEORY (PCP):** 2 Credits (Autumn Semester)

Lecturer: Eiji HOSODA

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

This course provides a basic theory of environmental economics. The analytical framework is elementary microeconomics, and partial equilibrium analysis is utilized in almost all the topics. Although the main purpose of this course is to give a comprehensive view of environmental economic theory to students, applicability of the theory to environmental policy is also considered. Topics are chosen from the fundamental issues of conventional environmental economics.

Students are required to submit an essay every week. The theme of an essay will be given in advance in each class.

Course Plan:

- 1 Introduction: What is environmental economics?
- 2 Basic Concepts (1): Benefits and Costs, Supply and Demand
- 3 Basic Concepts (2): Economic Efficiency and Markets
- 4 The Economics of Environmental Quality: Externality, External costs, and willingness to pay
- 5 Frameworks of Analysis
- 6 Benefit-Cost Analysis: Benefits
- 7 Benefit-Cost Analysis: Costs
- 8 Review and Summary of the former half of the lecture
- 9 Criteria for Evaluating Environmental Policies
- 10 Decentralized Policies: Liability Laws, Property Rights, Voluntary Action
- 11 Command-and-Control Strategies: The Case of Standards
- 12 Incentive-Based Strategies (1): Emission Charges and Subsidies
- 13 Incentive-Based Strategies (2): Transferable Discharge Permits
- 14 Comparable Environmental Policies

Economic Development and the Environment

Evaluation:

- Final exam (40 %)
- Mid-term exam (20 %)

Homework (20 %)  
Class participation (20 %)

Textbook:

Barry C. Field and Martha K. Field, Environmental Economics, fourth edition, McGraw Hill, 2009

Comment from Lecturer:

- Students have to take responsibility for skipping classes, and have no right to claim any compensation. An essay (homework) which is over the deadline determined in advance is not accepted for any reason.
- Lecture notes can be downloaded from my homepage as well as keio.jp. site.

Consultation:

Any time as far as I am available. Yet, please note that I may not be able to respond to question or request of consultation due to time restriction.

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### **THE JAPANESE ECONOMY FROM AN INTERNATIONAL PERSPECTIVE (PCP):**

2 Credits (Autumn Semester)

Lecturer: Shumpei TAKEMORI

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

Course Plan:

In below I list the theme I pick up in this lecture or more precisely the titles of the lecture notes that I will make available to students.

These notes contain on average 30 pages.

I will need between 1 and half and 2 lectures to finish 1 lecture note.

- 1 Economic Reforms under Meiji Restoration
- 2 Meiji Government versus Silver and Gold Problem:
- 3 Japan entered the Gold Block
- 4 Japan under the Military Bubble-the Imperial obsession
- 5 Japan and its intra-war monetary turmoil
- 6 Takahashi Korekiyo's Fight against the Depression and the Militarism
- 7 The Bankers
- 8 Japan being repentant on the past sin of borrowing too much
- 9 The problem of saving too much: Japan-US relationship 1960-1989
- 10 A Fateful Confrontation: The US and Japan Relationship on the Eve of the Financial Crisis
- 11 Still Lost after the Lost Decade: the 1990's.
- 12 Will the global economy experience a lost decade after the subprime crisis?

Evaluation:

The students will be graded by the exam which will take place at the last class.

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### **UNDERSTANDING GLOBAL ENVIRONMENTAL PROBLEMS:**

2 Credits (Spring Semester)

Lecturer: Roger M. BATTY

Course Outline:

Non-PCP students can also register for this class.

This course aims to give students a broad overview of the international regimes currently in place to deal with the main environmental problems we now face. We will look not only at the evolution of the issues themselves, but also the institutions which have been created to deal with them, and the legal measures which have been enacted to address them. The course is not theory-based, but aims to give students a variety of perspectives on the problems. Students are expected to familiarize themselves with a wide range of current data, and to be able to see the uses and abuses to which these data may be put. An ability to focus on other people's points of view is advantageous.

Course Plan:

- 1 Course Introduction. Aims and methods. Writing and delivering presentations and reports. Assigning subjects and written work.
- 2 Global Environmental Problems - An Overview  
Which problems are global environmental problems? Why?  
Intergenerational equity. A short history of environmental awareness.
- 3 What is Sustainable Development?  
The link between environment and development. Defining sustainable growth.
- 4 North and South?  
Key Backgrounds to the E&D debate: population; urbanization; land-use; political systems: common agendas in the North; different agenda of the South.
- 5 Biodiversity/The Biodiversity Convention  
The wider biodiversity issue. What is biodiversity? Where is it? Whose is it? Conservation – is it possible? Necessary? By whom? For Whom?
- 6 Trade in Endangered Species/CITES  
Environment and Trade. Efforts to Control Species Trade. The CITES mechanism. Successes and Failures.
- 7 Fishing  
Subsidizing destruction. The rush to deplete stocks. Difficulties in finding an institutional framework.
- 8 Desertification/The Limits to International Action  
When is a global problem not a global problem? Effects and the affected. Land use, farming, and the North-South divide.
- 9 International Institutions and the Environment  
The UN system and the Environment. Stockholm 1972, Rio 1992. Other multi-lateral institutions. The role of NGOs.
- 10 The Ozone Problem/The Montreal Protocol  
A success story? Defining a problem. Finding an international solution and building on it. The limits to the deal.
- 11 Global Warming/Kyoto Protocol and Beyond  
The politics of climate change. Why is global warming such a contentious issue? Can we do much to stop it? If so, what? If not, what then?
- 12 International Law and the Environment/Pesticides  
An overview of the evolution of legal regimes dealing with international environmental issues. Pesticides as a test case.
- 13 Hazardous Waste. Hidden Threats?  
The Basel Convention. Chemical Proliferation and Testing Regimes. Nuclear Wastes.
- 14 Individual Support. Report Guidance and Discussion.

Course Review and Final Discussion.

Evaluation

- 60 % Final Report
- 30 % Presentations in Class
- 10 % Attendance

Textbook:

There are no textbooks as such; however, sound knowledge of the ideas and issues discussed in various works by Bjorn Lomborg (amongst others) would be a considerable advantage.

Reference:

- UNDP, Human Development Report(s), previous 5 years, OUP.
- World Resources Institute, World Resources, 2000-2008 OUP
- Scott Barrett, Environment and Statecraft OUP, 2003
- P. Birnie and A. Boyle, International Law & Environment [2], 2002
- B. Lomborg, The Skeptical Environmentalist, 2001

Comment from Lecturer:

Student numbers on the course vary; so the items for discussion may also change, as might the order. Students are expected to put in a considerable amount of work outside the classroom, and to engage knowledgeably in debate during class.

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**MICROECONOMICS (PCP):** 2 Credits (Spring Semester)

Lecturer: Takako GREVE

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only. This course covers the basics and some applications of microeconomic theory at an intermediate level. Prerequisites: Elementary Microeconomics, calculus, and elementary probability theory.

Course Plan:

- 1 Preferences and Utility
- 2 Consumer's Optimal Choice
- 3 Welfare Economics: One-person Case
- 4 Theory of the Firm 1: The Single-Input Model
- 5 Theory of the Firm 2: The Long-Run, Multiple-Input Model
- 6 Perfectly Competitive Markets
- 7 Tax
- 8 Monopoly
- 9 Game Theory 1: Simultaneous Move Games
- 10 Game Theory 2: Sequential Move Games
- 11 Duopoly
- 12 Uncertainty and Expected Utility
- 13 Asymmetric Information 1: The Market for Lemons
- 14 Asymmetric Information 2: The Principal-Agent Problem

Assignments

Evaluation:

Assignments (20%), Class performance (10%), and Final exam (70%)

Textbook:

1. Serrano and Feldman. (2013) A Short Course in Intermediate Microeconomics with Calculus. Cambridge Univ. Press. ISBN 978-1-107-62376-7 (paperback) or 978-1-107-01734-4 (hardcover)

Comment from Lecturer:

Before each session, you should read the relevant part of the textbook in advance and do the homework of the previous session.

Consultation:

By E-mails (please write that you are taking PCP Microeconomics in your message title) or office hour meetings

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**PUBLIC FINANCE (PCP):** 2 Credits (Spring Semester)

Lecturer: Joong-ho KOOK

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

The course of Public Finance aims to understand the fiscal activities of central and local governments. This course introduces main functions of governments, and explains some features of central and local governments in Japan. We deal with the provision of public goods, externality, optimal size of local authorities, fiscal decision-making at central and local levels, and the topic of intergovernmental fiscal relations. Also, this course discusses the roles of local governments. While we mainly use the framework of traditional public finance theory, if necessary, we introduce public choice approach.

Course Plan:

- 1 Introduction and Fiscal Features in Japan
  - 2 Characteristics of governments in Japan
  - 3 Functions of governments, Provision of Public goods
  - 4 Decentralization Theorem
  - 5 Optimal size of local government and optimal number of residents
  - 6 Tiebout hypothesis (How individuals choose local authorities)
  - 7 Government revenue and expenditure
  - 8 Central and local tax structure
  - 9 Non-tax revenue (User charges)
  - 10 Intergovernmental fiscal relations(1)
  - 11 Intergovernmental fiscal relations(2)
  - 12 Economic policy and government
  - 13 Presentation of assignment (or essay) (1)
  - 14 Presentation of assignment (or essay) (2), Review and Summary
- Review and Final exam (or quiz)

Evaluation:

- 1) Essay or Report (Case Study)

An Essay or a report that investigates the topic associated with public finance. For example, a topic on (a) your own country, or (b) a certain country in which you are interested, or (c) a comparative study



among countries.

2) Brief Exam (or Quiz)

Textbook:

Cullis, John and Philip Jones, Public Finance and Public Choice, 3<sup>rd</sup> edition, Oxford Press; in particular, Fiscal Federalism (mainly Ch. 12), 2009.

Reference:

Anderson, John E. Public Finance, Houghton Mifflin, 2003.

Ministry of Finance, Current Japanese Fiscal Conditions and Issues to be Considered.

Comment from Lecturer:

You can talk to me about your backgrounds of economics and course requirements. It may help to proceed the course smoothly.

Consultation:

Feel free to ask questions about the course.

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**APPLIED FINANCE (PCP):** 2 Credits (Spring Semester)

Lecturer: Yasuo MAEDA/ Teruo NAKATSUMA

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

The first section covers basic concepts of corporate finance. By using the computer software such as Excel or Mathematica, we study how apply finance theory to the actual financial data. Topics covered in this section include Net Present Value, Investment Rules, Capital Budgeting, and Valuation. The second part of this course covers more advanced theory and practice of portfolio management. First we review the mean-variance approach in a more mathematically rigorous fashion. Then we learn numerical methods to solve the portfolio optimization problem. This part also introduces more advanced topics such as portfolio optimization with downside risk, tracking errors in index funds and immunization of bond portfolios.

As prerequisites, students are expected to be familiar with introductory calculus, linear algebra, and basic probability theory. To register this class, basic knowledge about microeconomics, accounting and finance is also required.

Course Plan:

- 1 Accounting Statements
- 2 Net Present Value
- 3 Valuation of Bonds
- 4 Investment Rules
- 5 Capital Budgeting
- 6 Real Options
- 7 Review and Midterm Exam
- 8 Equity Portfolio Management (1): Mean-Variance Approach Revisited
- 9 Equity Portfolio Management (2): Mathematical Optimization for Portfolio Selection
- 10 Equity Portfolio Management (3): Downside Risk Minimization
- 11 Equity Portfolio Management (4): Tracking Errors Minimization
- 12 Bond Portfolio Management (1): Yield Curve, Duration and Convexity

- 13 Bond Portfolio Management (2): Immunization
  - 14 Bond Portfolio Management (3): Yield Curve Models
- Review

Evaluation:

Midterm Exam 50 %, Final Exam 50 %.

Textbook:

The first part: Handout will be distributed.

The second part: Handout will be distributed.

Reference:

The second part:

- Elton and Gruber, Modern Portfolio Theory and Investment Analysis, Wiley.
- Grandville, Bond Pricing and Portfolio Analysis: Protecting Investors in the Long Run, the MIT Press.
- Luenberger, Investment Science, Oxford University Press.

Consultation:

By E-mail.

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**CRITICAL THINKING SKILLS (PCP):** 2 Credits (Autumn Semester)

Ways of Seeing, Meaning, and Explaining

Lecturer: Roger M. BATTY

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

A difficult subject to teach requires flexibility on the part of teachers and students. The course I offer here should have something to suit most tastes. It ranges from philosophical discussion about truth and meaning to more concrete discussions of works of art, literature, political problems and economic issues. We consider not merely how to construct a persuasive argument, nor simply what is and is not logical given various premises, but how and why we might begin with various viewpoints, the nature and implications of holding viewpoints, and how our views are underpinned by moral, political, scientific and aesthetic ideas. Given the wide range, it will not be possible to explore all the subjects we touch on in any great depth. To some extent I leave that to students' independent research for their term papers. For the rest, I offer pointers for further study.

Course Plan:

1 Introduction.

What is Critical Thinking? A brief overview of thought and its objects. A brief history of criticism. Responses, and the course plan.

2 Truth and Reality.

What is reality? Or truth? We need to know, simply in order to establish the truth or otherwise of propositions. If only answering these questions was as easy as asking them!

In class we examine Plato, Berkeley, and Magritte.

3 Context.

How we decide about truth or reality often depends on the context

-- not just the scale of the question at hand, but on our surroundings, especially our companions. It matters then how we function in our environment; are we animals whose responses to our situation

are programmed at a basic level? We explore the surface of the nature vs nurture discussion, putting as background the idea of society and individual.

In class we examine Wilson and Bloom; and Picasso & Hopper.

4 The Good Life?

One way to circumvent a discussion of society or nature in establishing the truth is to appeal to higher powers -- the divine. Yet even those who are reluctant to assign their lives to a creator often abide by moral rules. How objective can these be? Is there such a thing as moral blindness? How far do moral stances imply limits and contradictions?

In class we examine Bentham and Mill, Williams and Mackie, and "Vanitas" painting.

5 Politics Ho!

The good life is the subject of politics. Our political masters, however they have arrived at power, promise us better lives. The political process involves making decisions about many types of context. Who gets to vote, when, how often? Whose views are acceptable?

In class we examine Aristotle, Plato, Clausewitz, and franchise issues.

6 Fate Accompli?

Our political decisions are made for us. But who are "we"? And how would we best decide on the best for "us"?

In class we examine the philosophical approaches of the determinist and the utilitarian, and the moral and political dilemma posed by drug use. Time permitting we will also look at Balzac, "Wild Asses" Skin (Peau de Chagrin).

7 "Yes, but what does it mean?"

An introduction to Semiotics. A Review of classes 2 & 3, from another perspective. A look at signs from Saussure to the present.

In class we examine fashion, adverts, and Salvador Dali.

8 Individual Support. I provide what help I can towards student reports.

In class, we discuss what you have written so far.

9 Evidence.

The second half of the course begins with a discussion of the use and abuse of evidence. Without evidence the points we make seem arbitrary: but how arbitrary is the evidence itself?

In class we consider the causes of war, taking the Peloponnesian War and, time permitting, WWI. We consider the explanatory power of history.

10 Costs and Benefits.

Irrespective of the how we view the wider circumstances of our lives, we are faced with choices which require evaluation. We have looked at evidence. Now we consider evaluating it.

We discuss biodiversity loss, global warming, and the island of Nauru.

11 Prediction.

We have discussed how to use evidence and how to value it. However, we need evidence to predict events; policy-making is hostage to our abilities in this respect. A consideration of prediction is therefore apposite.

In class we examine predictions, including economic events such as the Wall St. Crash, the sub-prime mortgage downturn, and slumps in general.

12 Justice.

Policies can be made which are just or unjust, though few are completely one or the other. Assuming justice to be desirable, how is it achieved? Our ideas about truth, context, and morality can find practical expression in this topic.

In class, we discuss Aristotle, Rawls & Nozick. We look specifically at the cases of Fiji and Guatemala.

13 Critical Critical Thinking?

How is critical thinking put to use? Lawyers and forensic argument; textbooks for critical thinking and education systems. Cases.

In class, we will examine Cicero, and, time permitting, a selection of trials.

14 Individual Support. I provide what help I can towards student reports.

In class, we discuss what you have written so far.

Final Review. We consider the relations between meaning and logic. And rediscover various Ways of Seeing.

Evaluation:

Term Papers -- 60%

Presentations in Class -- 30%

Attendance -- 10%

Textbook:

There is no specific textbook to be used. Reading assignments will be given for each class, and some material will be handed out by the instructor. If a single volume is deemed necessary, I will advise students in person.

Comment from Lecturer:

This is a course which I began to teach last year. So, lacking much experience, and depending on student numbers, I may be forced to revise the plan during semester. The course is divided into two segments. The first is more philosophical, the second involves some more concrete issues and topics for critical thought. Students will therefore benefit from the research time offered by the first section, before presenting something more detailed later in class. Either one or two reports may be submitted; either treating a single topic in detail, or one for each segment. Naturally, I expect considerable independent research and writing.

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**MACROECONOMICS (PCP):** 2 Credits (Spring Semester)

Lecturer: Yoshimasa SHIRAI

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

This class covers standard topics in macroeconomics. All students are assigned to present a paper and are required to participate in discussions at the class every week. Most of the papers are written for non-academic readers (in a sense that they do not highlight technical aspects of their analysis). But still, these papers take up a research paper format called the IMRAD, which is an abbreviation for "introduction", "method", "results" and "discussion". I urge you to make presentations of the papers (twenty of them) strictly following this format. In introduction, you must clarify the research questions to be asked and why it is worth asking such questions. Method section explains the procedures taken in answering the research questions. The results of the procedure performed by the economists are stated in the result section. It will be followed by the discussion of the results and its implications for the issue in concern.

Aims of this class are to learn how economists apply economic principles when they perform macroeconomic analysis and to learn how they present it in a paper.

Each class starts with a 5 minutes quiz. It will be followed by two sets of presentation and discussions.

The evaluation will be made based on your presentation, comments made during discussion, and quiz results.

Papers assigned to each groups will be announced at the first class and will be posted on the following

website.

<http://web.econ.keio.ac.jp/staff/yshirai/pcp/2014/2014pcpmacro.htm>

Course Plan:

- 1 How to present a paper? Demonstration by the instructor.
- 2 Measuring GDP
- 3 Labor Market
- 4 Long-Run Growth
- 5 Consumption and Savings
- 6 Open Economy
- 7 Business Cycles
- 8 Financial Market and Monetary Policy (1)
- 9 Financial Market and Monetary Policy (2)
- 10 Unemployment and Inflation
- 11 Fiscal Policy and Sovereign Debt
- 12 The Role of Money and Credit; Financial Crisis
- 13 Debt Crisis
- 14 International Trade

Special Topics

Evaluation:

Weekly quiz and a final case study presentation.

Reference:

A. B. Abel, B. Bernanke, and D. Croushore (2011), *Macroeconomics* 7<sup>th</sup> edition, Prentice Hall

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**INTRODUCTION TO FINANCE (PCP):** 2 Credits (Autumn Semester)

Lecturer: Yasuo MAEDA/ Takuji ARAI

Course Outline:

Non-PCP students can also register for this class.

The course is composed of two parts, which are theoretical aspect and computational literacy.

In the first part, a basic concept of a probability theory, a modern portfolio theory and a basic option pricing theory are provided. First of all, we define some elementary terminologies in probability theory, for example random variable, expectation, variance and so on. In addition, properties of such concepts are introduced. Second, we study a modern portfolio theory. Topics covered in this section include the mean-variance portfolio analysis and the CAPM. Third, a basic theory of option pricing models is discussed by dealing with one-period binomial option pricing model. Especially, we study meanings of important terms, for example arbitrage, hedging, martingale probability and so on.

In the second part, we cover the presentation of Mathematica implementation of the model used in Finance.

To register this class, basic knowledge about microeconomics is required.

Course Plan:

- 1 Randomness and random variable
- 2 Expectation and variance
- 3 Utility function and indifference curve
- 4 Mean-variance portfolio analysis

- 5 CAPM
  - 6 Introduction to one-period binomial model in option pricing theory
  - 7 Replicating portfolio and arbitrage
  - 8 Martingale probability
  - 9 Overview and Midterm Exam
  - 10 Basics of Mathematica
  - 11 Basics of Dataset access
  - 12 Portfolio analysis by Mathematica
  - 13 CAPM by Mathematica
  - 14 Overview and Final Exam
- Overview and Special topics

Evaluation:

Midterm Exam 50%, Homework(Lesson 1-Lesson 9) 10%, Final Exam 30%, Assignment (Lesson 10-Lesson 13) 10%

Textbook:

Second Part: Handout will be distributed.

Reference:

First Part: D. Luenberger, Investment Science, Oxford University.

Consultation:

By E-mail.

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**INTERNATIONAL TRADE (PCP):** 2 Credits (Autumn Semester)

Economics of Globalisation

Lecturer: Nobuaki YAMASHITA

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

Students are introduced to the key issues and debates in the economics of globalisation with an aid of international trade theories. Main topics include the sources and impact of world market integration in commodities and factors of production. Issues such as whether globalisation fosters growth and who wins and who loses from globalisation are addressed. Concepts and models from international economics are blended with historical analysis to provide an overview of : (i) the unfolding process of globalisation over the long-term and (ii) the economic and political economy factors underlying that evolution. We also cover the specific case studies deal with the impact of globalisation on issues such as poverty, income inequality and the environment.

Course Plan:

- 1 Historical Overview of Globalisation  
McLaren, Ch 1
- 2 Free trade or self-sufficiency in foods?: the Ricardian model  
McLaren, Ch 2
- 3 Trade and political conflicts: the specific-factor model  
McLaren, Ch 5
- 4 Trade and and the distribution of income: the Heckscher-Ohlin model- Part 1

- McLaren, Ch 6
- 5 Trade and the distribution of income: the Heckscher-Ohlin model- Part 2  
McLaren, Ch 6
  - 6 Student presentation (1)
  - 7 Student presentation (2)
  - 8 midterm review
  - 9 Mid-term exam (in class) and Review
  - 10 Why protection? Tariffs and Quotas  
McLaren, Ch 7
  - 11 Trade, income inequality and poverty  
McLaren, Ch 14
  - 12 Student presentation (3)
  - 13 Student presentation (4)
  - 14 Catch-up session
- Final exam and Review

Evaluation:

The following three components comprise overall assessment:

- A. TWO group presentations and written reports by group (30%)
- B. ONE mid-term exam (redeemable)
- C. ONE final exam

The following MS Excel command will be used to compute your final marks:

$\max(A+B*0.3+C*0.4, A+C*0.7)$  where B and C correspond to marks out of 100

Note that this means mid-semester exam is counted only if it improves your overall marks.

Presentations make an integral part of the assessment for this course. Students are asked to make two compulsory presentations by groups. This is coordinated in the similar fashion to the 'court' system: One group of students argues for the case of globalisation ('the defendant'), while the other group argues against the case of globalisation ('the prosecutor'). The remaining students participate as the 'jury'. For each discussion topic, two papers presenting the opposite views of globalisation need to be presented with addition of own collected 'evidence' by each group. Group presentations are assessed based on the clarity of argument, team work and the quality of presentation.

Textbook:

McLaren, John (2013), International Trade: Economic Analysis of Globalisation and Policy, Wiley.

TWO copies are placed in the reserve section of the library.

Reference:

The 'International Trade' segment of the following textbooks or any textbooks of international economics are useful:

- Krugman, P. R., M. Obstfeld, and M. J. Melitz (2012) International Economics: Theory and Policy, 9th edition, Pearson Education, Harlow.
- Appleyard, Dennis R., Field, Alfred J., Cobb, Steven L (2010) International Economics, 7th edition, New York, McGraw-Hill Irwin.
- Feenstra, Robert C., Taylor, Alan M. (2011) International Economics, New York, Worth Publishers

Comment from Lecturer:

Attendance is required and students are expected to have completed the relevant readings and to be engaged in class discussions. Students are discouraged using laptops. Please do not use class time to

check email, trade stock, or make fake friends online. Similarly, please turn off the mobile phones during class.

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**INTERNATIONAL LAW AND ECONOMY (PCP): 2 Credits (Spring Semester)**

Lecturer: Fukunari KIMURA

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only. Countries in the world, particularly developing countries, are confronted with the need to address trade policy related issues in international agreements, most prominently the World Trade Organization (WTO). This lecture examines key disciplines and the functioning of the WTO and discusses a number of issues and options that countries face to improve domestic policies and obtain access to the world market. Many of the issues discussed are also relevant in the context of regional integration agreements.

Course Plan:

- 1 Introduction/The economics of trade policy (1)
  - 2 The economics of trade policy (2)
  - 3 The WTO (1)
  - 4 The WTO (2)
  - 5 Trade in goods (1)
  - 6 Trade in goods (2)
  - 7 Trade in goods (3)
  - 8 Trade in services (1)
  - 9 Trade in services (2)
  - 10 Protection in intellectual property (1)
  - 11 Protection in intellectual property (2)
  - 12 Safeguards and exceptions (1)
  - 13 Safeguards and exceptions (2)
  - 14 Preferential trade agreements and regional integration (1)
- Preferential trade agreements and regional integration (2)

Evaluation:

Homework (twice): 40%

Class participation including presentation and discussion in class: 60%

Textbook:

Hoekman, Bernard M. and Kostecki, Michel M. (2009) *The Political Economy of the World Trading System: The WTO and Beyond*. The Third Edition. Oxford: Oxford University Press. ISBN: 978-0-19-955377-8 (Pbk).

Students may want to purchase a copy before the lecture starts.

Reference:

Pages from <http://www.wto.org>, particularly on dispute settlement.

Consultation:

Contact Fuku Kimura by email ([fkimura@econ.keio.ac.jp](mailto:fkimura@econ.keio.ac.jp)).

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**CONTEMPORARY JAPANESE ECONOMY a:** 2 Credits (Spring Semester)

**CONTEMPORARY JAPANESE ECONOMY b:** 2 Credits (Spring Semester)

Contemporary Japanese Economy - policy and strategy

Lecturer: Akira KAWAMOTO

Course Outline:

Non-PCP students can also register for this class.

Japanese economy is at crossroads. It must grow sufficiently in order to maintain dynamism in society and support social security against the underlying trend of aging population and changing global situations. Can sustainability of public finance be restored? Is it possible to achieve economic growth despite failures by successive administrations? What is the strength and weakness of Japanese economy and how can current growth policies be improved? These are urgent and crucial issues of our day. Drawing on lecturer's experiences at Japanese government, OECD secretariat as well as in business, the course tries to deepen our understanding of today's economic problems with the help of knowledge of economics and through interactive discussion.

Course Plan:

- 1 Introduction  
Need of economic growth
  - 2 Role of government- history and current state
  - 3 Monetary policy in Japan - how can "Abenomics" work?
  - 4 Public finance in Japan - debt accumulation, consumption tax and spending control
  - 5 Economic growth - how to shift resources quickly; labor market reform and other reforms
  - 6 Regulation and economy - can global warming be resolved without lowering growth?
  - 7 Why is regulatory reform needed? Think about heavily regulated industries such as transportation, legal services, agriculture and childcare services.
  - 8 Can regulatory reform work? Case of reforming and restructuring electricity sector.
  - 9 Policy to enhance competition - are corporate mergers beneficial or harmful for economy?
  - 10 Corporate reform - what is needed to revitalize Japanese industry and upgrade its profitability?
  - 11 Can "Industrial Policy" substitute market? Its purpose, policy tools, effectiveness and possible distortions.
  - 12 Innovation and venture start-up investment in Japan - can policy enhance it?
  - 13 International dimension - can domestic reform be helped by international cooperation?
  - 14 Course summary
- Review of assignments and group discussions

Evaluation:

-Regular attendance and participation in the class [weight; 80%]

-Final examination (to be decided) [weight; 20%]

Comment from Lecturer:

Students will be given assignments (short essays to answer questions that the lecturer give) and required to make presentation as a group during the course. The lecturer tries to help students to develop their thinking during the course by interactive discussion and students are very much appreciated to participate. The plan detail is subject to changes owing to various elements including current status of the economy.

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**ECONOMICS OF REGULATORY REFORM:** 2 Credits (Autumn Semester)

Lecturer: Akira KAWAMOTO

Course Outline:

Non-PCP students can also register for this class.

Government regulation aims to meet social needs that market cannot provide. But regulation, particularly when left without proper periodical reviews, can become rigid and cause inefficiency under changing economic environment and technological innovation. It is thus essential for us to understand appropriate type of regulation in modern economy as well as practical reform approaches, based on sound theoretical grounds.

Regulatory reform is also a major pillar of structural reform aiming to raise the level of economic growth in medium and long term after global financial crisis. Focus of economic policy making in the world now shifts towards such reform but in reality reformers have faced the challenge to keep momentum due to various reasons.

Economic analysis is a great tool to understand regulatory situations and to help make policy recommendations. Drawing on the lecturer's experiences in government, international organization as well as business, we would like to look at as many examples in Japan as possible. Those issues include, among others, measures to address global warming, corporate mergers, regulatory reform in various sectors such as electricity and transportation, patent and innovation.

Course Plan:

- 1 Introduction
  - 2 Coase theorem and environmental regulation; do we need regulation in order to protect environment?
  - 3 Corporate mergers and its regulation; is there any problem if firms are free to merge each other?
  - 4 Economic regulation and its impact on economy - why does overregulation persist?
  - 5 Natural monopoly regulation; can regulation solve problems arising from natural monopoly?
  - 6 Restructuring of network industry - case in electricity sector
  - 7 Analysis of non-regulatory approaches; is public bidding for monopoly franchise better than regulation?
  - 8 Patent and innovation; does patent always accelerate innovation?
  - 9 Safety regulation; do manufactures and other firms have sufficient incentives to provide safe products?
  - 10 Group presentation and discussion on a selected current economic issue (example; global warming)
  - 11 Group presentation and discussion on a selected current economic issue (example; electricity sector reform)
  - 12 Group presentation and discussion on a selected current economic issue (example; corporate mergers)
  - 13 Group presentation and discussion on a selected current economic issue (example; trade negotiations)
  - 14 Course summary
- Others Review of assignments and group discussions

Evaluation:

- Regular attendance and participation in the class [weight; 80%]
- Final examination [weight; 20%]

Textbook:

ECONOMICS OF REGULATION AND ANTITRUST, Fourth Edition  
W.Kip Viscusi, Joseph E.Harrington, Jr. and John M. Vernon The MIT Press

Comment from Lecturer:

In the initial stage, students will be given assignments to be done for the coming class, answering relevant questions from the textbook mentioned above. They will be required to work for group presentation in the later stage. Interactive participation in the class is very much appreciated.

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**READING AND COMPOSITION (PCP): 2 Credits (Spring Semester)**

Lecturer: Helen BALLHATCHET

**Course Outline:**

This class is open to PCP students, (selected) exchange students and Masters' course students only.

The purpose of this class is to help students to improve their ability to understand English-language academic texts, and to use this understanding to further develop their writing skills. Students will read and analyze semi-academic and academic texts and discuss their meaning critically. They will write summaries of the texts, and papers in which they develop logically-organized responses to the issues that have been raised. In this way, the close connections between reading, critical analysis, and writing will be emphasized.

There will be regular reading and writing assignments. Class activities will include peer-evaluation of writing assignments and semi-formal discussions of reading materials. These discussions will include examinations of the structure and logical development of ideas, which will give students models to follow in their own writing. Some writing assignments will involve revising and polishing previous drafts with the aim of improving the clarity of the writing. There will be opportunities for individual consultations with the instructor during class time.

**Course Plan:**

- 1 Introduction to academic reading and writing; review of structure and format
- 2 Identifying structure in written research reports; responding to points of view in reading materials
- 3 Reading analytically I; using reading resources to focus a topic for writing
- 4 Research techniques; evaluating reliable source materials; reading analytically II
- 5 Paraphrasing and summarizing; avoiding plagiarism in writing
- 6 Preparing a detailed outline for a research paper; analyzing unity and coherence in sample academic reports
- 7 Explaining statistics clearly in writing, with reference to model essays
- 8 Writing the first draft; in-text citations; APA referencing style
- 9 Evaluation of first drafts; revising and polishing writing
- 10 Consultations on topics for the final paper; limiting the scope of the topic to allow in-depth analysis
- 11 Use of semi-formal vocabulary in academic papers; useful expressions
- 12 Preparing a detailed outline for the final paper; incorporating data and information gained from reading resource materials
- 13 Draft of the final paper due; summaries of research results, conclusions
- 14 Revisions of the final paper due; editing and checking for accuracy in language; presentations and student-led discussions about research findings and conclusions

Reading and writing assignments

**Evaluation:**

The final grade for the class will be determined by a student's attendance, preparation for classes (including reading assignments), participation in class activities, and written homework. Consideration will be given to a student's improvement in writing and his/her ability to incorporate critical reading of resource material into an original academic report.

Reference:

Zemach, Dorothy E., Daniel Broudy and Chris Valvona. (2011). Writing Research Papers: From Essay to Research Paper. (Macmillan Writing Series) Macmillan  
Godfrey, Jeanine. (2013). How to use your reading in your essays. (Palgrave Study Skills) Palgrave / Macmillan

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**APPLIED ECONOMETRICS (PCP):** 2 Credits (Spring Semester)

Lecturer: Colin R. MCKENZIE

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

This course aims to: (a) provide students with an introductory knowledge of applied econometrics; and (b) enable students to estimate and evaluate linear regression models using the econometrics software package called EViews. In the econometric analysis of any socioeconomic phenomena, the creation of some sort of model is the usual starting point of any analysis. Econometric model building involves the following seven steps: (i) the specification of a theoretical model; (ii) data collection; (iii) the specification of a model for estimation; (iv) the estimation of unknown parameters; (v) hypothesis testing; (vi) model evaluation; and (vii) simulation and forecasting. This course focuses on estimation using ordinary least squares (step (iv)), hypothesis testing using the t and F tests (step (v)), and model evaluation (step (vi)). Where possible, estimation and hypothesis testing techniques will be illustrated by empirical examples that use either cross-section or time series data.

The emphasis in this course is not on proving propositions, but rather on the strong connection between the assumptions made about the components of the regression model and the results that can be obtained, and the various difficulties that arise when analyzing real data.

Course Plan:

- 1 Session 1 will provide a broad overview to the course by discussing the key questions: 1) what is Econometrics? and 2) what does econometric model building involve?. The economic concepts of marginal effects and elasticity will also be reviewed
- 2 Session 2 will review some important key statistical concepts like expectations and variance, and their estimation.
- 3 Session 3 will discuss the motivation for and the derivation of the ordinary least squares (OLS) estimator for the simple linear regression with one explanatory variable.
- 4 Session 4 will discuss the key statistical properties of the OLS estimator for the simple linear regression model. The importance of the Gauss-Markov Theorem and its assumptions will also be touched on.
- 5 Session 5 will discuss simple hypothesis testing using the student test, and how these results can be used to construct confidence intervals for parameter values.
- 6 Session 6 will introduce students to the econometric software called EViews. Students will learn how to use EViews to produce descriptive statistics, graphs and simple regression results.
- 7 Session 7 will discuss the derivation of the OLS estimator for the multiple linear regression model.
- 8 Session 8 will discuss the statistical properties of the OLS estimator for the multiple linear regression model.
- 9 Session 9 will discuss the testing of hypotheses relating to several parameters using the F-test.
- 10 Session 9 will teach students how to use EViews to produce multiple linear regression results and to conduct hypothesis tests.
- 11 Session 11 will discuss the use of dummy variables, and how they can be used to test for structural

change and differences across well-specified groups.

- 12 Session 12 will discuss the impact of underspecification and overspecification of the linear regression model on the properties of the OLS estimator. The meaning and impact of multicollinearity will also be touched on.
- 13 Session 13 will discuss the impact of heteroskedasticity on the properties of the OLS estimator, and how these problems can be dealt with.
- 14 Session 14 will discuss the impact of serial correlation on the properties of the OLS estimator, and how these problems can be dealt with.

Session 15 will discuss the impact of endogenous explanatory variables on the properties of the OLS estimator, and how these problems can be avoided or dealt with.

#### Evaluation:

Grades in this course will be awarded on the basis of a student's performance in an end-of-semester written exam, and several pieces (2-4) of homework to be handed in during the semester. Some of the problems on each piece of homework will involve using EViews to estimate some econometric models and interpreting the results. In determining a student's final grade, provided a student submits all the homework, the results for the written exam and homework will be combined using weights of either 80:20 or 100:0. The weight which gives the more favorable result for the student concerned will be adopted. A student failing to submit any piece of homework will be awarded a zero grade for that homework. Late submission of homework will not be accepted without a valid reason (e.g. medical certificate)

#### Textbook:

Asteriou, D. and S.G. Hall, Applied Econometrics, Revised Edition, Palgrave Macmillan, New York, 2011 (ISBN 9780230271821)

#### Reference:

##### Japanese Language References:

- 浅野哲・中村二郎『計量経済学』有斐閣, 2000年
- 松浦克己・マッケンジーコリン『EViewsによる計量経済学入門』東洋経済新報社, 2005年
- 滝川好夫・前田洋樹『EViewsで計量経済学入門』(第2版)日本評論社, 2006年

##### English Language References:

- Carter Hill, R., W.E. Griffiths and G.G. Judge, Undergraduate Econometrics, John Wiley & Sons, New York., 2001
- Kennedy, P., A Guide to Econometrics 5th Edition, Blackwell Publishing, Malden, MA., 2003
- Quantitative Micro Software, EViews 6 User's Guide I, Quantitative Micro Software, Irvine, CA., 2007
- Quantitative Micro Software, EViews 6 User's Guide II, Quantitative Micro Software, Irvine, CA., 2007
- Quantitative Micro Software, EViews 6 Command and Programming Reference, Quantitative Micro Software, Irvine, CA., 2007
- Wooldridge, J.M., Introductory Econometrics: A Modern Approach, South-Western College Publishing, USA., 2000

#### Comment from Lecturer:

In order to understand the material in this course, it is extremely desirable that students have some previous knowledge of linear algebra, differentiation (including partial differentiation), and probability. Instruction in the use of the econometrics software package, EViews, will be given as part of this course. This course will strictly avoid the use of matrix algebra.

One of the purposes of econometrics is to test hypothesis suggested by other areas of economics, for example, microeconomics and macroeconomics. As a result, econometrics should not be considered in isolation, but as a complement to other subjects taught in the Faculty of Economics and the PCP program.

Consultation:

If you have any questions about this class, please feel free to contact Colin McKenzie by email (mckenzie@z8.keio.jp)

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**ACADEMIC WRITING (PCP):** 2 Credits (Autumn Semester)

Lecturer: Colin R. MCKENZIE

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

The purpose of this course is to provide students with an introduction to academic writing and the process of writing an academic paper. Material and examples in this course will be taken from published academic papers or academic papers that have been released as working papers. The final aim of this course is for students to submit a research paper of about 3,000 words in length written in English. Students will be repeatedly asked to think about why particular parts of a paper exist and what their purpose is. This course assumes that students have already written an academic paper in English or are in the process of writing an academic paper in English.

Course Plan:

- 1 This session will introduce students to the long path that researchers follow before their academic work is published, and to the material that will be covered in this course.
- 2 This session will take up the problem of writing an abstract and formulating a title for a paper. It will discuss how we might distinguish good titles from bad titles and good abstracts from bad abstracts.
- 3 This session will take up the problem of writing a reference list for a paper. It will discuss how to distinguish a good list of references from a bad list of references, and how to cite other people's work in your own paper.
- 4 This session will take up the problem of how to write an introduction of a paper. It will discuss how to distinguish a good introduction from a bad introduction, and also discuss what should be written in an introduction.
- 5 This session will take up the problem of how to write the conclusion of a paper. It will discuss how to distinguish a good conclusion from a bad conclusion, and also discuss what should be written in a conclusion.
- 6 This session will take up the problem of how to write an acknowledgement. It will discuss how to distinguish a good acknowledgement from a bad acknowledgement, and also discuss what should be written in an acknowledgement.
- 7 This session will take up the problem of how to write up the analytical sections of a paper.
- 8 This session will take up the problem of how to write up the empirical sections of a paper.
- 9 This session will take up the problem of how to present material in figures, graphs, and tables in way that will ensure that the material is presented in an understandable way.
- 10 This session will take up the problem of plagiarism, and how to correctly cite other people's work in your own paper.
- 11 This session will once again take up issues related to the introduction and literature reviews in papers.
- 12 In this session, students will begin to make presentations of their papers, and these papers will be discussed in class.

13 In this session, we will continue student presentations of their papers.

14 In this session, we will continue student presentations of their papers.

In this session, we will discuss the problems that arise in defending academic work during the peer review process.

Evaluation:

Evaluation in this course will be based on all the homework a student submits as well as the final research paper he/she submits. The final research paper will account for 50% of the student's grade, and the homework throughout the course will account for the other 50% of the grade.

Reference:

MacKenzie, I. (2006). Professional English in Use, Cambridge University Press, Cambridge.

Oshima, A. & A. Hogue (2006), Writing Academic English. 4th Edition, Pearson/Longman.

Swales, J.M. & C.B. Feak (2008). English in Today's Research World: A Writing Guide, University of Michigan Press, Ann Arbor.

Comment from Lecturer:

This course will be taught in English. Just about every week students will be given homework for the next class, and are expected to hand in their homework on time.

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## **ECONOMIC DEVELOPMENT a: 2 Credits (Spring Semester)**

Development Economics

Lecturer: Kiichiro FUKASAKU

Course Outline:

Non-PCP students can also register for this class.

The goal of development economics is to understand how economies manage to grow out of underdevelopment and poverty traps, move onto sustainable growth paths and achieve high levels of national income and welfare. By applying basic concepts, useful tools and analytical frameworks derived from the frontier of theoretical and policy research, this coursework is designed to cluster major development issues into several domains and assist students to better understand real development challenges today. It is also intended to help students acquire skills needed for group discussions in English.

Course Plan:

- 1 Introduction (presenting the coursework and method of evaluation)
- 2 Part I: The Meaning of Development
  - (I-1) Comparative Economic Development in a Multipolar World
- 3 (I-2) Human Development, MDGs and Beyond
- 4 Part II: The Basis for Sustainable Development
  - (II-1) Population Growth and Urbanization
  - (II-2) Globalization, Poverty and Inequality
  - (II-3) The Environment, Climate Change and Opportunities for Green Growth
- 7 Part III: Revisiting Theories of Growth and Development
  - (III-1) Classical Theories of Growth and Development
  - (III-2) Contemporary Models of Development and Underdevelopment
  - (III-3) Inclusive Growth
- 10 Part IV: The Role of State in Sustaining Growth

- (IV-1) International Trade and Development Strategy
  - 11 (IV-2) Foreign Finance, Investment and Aid
  - 12 (IV-3) Domestic Resource Mobilization
  - 13 Part V: Enhancing Resilience to Shocks
    - (V-1) Financial Crises and Resilience
  - 14 (V-2) Conflict and Development
- Revisiting Sustainability Questions in Economic Development

**Evaluation:**

Evaluation is based on (1) attendance (one-third of grade), (2) presentation of selected articles in class discussions (one-third) and (3) submission and quality of a term paper (one-third).

**Textbook:**

Michael P. Todaro and Stephen C. Smith (2011) *Economic Development*, 11<sup>th</sup> edition, Pearson Education Limited  
(<http://www.pearsonhighered.com/educator/product/Economic-Development/9780138013882.page>)

**Reference:**

A supplementary reading list will be provided at the beginning of the course. Several articles will be selected as reading materials for group discussions.

**Comment from Lecturer:**

During the course, you are requested to make short presentations on selected articles as well as your term papers.  
Your active participation in the coursework would be most welcome.

**Consultation:**

Office hour will be organized once a week and announced at the beginning of the course.

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**INTERNATIONAL TRADE a: 2 Credits (Autumn Semester)**

Theories and Extensions

Lecturer: Kiichiro FUKASAKU

**Course Outline:**

Non-PCP students can also register for this class.

Global economic landscape has changed dramatically even since the turn of this century. Almost daily we see international trade issues hit media headlines. Indeed our daily lives are increasingly influenced by what happens in other countries and vice versa. For instance, the 2011 floods in Thailand and the subsequent disruption of supply chains of Japanese automobile production remind us how these two economies are interconnected through exchanges of goods and services. Other instances include the political tensions that often surface on the occasion of megaregional trade negotiations, such as the Trans-Pacific Partnership (TPP).

The international trade course is designed to inform students of analytical frameworks, useful tools and basic institutional knowledge that are required to better understand current international economic issues. It is also intended to assist students in acquiring skills needed for group discussions in English.

This course is divided into two series:



(a) International Trade: Theories and Extensions

(b) International Trade: Trade Policy Issues

Students are strongly advised to take both series at the same time.

Course Plan:

- 1 Introduction and Overview (presenting the coursework and method of evaluation)
- 2 Long-term Trends in World Trade and the World Trading System
- 3 Globalization, Mercantilism and Domestic Economic Policy
- 4 The Ricardian Model of Comparative Advantage
- 5 Neoclassical Trade Theory: Gains from Trade and the Terms of Trade
- 6 Factor Endowments and the Heckscher-Ohlin (H-O) Model
- 7 Specific Factors and Income Distribution
- 8 Testing the H-O Model
- 9 Explaining the Pattern of Trade in Manufactures beyond the H-O Model
- 10 Trade in Value Added and Global Supply Chains
- 11 Trade in Services
- 12 International Capital Movements and Multinational Enterprises
- 13 Labor Migration and Remittances
- 14 Economic Growth and International Trade

Linking Theory and Policy

Evaluation:

Evaluation is based on (1) attendance (one-third of grade), (2) presentation of selected articles in class discussions (one-third), and (3) submission and quality of a term paper (one-third).

Textbook:

Appleyard, Field and Cobb (2010), International Economics, 7<sup>th</sup> Edition, McGraw-Hill Irwin ([www.mhhe.com/appleyard7e](http://www.mhhe.com/appleyard7e)); and

Krugman, Obstfeld and Melitz (2012), International Economics, 9<sup>th</sup> Edition, Pearson Education Limited (<http://www.pearsonhighered.com/>

bookseller/product/International-Economics-Theory-and-Policy-CourseSmart-eTextbook-9E/9780138018986.page)

Reference:

A supplementary reading list will be provided at the beginning of the course.

Comment from Lecturer:

During the course, you are requested to make short presentations on selected articles as well as your term papers.

Your active participation in the coursework would be most welcome.

Consultation:

Office hour will be organised once a week and announced at the beginning of the course.

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**INTERNATIONAL TRADE b:** 2 Credits (Autumn Semester)

Trade Policy Issues

Lecturer: Kiichiro FUKASAKU

**Course Outline:**

Non-PCP students can also register for this class.

Global economic landscape has changed dramatically even since the turn of this century. Almost daily we see international trade issues hit media headlines. Indeed our daily lives are increasingly influenced by what happens in other countries and vice versa. For instance, the 2011 floods in Thailand and the subsequent disruption of supply chains of Japanese automobile production remind us how these two economies are interconnected through exchanges of goods and services. Other instances include the political tensions that often surface on the occasion of megaregional trade negotiations, such as the Trans-Pacific Partnership (TPP).

The international trade course is designed to inform students of analytical frameworks, useful tools and basic institutional knowledge that are required to better understand current international economic issues. It is also intended to assist students in acquiring skills needed for group discussions in English.

This course is divided into two series:

(a) International Trade: Theories and Extensions

(b) International Trade: Trade Policy Issues

Students are strongly advised to take both series at the same time.

**Course Plan:**

- 1 Introduction and Overview (presenting the coursework and method of evaluation)
  - 2 Instruments of Trade Policy
  - 3 The Impact of Trade Policies
  - 4 Arguments for Interventionist Trade Policies
  - 5 Political Economy of Trade Policy and the Multilateral Trading System
  - 6 Trade and Competition Policy
  - 7 Trade and Environmental Policy
  - 8 International Trade Policy and Developing Countries
  - 9 Theory of Regional Economic Integration
  - 10 Regional Economic Integration in Practice
  - 11 NAFTA and Beyond
  - 12 Economic Integration in Asia and the Pacific
  - 13 European Integration and the Euro
  - 14 Multilateralism, Regionalism and the Future of the WTO
- Feedback from Policy to Theory

**Evaluation:**

Evaluation is based on (1) attendance (one-third of grade), (2) presentation of selected articles in class discussions (one-third), and (3) submission and quality of a term paper (one-third).

**Textbook:**

Appleyard, Field and Cobb (2010), *International Economics*, 7<sup>th</sup> Edition, McGraw-Hill Irwin ([www.mhhe.com/appleyard7e](http://www.mhhe.com/appleyard7e)); and

Krugman, Obstfeld and Melitz (2012), *International Economics*, 9<sup>th</sup> Edition, Pearson Education Limited (<http://www.pearsonhighered.com/bookseller/product/International-Economics-Theory-and-Policy-CourseSmart-eTextbook-9E/9780138018986.page>)

**Reference:**

A supplementary reading list will be provided at the beginning of the course.

Comment from Lecturer:

During the course, you are requested to make short presentations on selected articles as well as your term papers.

Your active participation in the coursework would be most welcome.

Consultation:

Office hour will be organised once a week and announced at the beginning of the course.

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**ADVANCED FINANCE (PCP): 2 Credits (Spring Semester)**

Lecturer: Shunichiro UEMATSU

Course Outline:

This class is open to PCP students, (selected) exchange students and Masters' course students only.

This course covers a fixed-income analysis and an option pricing theory. We start from basic concepts of finance and then go into a bond pricing, duration analysis and immunization. Next, we deal with various option pricing problems by using binomial lattice models. Finally, we derive the Black-Scholes option pricing formulas and discuss additional topics including replication and interest rate derivatives.

As prerequisites, students are expected to be familiar with introductory calculus and basic probability theory.

Course Plan:

- 1 Interest Rates, PV/FV and IRR
  - 2 Bonds, Duration and Immunization
  - 3 Term Structure of Interest Rates
  - 4 Forwards and Futures
  - 5 Introduction to Options
  - 6 One-Period Options Theory
  - 7 Two-Period Options Theory
  - 8 Further Examples in Options Theory
  - 9 Mid-term Exam and Review
  - 10 Asset Dynamics in Discrete-time
  - 11 Black-Scholes Option Pricing Formulas
  - 13 Asset Dynamics in Continuous-time
  - 14 Black-Scholes Equation and Replication
  - 15 Interest Rate Derivatives
- Final Exam and Review

Evaluation:

Mid-term Exam 40%, Final Exam 40% and Homework 20%

Textbook: :

Luenberger, David G. Investment Science Oxford University Press, 1998.

Reference:

Hull, John C. Options, Futures and Other Derivatives. Prentice Hall.

Consultation:

By E-mail

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**EU COMPETITION LAW (PCP):** 2 Credits (Autumn Semester)

Law and Economics

Lecturer: Yoshiharu ICHIKAWA

**Course Description:**

This class is open to PCP students, (selected) exchange students and Masters' course students only.

This class is an introduction of EU competition law, which is one of the key areas of the EU. EU competition law and US antitrust law are twinpillars in the world competition law and both have its own unique features, influenced by various economic theories.

The lecture will be composed of the presentations on the text by students and various inputs by the lecturer. The course will mainly focus on case study.

In practice, economic evidence through economic consultants is facilitated in EU courts. Students will be informed of the real case experience throughout the lecture.

Each week, at the beginning of the class, students take turns presenting the summary and the topics from each chapter of the text. Students who are not presenting that week are expected to participate in others' presentations by asking questions and making comments.

Evaluation is 50% by class participation/presentations and 50% by midterm examination and final report.

**Learning Objectives:**

Students should get a clear understanding of:

1. Basic framework of EU competition law
2. Leading principles and cases of EU competition law

Students should acquire the ability to explain:

1. Practical importance of the understanding of EU competition law
2. Relationships between law and economics in EU competition law

**Teaching Methodology:**

1. Presentations prepared by each student on assigned chapter of the text
2. In-class discussions (legal texts, case law) with lectures supported by ppt presentations or videos
3. Group work on assigned cases

**Course Plan:**

- 1 Introduction
- 2 Introduction and basic concepts (1)
- 3 Introduction and basic concepts (2)
- 4 Economics and Competition Law (1)
- 5 Economics and Competition Law (2)
- 6 Economics and Competition Law (3)
- 7 Market Power...Article 81(Article 101 TFEU) (1)
- 8 Market Power...Article 81(Article 101 TFEU) (2)
- 9 Dominance...Article 82(Article 102 TFEU) (1)
- 10 Dominance...Article 82(Article 102 TFEU) (2)
- 11 Mid-term Review and Case Studies
- 12 Enforcement (1)...watching the movie
- 13 Enforcement (2)

14 Review and Summary: From the Wider Perspective  
Office Hour: after the session

Evaluation:

Evaluation is 50% by class participation/presentations and 50% by midterm examination and final report.

Course Materials:

Giorgio Monti, EC Competition Law, Cambridge University Press, 2007

Comment from Lecturer:

出席者によるプレゼンテーション、議論、教員による論点の深掘り、という三段階で進めていくことを考えております。

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**MONETARY AND FISCAL POLICY (PCP): 2 Credits (Spring Semester)**

Asian Financial Market and Institutions

Lecturer: Naoyuki YOSHINO

Course Outline:

Non-PCP students can also register for this class.

This course covers monetary and fiscal policy of Japan and Asia. Students must attend the course more than 2/3 of entire class. In each class, students are asked to answer one or two short questions at the end of each class.

Outside guest speakers will be invited some time depending on the topic.

Final examination is based on the lectures given in the class.

Course Plan:

- 1 Fluctuations of Japanese economy since world war II
- 2 Business cycle of Japan
- 3 Monetary policy of Japan
- 4 Fiscal policy of Japan
- 5 Accumulated Debt and Instability of Government bond market -- Greece case
- 6 Exchange rate fluctuations -- Its theoretical analysis
- 7 Dynamic adjustment of exchange rate and monetary policy
- 8 Revenue bond and public-private partnership
- 9 Hometown investment trust fund
- 10 Households' asset allocation of Japan and Asia
- 11 Causes of fluctuations of stock price and land price
- 12 Empirical analysis of banking behavior
- 13 Deposit Insurance system
- 14 Japanese bond market and corporate bond

Ageing population of Japan and Pension management

Evaluation:

Final examination and short test at the end of each class

Textbook:

Yoshino, Japanese Economy, Yuhikaku publishing company

Hometown Investment Trust Funds, Yoshino and Kaji, Springer

Reference:

- “Postal Savings and Fiscal Investment in Japan” (Oxford University Press, Cargill and Yoshino)
- “Small Savings Mobilization and Asian Economic Development” (M.E. Sharpe, Scher and Yoshino)
- “Basket peg, Dollar peg and Floating Exchange Rate System” Journal of Japanese and International Economies, 2004 (Yoshino, Kaji and Suzuki)
- Japan's Bubble Economy and Its Implications to China. International Economic Review, Chinese Academy of Social Sciences, No.2, 2009. PP28-30 (In Chinese)
- “The case for the Private Sector” The Japan Journal, March 2009, PP. 13-16.
- “Japanese financial service firms in East and Southeast Asia: Location pattern and strategic response in changing economic conditions”, Asian Business and Management, Macmillan, Vol.8, No.1, pp33-58 (2009 with Patrik Strom).
- “On the economic interdependence between China and Japan: Challenges and possibilities” Asian Pacific Viewpoints, Vol.50. no.2, 2009 (with Claes Alvstam and Patrik Strom).
- “Policy Financial Crisis and Policy Issues in Japan”, Chapter 8, MANAGING ECONOMIC CRISIS IN EAST ASIA, Edited by Saw Swee-Hock and John Wong, Singapore, East Asian Institute, 2010.
- “Procyclicality of The Basel Capital Requirement Ratio and Its Impact on Banks” Asian Economic Papers, MIT Press, 2011, Vol.10, No.2.
- “Euro’s Struggle and Its Lessons to Asian Region” APEC SME Crisis Monitor, APEC SME Crisis Management Center SCMS, October, No15, 2011.
- “Macroeconomic Volatility Under High Accumulation of Government Debt: Lessons from Japan” Advanced in Complex Systems, Vol. 15, No. 2, 2012 (with Paul McNelis)
- “Global imbalances and the development of capital flows among Asian countries”, OECD journal, Financial Market Trend, Vol11, 2012.
- Yoshino and Kaji, Hometown Investment Trust Funds, Springer, 2013.

Comment from Lecturer:

In each lecture, one or two questions will be asked to students.

Consultation:

Students are encouraged to ask questions in each class.

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**JAPANESE FINANCIAL MARKETS AND INSTITUTIONS (PCP):** 2 Credits (Autumn Semester)  
Lecturer: Naoyuki YOSHINO/ Shunichiro BESSHO

Course Outline:

Non-PCP students can also register for this class.

The aim is to train students to apply economic theory, econometric techniques and economic intuition to the analysis of monetary and fiscal policy. We put particular emphasis on the Japanese economy and Asian economy its relation to global financial market. Guest speakers are invited for some topics.

References:

- Yoshino, Naoyuki and Seiritsu Ogura, ‘The Tax System and the Fiscal Investment and Loan Programme’, Chapter 6 in Komiya, Okuno and Suzumura eds. Industrial Policy of Japan, Academic Press, 1988
- Yoshino, Naoyuki et. al. Eigo de Yomu Nihon no Kinyu (Economic Issues of Contemporary Japan), Yuhikaku publishing, 2000
- Yoshino, Naoyuki and Eisuke Sakakibara, ‘The Current State of the Japanese Economy and

- Remedies', Asian Economic Papers, vol.1, No.2, pp.110-26, 2002, MIT press.
- Yoshino, Naoyuki and Thomas Cargill, Postal Saving and Fiscal Investment in Japan, Oxford University Press, 2003
  - Revankar, Nagesh and Naoyuki YOSHINO, An Empirical Analysis of Japanese Banking Behavior in a Period of Financial Instability, Keio Economic Studies, Vol.45, 2008.
  - Yoshino Naoyuki and Mark Scher, Small Savings Mobilization and Asian Economic Development, M.E. Sharpe, 2005
  - OECD, Southeast Asian Economic Outlook, 2010, Chapter 6 by Naoyuki Yoshino, "Financing Transport Sector", OECD, Paris, Fall, 2010
- "Procyclicality of The Basel Capital Requirement Ratio and Its Impact on Banks" Asian Economic Papers, MIT Press, 2011, Vol.10, No.2.
- "Euro's Struggle and Its Lessons to Asian Region" APEC SME Crisis Monitor, APEC SME Crisis Management Center SCMS, October, No15, 2011.
- "Macroeconomic Volatility Under High Accumulation of Government Debt: Lessons from Japan" Advanced in Complex Systems, Vol. 15, No. 2, 2012 (with Paul McNelis)
- "Global imbalances and the development of capital flows among Asian countries", OECD journal, Financial Market Trend, Vol1, 2012.
- "Choices of Optimal Monetary Policy Instruments Under the Floating and the Basket-Peg Regimes" Singapore Economic Review, 2012 (with Kaji and Asonume)
- More references will be given during the lecture.

#### Course Plan:

- 1 Historical trends in Japanese monetary policy and economic fluctuations
  - 2 Flow of Funds Table of the Japanese economy (Government Sector, Financial Sector, Firm Sector, Household Sector)
  - 3 Japanese monetary policy, asset-price inflation and subsequent recession
  - 4 Japanese fiscal policy, budget deficit and public debt
  - 5 Japanese industrial policy, tax policy and fiscal investment policy
  - 6 Japanese capital markets (bond and equity markets)
  - 7 Failures and restructuring of Japanese banks
  - 8 The aging population and its impact on the Japanese economy
  - 9 Privatization of Postal Savings and the Japanese financial market
  - 10 The Asian financial crisis: causes and consequences
  - 11 Exchange rate regimes and the optimal exchange rate system in Asia
  - 12 Effectiveness of public works in Japan and Revenue Bonds
  - 13 Central and Local Government relations in Japan
  - 14 Euro-crisis and its lessons to Asia
- Sub Prime loan crisis and its impact to Asian economy.

#### Evaluation:

- 試験の結果による評価
- 平常点（出席状況および毎回の小テスト）による評価

Final Examination and short test of each lecture.

#### Textbook:

- YOSHINO, Naoyuki "Postwar Japanese Economy (Eigo De Manabu Nihon Keizai)" Yuhihaku publishing company 2010.
- YOSHINO and Kaji "Hometown Investment Trust Funds" Springer 2013.

#### Reference:

In each class, related works will be explained.

Comment from Lecturer:

Students should ask questions and give comments to the lecture at the end of each class.

Consultation:

Students are allowed to ask questions and give comments during the lecture.

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**FINANCE, POLICY AND THE GLOBAL ECONOMY (PCP):** 2 Credits (Autumn Semester)

Lecturer: Sahoko KAJI/ Fukunari KIMURA/ Kiichiro FUKASAKU

Course Outline:

This class is open to PCP students in the 3rd year, Master's level graduate students and (selected) exchange students only.

Students who enrol in this class will form groups to conduct research and write a paper jointly. Each week, groups of students take turns presenting the progress of their research to receive comments and advice from fellow students, Teaching Assistants and professors. Each group must present at least three times before the term ends.

All students should actively participate in each others' presentations, by asking questions and making comments. Each week, students in the audience write short reports including comments on each others' presentations, which they must submit before leaving class. These will be handed to the presenting students a week later. Alternatively, the presenting students can come to the PCP office to get them.

Students can freely choose their topic, as long as it is related to economics. They thus train themselves to apply the knowledge and English skills acquired in the classroom to the analysis of real-world economic issues.

As a conclusion to the term, there will be a convocation in which students present their final papers in English. This takes place in mid-January and coincides with the deadline for submission of the complete paper.

Students have a choice on the number of words they contribute to the group paper. One choice is to write a paper comprising at least 3,000 words per student in that group. The other choice is to write a full-sized academic paper of 30 - 40 pages, A4 double-spaced, including tables, figures and references. In the latter case, students must contribute at least 1,000 words to the group paper.

Students who wish to do so can plan a fieldwork trip, and write their papers on the findings. The professors will help students arrange for this trip by way of introductions and suggestions. Those who plan to take the fieldwork trip in summer should seek advice early in the Spring Term, even though this class is scheduled for the Autumn Term.

Occasionally, speakers are invited from outside the faculty of economics at Keio university, to lecture in English. Their lectures will be on recent developments in the speakers' respective field of specialisation. They will be employees of institutions public and private, as well as in between. Such lectures are given from 14:45-16:00 and students write their summary of the lectures/presentations between 16:00-16:15.

Evaluation for this class is by attendance, participation, as well as the final presentation and paper. A record of attendance will be kept using the comment sheets which students submit each week.

Students who miss more than three classes (absent for the 4th time) will automatically receive a grade of C or lower, regardless of the quality of their final presentation and paper. Even if a student is absent 3 times, if he/ she participates actively in class, contributes at least 3,000 words to a good paper that is scientific in both form and substance, and makes impressive presentations, he/she still has a chance of obtaining an A.



Course Plan:

- 1 Introduction
  - 2 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 3 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 4 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 5 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 6 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 7 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 8 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 9 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 10 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 11 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 12 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 13 Students' presentations (unless replaced by a lecture by a guest speaker)
  - 14 Students' presentations (unless replaced by a lecture by a guest speaker)
- Students' presentations (unless replaced by a lecture by a guest speaker)

Evaluation:

Evaluation for this class is by attendance, participation, as well as the final presentation and paper. A record of attendance will be kept using the comment sheets which students submit each week.

Students who miss more than three classes (absent for the 4th time) will automatically receive a grade of C or lower, regardless of the quality of their final presentation and paper. Even if a student is absent 3 times, if he/ she participates actively in class, contributes at least 3,000 words to a good paper that is scientific in both form and substance, and makes impressive presentations, he/she still has a chance of obtaining an A.

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**OPEN ECONOMY MACROECONOMICS a:** 2 Credits (Spring Semester)

**OPEN ECONOMY MACROECONOMICS b:** 2 Credits (Spring Semester)

Lecturer: Sahoko KAJI

Course Outline:

This class is open to PCP students, Master's level graduate students and (selected) exchange students only.

The purpose of this class is to introduce basic concepts and basic analytical frameworks of Open Economy Macroeconomics, and to encourage students to apply them in thinking about real-world issues. Students who attend this class are assumed to have sufficient knowledge of entry-level macroeconomics and microeconomics.

Each week, at the beginning of class, students take turns presenting what they learned in class a week ago. Students who are not presenting that week write comments on the presentations using a comment sheet, which they must submit before leaving class each week. These will be handed to the presenting students a week later. All students should actively participate in each others' presentations as well as the lecture that follows the students' presentations, by asking/answering questions and making comments.

Evaluation for this class is by attendance, participation, presentations as well as the final examination. A record of attendance will be kept using the comment sheets which students submit each week.

Students who miss more than three classes (absent for the 4th time) will automatically receive a grade of C or lower, regardless of their participation, presentations and final exam. Even if a student is absent 3 times, if he/she participates actively in class, makes impressive presentations and writes a good exam, he/she still has a chance of obtaining an A.

Course Plan:

- 1 A Review of Closed Economy Macroeconomics  
IS-LM Analysis, Aggregate Supply, and Aggregate Demand
- 2 I. A Review of Closed Economy Macroeconomics  
IS-LM Analysis, Aggregate Supply, and Aggregate Demand
- 3 II. Basic Concepts in Open Economy Macroeconomics  
Small Country Assumption, Stock vs. Flow, The Balance of Payments,  
The Exchange Rate, The Interest Rate Parity Condition
- 4 II. Basic Concepts in Open Economy Macroeconomics  
Small Country Assumption, Stock vs. Flow, The Balance of Payments,  
The Exchange Rate, The Interest Rate Parity Condition
- 5 III. Theories of Exchange Rate Determination  
Purchasing Power Parity, Stock Equilibrium Approach, Flow Approach, The Marshall-Lerner  
Condition, The J-curve Effect
- 6 III. Theories of Exchange Rate Determination  
Purchasing Power Parity, Stock Equilibrium Approach,  
Flow Approach, The Marshall-Lerner Condition, The J-curve Effect
- 7 III. Theories of Exchange Rate Determination  
Purchasing Power Parity, Stock Equilibrium Approach,  
Flow Approach, The Marshall-Lerner Condition, The J-curve Effect
- 8 IV. The Mundell-Fleming Results  
The M-F Result and the Structure of the Model --- a Simple Model,  
The M-F Result under Fixed Exchange Rates, Alternative Assumptions: Two-Country, Imperfect  
Capital Substitution, The M-F Result under Flexible Exchange Rates, Alternative Assumption:  
Two-Country
- 9 IV. The Mundell-Fleming Results  
The M-F Result and the Structure of the Model --- a Simple Model, The M-F Result under Fixed  
Exchange Rates, Alternative Assumptions: Two-Country, Imperfect Capital Substitution, The M-F  
Result under Flexible Exchange Rates, Alternative Assumption: Two-Country
- 10 IV. The Mundell-Fleming Results  
The M-F Result and the Structure of the Model --- a Simple Model, The M-F Result under Fixed  
Exchange Rates, Alternative Assumptions: Two-Country, Imperfect Capital Substitution,  
The M-F Result under Flexible Exchange Rates, Alternative Assumption: Two-Country
- 11 IV. The Mundell-Fleming Results  
The M-F Result and the Structure of the Model --- a Simple Model, The M-F Result under Fixed  
Exchange Rates, Alternative Assumptions: Two-Country, Imperfect Capital Substitution, The M-F  
Result under Flexible Exchange Rates, Alternative Assumption: Two-Country
- 12 V. The Speed of Adjustment of Endogenous Variables and Overshooting
- 13 V. The Speed of Adjustment of Endogenous Variables and Overshooting
- 14 VI. Economic Interdependence and Choice of Exchange Rate Regimes  
VI. Economic Interdependence and Choice of Exchange Rate Regimes

Evaluation:

Evaluation for this class is by attendance, participation, presentations as well as the final examination. A record of attendance will be kept using the comment sheets which students submit each week.

Students who miss more than three classes (absent for the 4th time) will automatically receive a grade of C or lower, regardless of their participation, presentations and final exam. Even if a student is absent 3 times, if he/she participates actively in class, makes impressive presentations and writes a good exam, he/she still has a chance of obtaining an A.

Textbook:

Lecture notes are at the bottom of the page on:

<http://seminar.econ.keio.ac.jp/kaji/link.html>

The notes will be updated as the necessity arises.

Reference:

- Canzoneri, M. and D. Henderson (1988) "Is Sovereign Policymaking Bad?" Carnegie-Rochester Conference Series on Public Policy No.28, pp. 93-140
- Dornbusch, Rudiger (1980) Open Economy Macroeconomics, Basic Books, Chapter 10, Chapter 11
- Kaji, Sahoko (2004) Kokusai Tsuka Taisei no Keizai Gaku (The Economics of Exchange Rate Systems), Nihon Keizai Shimbun Publishing
- Kouri, P.J.K. (1976) "The Exchange Rate and the Balance of Payments in the Short Run and in the Long Run: A Monetary Approach", The Scandinavian Journal of Economics, Vol.78, No. 2, Proceedings of a Conference on Flexible Exchange Rates and Stabilization Policy, pp. 280-304

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**INDEPENDENT STUDY (PCP):** 2 Credits (Autumn Semester)

Lecturer: Sahoko KAJI/ Kiichiro FUKASAKU

Course Outline:

This class is open to PCP students, Master's level graduate students and (selected) exchange students only.

In this class, we advise each student in writing a paper. We also counsel students on how to behave professionally and properly when presenting their paper, with emphasis on what is considered proper in Japanese and international society.

The paper must be written scientifically, and comprise at least 6,000 words. Students themselves choose the topic and analytical method, gather the necessary information, conduct the analysis and complete the research.

For PCP students, this will be the final paper for the Professional Career Programme. Students individually examine real world issues in depth, applying the economic theory and methods of analysis which they have gained in PCP and other classes.

Every week, students take turns making presentations to the class in order to receive comments and advice from fellow students, Teaching Assistants and the professors. Each student must present at least twice before the term ends.

All students should actively participate in each others' presentations, by asking questions and making comments. Each week, students write comments on each others' presentations using a comment sheet, which they must submit before leaving class. These will be handed to the presenting students a week later. Alternatively, the presenting students can visit the PCP office to get them.

As a conclusion to the term, there will be a convocation in which students present their final papers in English. This takes place in mid- January and coincides with the deadline for submission of the complete paper. Before the start of winter break, students are to submit a progress report which includes not just work done so far, but also plans on how they intend to use the time left.

Evaluation for this class is by attendance, participation, the progress report as well as the final presentation and paper. A record of attendance will be kept using the comment sheets which students submit each week.

Students who miss more than three classes (absent for the 4th time) will automatically receive a grade of C or lower, regardless of the quality of their final presentation and paper. Even if a student is absent 3 times, if he/she participates actively in class, writes a good paper of at least 6,000 words that is scientific

in both form and substance, and makes impressive presentations, he/she still has a chance of obtaining an A.

Course Plan:

- 1 Introduction/Student presentations
  - 2 Student presentations
  - 3 Student presentations
  - 4 Student presentations
  - 5 Student presentations
  - 6 Student presentations
  - 7 Student presentations
  - 8 Student presentations
  - 9 Student presentations
  - 10 Student presentations
  - 11 Student presentations
  - 12 Student presentations
  - 13 Student presentations
  - 14 Student presentations
- Student presentations

Evaluation:

Evaluation for this class is by attendance, participation, the progress report as well as the final presentation and paper. A record of attendance will be kept using the comment sheets which students submit each week.

Students who miss more than three classes (absent for the 4th time) will automatically receive a grade of C or lower, regardless of the quality of their final presentation and paper. Even if a student is absent 3 times, if he/ she participates actively in class, writes a good paper of at least 6,000 words that is scientific in both form and substance, and makes impressive presentations, he/she still has a chance of obtaining an A.

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### **ECONOMY AND ENVIRONMENTAL LAW: 2 Credits (Spring Intensive)**

Lecturer: Yukari TAKAMURA

Course Outline:

Non-PCP students can also register for this class.

Law is essential for preventing environmental damage as well as for improving environmental quality. However, the law disregarding economic principles could make our economy disturbed and it could make it even impossible to achieve our goal for protecting the environment. On the other hand, any economic activity cannot ignore legal rules related to the activity. This course aims at studying environmental law, especially international environmental law, focusing on interrelationship between environmental law and economy.

Course Plan:

- 1 Introduction
- 2 Environmental Law: Its Origin and Developments  
Environmental law is a body of public regulations intended for combating against environmental pollution and adverse impacts on the environment due to expansion and developments of economic activities. The course deals with the history of environmental law, especially international

environmental law.

3 Environmental Law: Its Origin and Developments (continued)

4 Environmental Law: Its Origin and Developments (continued)

5 Fundamental Concepts and Principles of International Environmental Law

Environmental law in each country has been evolving, influenced by policy coordination and environmental regulation at international level. It has developed common fundamental concepts and principles, which constitute pillars of its legal system. The lecture deals with some of such concepts and principles, including sustainable development, polluter-pays principle (PPP) and precautionary principle.

6 Fundamental Concepts and Principles of Environmental Law (continued)

7 Fundamental Concepts and Principles of Environmental Law (continued)

8 Climate Change as Case Study

Climate change law is a showcase where we see a number of examples of practical application of principles and policy instruments. Studying history and structure of the United Nations Framework Convention on Climate Change and the Kyoto Protocol, the lecture examines how these two climate agreements and national regulations implementing these agreements apply principles and policy instruments actually. we also examine economic instruments, such as emissions trading, environmental tax and subsidies, which have received more and more attention recently.

9 Climate Change as Case Study (continued)

10 Climate Change as Case Study (continued)

11 Climate Change as Case Study (continued)

12 International business activities and environmental law

The course surveys international environmental regulations relating to business activities in oversea market such as trade and investment and examine related legal problems.

13 International business activities and environmental law (continued)

14 International business activities and environmental law (continued)

Review and Summary of the class.

Evaluation:

Class participation including presentation in the class (50%) and final report (50%)

Textbook:

None.

Reference:

- Philippe Sands et al., Principles of International Environmental Law, Third edition, Cambridge University Press (2012).
- Patricia Birnie, Alan Boyle and Catherine Redgwell, International Law & the Environment, Third edition, Oxford University Press (2009).
- Patricia Birnie & Alan Boyle, Basic Documents on International Law & the Environment, Oxford University Press (1996).
- Japan Environmental Council ed., The State of the Environment in Asia 2006/2007 (United Nations University, 2010)

\*Other materials will be informed in the class.

Comment from Lecturer:

All students are expected to attend every class, do the assigned readings, do presentation and participate actively in discussions.

**THEORY AND PRACTICE OF BUSINESS AND MARKETING:** 2 Credits (Autumn Intensive)

Lecturer: Sahoko KAJI/ Shinsuke NAKAMURA

Course Outline:

This class is supported by PriceWaterhouseCoopers and is open to undergraduate and Master level graduate students. The first ten lectures will be given by Doctor Frederic Dalsace, Professor of Marketing and "Social Business" at HEC Paris. These lectures will be held at Keio's Mita campus from the 4th to the 8th of August, 2014. The remaining five lectures will be given by experts from PriceWaterhouseCoopers and held at Mita after the Autumn term begins.

The outline for Doctor Dalsace's lectures: Marketing is the set of activities that aim at creating value for a set of targeted customers, giving them access to this value, and making them transfer value back to the company.

This course will enable you to analyse a business situation from a marketing perspective, develop a marketing strategy, and implement the marketing strategy with concrete actions.

Evaluation is by presence and participation (25%) and final paper (65%).

Course Plan:

- 1 Introduction / Key marketing ideas: Describes seven misconceptions about marketing and seven key ideas to keep in mind. Propose an overall framework for the class
  - 2 Customer Behavior: Marketing must start by developing a thorough understanding of customers
  - 3 Organizational Buying Behavior: Examines the case when the customer is a firm (B2B Marketing)
  - 4 Segmentation, Targeting and Positioning: These three activities lie at the heart of any marketing strategy
  - 5 Branding: Immaterial assets are more and more important and must be actively managed
  - 6 New Market Offering Development: developing new products and services should be an obsession for marketers
  - 7 Communication: this is the most visible part of the marketing activity...and one of the most expensive!
  - 8 Channels: the go-to-market strategy is difficult to reverse and is a key decision
  - 9 Pricing: marketers should seek to appropriate part of the value that the firm creates – this is done through pricing
  - 10 Future of Marketing : Marketing could go in two directions: egomarketing or alter-marketing – it all depends on new information communication and technologies
  - 11 Lecture by expert from PriceWaterhouseCoopers; Introduction and "Growth Strategy & Mega Trend"
  - 12 Lecture by expert from PriceWaterhouseCoopers; "Business in Emerging Country"
  - 13 Lecture by expert from PriceWaterhouseCoopers; "Cross border M&A"
  - 14 Lecture by expert from PriceWaterhouseCoopers; "Globalization & Talent"
- Lecture by expert from PriceWaterhouseCoopers; "Cities of the Future"

Evaluation:

presence and participation (25%); final paper (65%)

Textbook:

P. Doyle and P. Stern's book: Marketing Management & Strategy (Prentice Hall, 2006)

Comment from Lecturer:

Marketing is not taught as a business function, but as a "philosophy" which proposes that the customers should be at the center of the firm's action.