

Syllabus for the Academic Year 2015

INTERNATIONAL TRADE A: 2 Credits (Autumn Semester)

Theories and Extensions

Lecturer: Kiichiro FUKASAKU

Course Description:

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 social tensions and geopolitical rivalries that often surface on the occasions of mega-FTA negotiations in Asia and the Pacific, such as TPP, East Asia FTA and RCEP.

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:

- International Trade (a): *Theories and Extensions*
- International Trade (b): *Trade Policy Issues*

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

Course Plan:

- 1 Introduction and Overview (presenting the course work and method of evaluation)
 - 2 Part I: Classical Theory of Trade
 - (I-1) Globalization, Mercantilism and Domestic Economic Policy
 - (I-2) The Ricardian Model of Comparative Advantage
 - 3
 - 4 Part II: Neoclassical Trade Theory
 - (II-1) Gains from Trade in Neoclassical Theory
 - (II-2) Offer Curves and the Terms of Trade
 - (II-3) Factor Endowments and the Heckscher-Ohlin (H-O) Model
 - (II-4) The H-O Model and Income Distribution
 - (II-5) Group Discussions: Long-term Trends in World Trade and Implications for Trade Theory
 - 5
 - 6
 - 7
 - 8
 - 9 Part III: Post H-O Theories and Extensions
 - (III-1) Explaining the Pattern of Trade in Manufactures beyond the H- O Model
 - (III-2) Intra-industry Trade, Intra-firm Trade and MNEs
 - (III-3) Trade in Services
 - (III-4) Group Discussions: Trade in Value Added and Global Supply Chains
 - (III-5) International Capital Movements and Foreign Direct Investment
 - (III-6) Economic Growth and International Trade
 - 10
 - 11
 - 12
 - 13
 - 14
- Other Linking Theory and Policy

Method of Evaluation:

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

Textbooks:

Appleyard and Field (2014), *International Economics*, 8th Edition, McGraw-Hill Irwin (www.mhhe.com/appleyard8e); and
Krugman, Obstfeld and Melitz (2014), *International Economics*, 10th Edition, Pearson Education Limited (<http://www.mypearsonstore.com/bookstore/international-economics-theory-and-policy-plusnew-9780133826944?xid=PSED>)

Reference Books:

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

Lecturer's Comments to Students:

During the course, you are requested to make short presentations on selected articles and/or the topics of your term papers. Your active participation in the course work would be most welcome.

Questions/Comments:

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

INTERNATIONAL TRADE B: 2 Credits (Autumn Semester)

Trade Policy Issues

Lecturer: Kiichiro FUKASAKU

Course Description:

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 social tensions and geopolitical rivalries that often surface on the occasions of mega-FTA negotiations in Asia and the Pacific, such as TPP, East Asia FTA and RCEP.

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:

- International Trade (a): *Theories and Extensions*
- International Trade (b): *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 Part IV: Trade Policy (IV-1) Instruments of Trade Policy
- 3 (IV-2) The Impact of Trade Policies
- 4 (IV-3) Arguments for Interventionist Trade Policies
- 5 (IV-4) Political Economy of Trade Policy
- 6 (IV-5) Multilateralism and the Future of the WTO

- 7 (IV-6) Group Discussions: Global Value Chains and WTO 2.0
 - 8 Part V: Regional Economic Integration - Theory and Practice
(V-1) Theory of Regional Economic Integration
 - 9 (V-2) Regional Economic Integration in Practice
 - 10 (V-3) NAFTA and Beyond
 - 11 (V-4) ASEAN Economic Integration
 - 12 (V-5) Group Discussions: the Future of Asian-Pacific Economic Integration
 - 13 (V-6) TPP and its Implication for Japan
 - 14 (V-7) European Economic Integration and the Euro
- Other Feedback from Policy to Theory

Method of Evaluation:

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

Textbooks:

Appleyard and Field (2014), International Economics, 8th Edition, McGraw-Hill Irwin (www.mhhe.com/appleyard8e); and
Krugman, Obstfeld and Melitz (2014), International Economics, 10th Edition, Pearson Education Limited (<http://www.mypearsonstore.com/bookstore/international-economics-theory-and-policy-plusnew-9780133826944?xid=PSSED>)

Reference Books:

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

Lecturer's Comments to Students:

During the course, you are requested to make short presentations on selected articles and/or the topics of your term papers. Your active participation in the course work would be most welcome.

Questions/Comments:

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

ECONOMICS OF GLOBALISATION: 2 Credits (Autumn Semester)

Lecturer: Nobuaki YAMASHITA

Course Description:

This class is open to PCP students, (selected) exchange students and Masters' course students only. Students will be introduced to the key issues and debates in the economics of globalisation with the 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 will be 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 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
- Other Final exam and Review

Method of Evaluation:

The following three components comprise overall assessment:

- A. Group presentations and written reports by groups (60%)
- B. ONE final exam (40%)

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.

Textbooks:

To be advised in the first meeting

Reference Books:

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

Lecturer's Comments to Students:

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.

DEVELOPMENT PROGRAM EVALUATION IN DEVELOPING COUNTRIES (PCP):

2 Credits (Autumn Semester)

Lecturer: Hiroyuki YAMADA

Course Description:

This course is open to PCP students and (selected) exchange students only. This course offers an accessible and nontechnical introduction to the topic of impact evaluation and its practice in development. While this course targets students who are interested in policy issues in developing and emerging countries, the evaluation methodologies covered are very useful and easily applicable to policy issues in advanced countries.

Course Plan:

- 1 Introduction
 - 2 Why evaluate?
 - 3 Determining Evaluation Questions
 - 4 Causal Inference and Counterfactuals
 - 5 Randomized Selection Methods
 - 6 Regression Discontinuity Design
 - 7 Difference-in-Differences
 - 8 Matching
 - 9 Combining Methods
 - 10 Evaluating Multifaceted Programs
 - 11 Operationalizing the Impact Evaluation Design
 - 12 Choosing the Sample
 - 13 Collecting Data
 - 14 Producing and Disseminating Findings
- Other Course Review and Final Exam

Method of Evaluation:

1. Attendance---30%
2. Participation and contribution to class discussion---10%
3. Final exam---60%

Textbooks:

The main textbook is

Paul J. Gertler, Sebastian Martinez, Patrick Premand, Laura B. Rawlings, Christel M. J. Vermeersch (2011) Impact Evaluation in Practice. The World Bank.

Available at <https://openknowledge.worldbank.org/handle/10986/2550>

Reference Books:

The following reading is recommended as an advanced one:

Khandker, Gayatri B. Koolwal, Hussain A. Samad (2010) Handbook on impact evaluation: quantitative methods and practices. The World Bank. Available online.

Lecturer's Comments to Students:

In order to understand the material in this course, it is desired, but not necessarily required, that students have some previous knowledge of econometrics and microeconomics. Students are strongly encouraged to read the corresponding chapter of the textbook in advance. Since this is an undergraduate-level introductory course to impact evaluation, we neither cover adequate technical aspects nor conduct computer exercises. Those who want to further learn impact evaluation are strongly encouraged to go over Khandker et al. (2010) mentioned above, which includes STATA computer exercises.

Questions/Comments:

By email.

AID AND DEVELOPMENT (PCP): 2 Credits (Spring Semester)

Lecturer: Hiroyuki YAMADA

Course Description:

This course is open to PCP students and (selected) exchange students only. This course covers wide range of topics related to (macro-level) international aid and development. In principle, this course approaches to the various important topics from the view of economics with strongly policy-oriented motivations. We go over findings on various topics obtained in many academic papers.

Course Plan:

- 1 Introduction
- 2 Allocation of Bilateral Aid
- 3 Allocation of Multilateral Aid
- 4 Allocation of Aid by Emerging Countries, NGOs, and Private Sectors
- 5 Economic Growth and Aid (1)
- 6 Economic Growth and Aid (2)
- 7 Aid, Dutch Disease, and Manufacturing Sectors
- 8 Aid and Public Service Delivery
- 9 Aid and Foreign Investment
- 10 Aid and International Trade
- 11 Aid and Civil Conflict
- 12 Political Economy of Aid
- 13 Local Elites and Aid
- 14 International Monetary Fund and World Bank
- Other Review and Final Report

Method of Evaluation:

1. Attendance---30%
2. Participation and contribution to class discussion---10%
3. Final report---60%

Textbooks:

There is no text book for this course. The reading list and handouts will be distributed. The reading list contains mainly academic journal and working papers.

Reference Books:

None

Lecturer's Comments to Students:

In order to understand the material in this course, it is desired, but not necessarily required, that students have some previous knowledge of econometrics, macroeconomics, and microeconomics.

Questions/Comments:

By email.

ECONOMIC DEVELOPMENT A: 2 Credits (Spring Semester)

Development Economics

Lecturer: Kiichiro FUKASAKU

Course Description:

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. In reality, only a handful of economies, mostly in Asia, have successfully followed such growth paths and joined high-income ranks.

Why do some countries make rapid progress toward development, while many others remain poor? Development economics is a distinct field of economics addressing this and other challenges facing developing countries today.

By applying basic concepts, useful tools and analytical frameworks derived from the frontier of theoretical and policy research, this course work is designed to cluster major development issues into several domains and assist students to better understand real development challenges. It is also intended to help students acquire skills needed for group discussions in English.

Course Plan:

- 1 Introduction and Overview (presenting the course work and method of evaluation)
- 2 Part I: The Meaning of Development
 - (I-1) Comparative Economic Development in a Multipolar World
 - (I-2) Human Development and Sustainable Development Goals
- 3
- 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
- 5
- 6
- 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) Toward an Inclusive Growth Model
 - (III-4) Group Discussions: Behavioral Economics - What's in it for Development Policy?
- 8
- 9
- 10
- 11 Part IV: The Role of Government in Sustaining Growth
 - (IV-1) International Trade, Investment and Development Strategy
 - (IV-2) Domestic Resource Mobilization and Foreign Aid
- 12
- 13 Part V: Enhancing Resilience to Shocks
 - (V-1) Financial Crises and Resilience in Developing Countries
 - (V-2) Strengthening Social Safety Nets
- 14
- Other Revisiting Sustainability Questions in Economic Development

Method of Evaluation:

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

Textbooks:

Michael P. Todaro and Stephen C. Smith (2014) Economic Development, 12th edition, Pearson Education Limited

(<http://www.pearsonhighered.com/educator/academic/product/0,3110,0133406784,00.html#resources>)

Reference Books:

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

Lecturer's Comments to Students:

During the course, you are requested to make short presentations on selected articles and/or the topics of your term papers. Your active participation in the course work would be most welcome.

Questions/Comments:

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

OPEN ECONOMY MACROECONOMICS A (PCP): 2 Credits (Spring Semester)

OPEN ECONOMY MACROECONOMICS B (PCP): 2 Credits (Spring Semester)

Lecturer: Sahoko KAJI

Course Description :

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 I. 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
- Other VI. Economic Interdependence and Choice of Exchange Rate Regimes

Method of 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.

Textbooks:

Lecture notes are at: <http://seminar.econ.keio.ac.jp/kaji/enlink.html> The notes will be updated as the necessity arises.

Reference Books:

- 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
- Kaji, Sahoko (2012) Euro Kiki de Nihon wa dounaru noka (How the Euro Crisis will affect Japan), 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

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

Global Economic Environmental Policy

Lecturer: Anne McDONALD

Course Description:

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.

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

Method of Evaluation:

Final grade will be based on the following: 20% lecture attendance
80% written report about topic of student's choice in English

Textbooks:

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.

Lecturer's Comments to Students:

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.

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

Lecturer: Eiji HOSODA

Course Description:

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? Scarcity and price.
 - 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
- Other Economic Development and the Environment

Method of Evaluation:

- Final exam (40 %)
- Mid-term exam (20 %)
- Homework (20 %)
- Class participation (20 %)

Textbooks:

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

Lecturer's Comments to Students:

- 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.

Questions/Comments:

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.

ENERGY ECONOMICS, ENVIRONMENT AND POLICY (PCP): 2 Credits (Spring Semester)

Lecturer: Farhad TAGHIZADEH-HESARY

Course Description:

Non-PCP students can also register for this class.

The course is broad in scope, and has an essentially interdisciplinary nature. The vision for the class is to create a participatory learning process that will combine your active involvement in lectures with a group project that will provide an opportunity for in-depth exploration of an energy issue. The class consists of lectures with examples of the real time energy issues at the local, national and global levels. This class will mainly focus on the policy side of energy with associated environmental impacts. The aim is to make students more familiar with the various topics of energy economics, including the pricing mechanism, economic impacts of energy shocks, and importance of energy carriers in emerging and developed economies. Moreover, this course aims to familiarize students with renewable energy and sustainable economic growth using these resources.

Course Plan:

- 1 Introduction and Background
 - 2 Energy Demand - Session 1
 - 3 Energy Demand - Session 2
 - 4 Energy Supply and the Economics of Depletable Resources - Session 1
 - 5 Energy Supply and the Economics of Depletable Resources - Session 2
 - 6 Energy Pricing - Session 1
 - 7 Mid-Term Review
 - 8 Energy Pricing - Session 2
 - 9 Energy Pricing - Session 3
 - 10 Energy Price Shocks Macroeconomic Impacts of Energy Price Shocks
 - 11 CO2 Emission and the Environmental Impacts of non-Renewable Energy Resources (Oil, Gas, Coal)
 - 12 Renewable Energy Resources
 - 13 Review of all Sessions
 - 14 Conclusion and the Final Exam
- Other Coursework and Assignments

Method of Evaluation:

COURSE ASSIGNMENTS:

Midterm exam

There will be a take-home midterm exam. The purpose of the exam is to provide an opportunity for reflection on readings and lecture materials, and to facilitate integration of the concepts explained in class. Students are welcome to use the course readings and lecture notes to complete the exam but **MUST** work independently.

Final exam

There will be a final exam, and the references for questions in the final exam are lecture materials of the class. Students are welcome to use the course readings and lecture notes to complete the exam but **MUST** work independently.

Class participation

Active participation in class is mandatory. All students will write a summary of the class lectures and will submit it at the end of each session. The last 15 minutes of each class will be allocated for this purpose. In addition to the summary, students must write the answer to one question given in each class. This question will be mainly a general one and the purpose is to assess the analytical ability of the students.

GRADING

Midterm Exam	10%
Class participation	50%
Final Exam	40%

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Total 100%

Textbooks:

N. Yoshino, F. Taghizadeh-Hesary (Eds.)

Book title: Monetary Policy and the Oil Market Publisher: Springer: Tokyo

Publishing date: 2016

Reference Books:

Articles:

1. Taghizadeh-Hesary, F., N. Yoshino, M. M. H. Abadi, and R. Farboudmanesh. (2016). the Response of Macro Variables of Emerging and Developed Oil Importers to Oil Price Movements. *Journal of the Asia Pacific Economy*. DOI: 10.1080/13547860.2015.1057955.
2. N. Yoshino and F. Taghizadeh-Hesary (2015) "Effectiveness of the Easing of Monetary Policy in the Japanese Economy, Incorporating Energy Prices". *Journal of Comparative Asian Development*. 14(2): 1–22. DOI:10.1080/15339114.2015.1059059
3. Yoshino, N. and Taghizadeh Hesary, F. (2014), 'Monetary Policies and Oil Price Fluctuations Following the Subprime Mortgage Crisis'. *Int. J. Monetary Economics and Finance*, 7(3): 157-174, DOI: 10.1504/IJMEF. 2014.066482
4. Taghizadeh Hesary, F. and Yoshino, N. (2014), 'Monetary Policies and Oil Price Determination: An Empirical Analysis', *OPEC Energy Review*, 38 (1): 1-20
Available: <http://onlinelibrary.wiley.com/doi/10.1111/opec.12021/abstract>
5. Taghizadeh Hesary F., Yoshino, N., Abdoli, G. and Farzinvas, A. (2013), 'An Estimation of the Impact of Oil Shocks on Crude Oil Exporting Economies and their Trade Partners', *Frontiers of Economics in China*, 8(4): 571-591
6. Taghizadeh Hesary, F. and Yoshino, N., (2013), 'Which Side of the Economy Is Affected More by Oil Prices: Supply or Demand?' *United States Association for Energy Economics (USAEE) Research Paper No. 13-139*.
Available: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2333991

Lecturer's Comments to Students:

In This course you will learn about:

1. The potential role of various renewable and non-renewable energy sources in fulfilling our energy demands, and the associated environmental impacts.
2. The operation of energy markets. How is the pricing mechanism for non-renewable energy carriers (oil, gas, coal)?
3. What are the impacts of higher energy prices on various economies, including emerging and developed economies?
4. What are the impacts of economic factors on energy prices?
5. What are renewable energy resources? And how can we achieve sustainable economic growth using these resources?

ECONOMY AND ENVIRONMENTAL LAW: 2 Credits (Spring Semester – intensive)

Lecturer: Yukari TAKAMURA

Course Description:

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.

*Non-PCP students can also register for this class.

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, its Kyoto Protocol and the recently adopted Paris Agreement, the lecture examines how these 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) Other Review and Summary of the class.

Method of Evaluation:

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

Textbooks:

None.

Reference Books:

- Ulrich Beyerlin and Thilo Marauhn, International Environmental Law, Hart Pub (2011).
- 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.

Lecturer's Comments to Students:

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

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

Law and Economics 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 two main streams in the world's competition law and both have their 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 Concept of Market Power (1)
- 8 Concept of Market Power (2)
- 9 Abuse of Dominant Position (1) - Case Studies

- 10 Abuse of Dominant Position (2) - Case Studies
 - 11 American and European Perspective on Antitrust - Comparative perspective
 - 12 Welfare, Monopolization, Dominance, and Judicial Review - Comparative perspective
 - 13 Enforcement
 - 14 Review and Summary: From the Wider Perspective
- Other Office Hour: after the session

Method of 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 Daniel J. Gifford and Robert T. Kudrle, The Atlantic Divide in Antitrust - An Examination of US and EU Competition Policy, University of Chicago Press, 2015

Reference Books:

Reference books or papers will be indicated during the course.

Lecturer's Comments to Students:

This course is concerning EU competition law, but I hope we could touch the deeper background of law and economics approach in the modern society without detailed legal technical jargons.

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

Lecturer: Fukunari KIMURA

Course Description:

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. The newly disclosed text of the Trans-Pacific Strategic Economic Partnership agreement (TPP) is also referred to as a reference.

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)

Other Preferential trade agreements and regional integration (2)

Method of Evaluation:

Class participation (short homework, presentation, and discussion in class): 60%, term paper: 40%

Textbooks:

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 Books:

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

Questions/Comments:

Contact Fuku Kimura by email (fkimura@econ.keio.ac.jp).

ECONOMICS OF REGULATORY REFORM: 2 Credits (Autumn Semester)

Learning to use economics for policy solutions

Lecturer: Akira KAWAMOTO

Course Description:

Non-PCP students can also register for this class.

Government regulation aims to meet social needs that market cannot provide. Regulation, however, can become quickly obsolete under changing economic environment and technologies; as a result, unnecessary regulations often persist and better regulatory method is not tried for a long time.

Regulatory reform based on sound theoretical grounds is government's essential task in modern economy. It 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. But policy makers very often find it difficult to overcome obstacles for reform.

Economic analysis is a great tool to understand problems relating to regulations and to help make policy recommendations. Drawing on the lecturer's experiences in government, international organization (OECD) as well as business, we would like to look at examples in Japan and elsewhere and consider best policy response.

Those regulatory reform issues include, among others, environment regulation such as response to global warming, corporate mergers, various sector reforms such as electricity, telecommunication and transportation, privatization of various public services and innovation.

Course Plan:

- 1 Introduction
- 2 Environmental regulation; do we really need regulation in order to protect environment? - Coase Theorem revisited
- 3 Corporate mergers and its regulation; what are mergers' benefits and costs for society?
- 4 Economic regulation; its impact on economy and political implications - why does over-regulation persist and new entry and innovation are often frustrated?
- 5 Natural monopoly; how best can natural monopoly, such as telecommunication be regulated in order to maximize social welfare?
- 6 Restructuring of network industry; do "unbundling" and other structural reforms in network industry

- such as electricity sector contribute to efficiency and innovation?
- 7 Privatization as a tool for economic reform; is public service better to be privatized? What should we do in order to meet public policy goals such as universal services even after privatization.
 - 8 Innovation; through intellectual property system how can we best balance between incentives for innovation and welfare loss from monopoly?
 - 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; corporate mergers)
 - 11 Group presentation and discussion on a selected current economic issue (example; how to respond to global warming)
 - 12 Group presentation and discussion on a selected current economic issue (example; innovation)
 - 13 Group presentation and discussion on a selected current economic issue (example; privatization)
 - 14 Review of the course
- Other Guidance for presentation, office hours

Method of Evaluation:

- Regular attendance and participation in the class including presentation and discussion in the class will be the most important.
- Final examination, if relevant. The weight should be approximately for 20% of the total score.

Textbooks:

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

Lecturer's Comments to Students:

It is assumed that students are familiar with basic knowledge of micro economics theories. Such knowledge is necessary to solve problems from the textbook in the initial stage of the course and will underpin discussion throughout it.

Interactive participation in the class is very much appreciated.

CONTEMPORARY JAPANESE ECONOMY A: 2 Credits (Spring Semester 1st Half)

Close look at "Abenomics"

Lecturer: Akira KAWAMOTO

Course Description:

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.

Is large-scale monetary expansion by "Abenomics" working? What are the prospects for public finance after consumption tax rise in 2014? What exactly are the strength and weakness of Japanese economy? Can we find ways to enhance growth sufficiently to finance social security needs?

These are urgent and crucial issues of our day. Drawing on lecturer's experiences at government, international organization 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.

This course is followed by "Contemporary Japanese Economy b", lectured later in this semester. It is recommended to take both a and b in order for the comprehensive understanding of Japanese economy, but it is possible to take one of them.

Course Plan:

- 1 Introduction
 - 2 What are the issues for Japanese economy now?
 - 3 Understanding Abenomics -- goals, policies and reasons of current economic policies (1)
 - 4 Understanding Abenomics -- goals, policies and reasons of current economic policies (1)
 - 5 Monetary policy in Japan -- is it working? Its goal, achievement and future (1)
 - 6 Monetary policy in Japan -- is it working? Its goal, achievement and future (2)
 - 7 Public finance in Japan -- can we control spending and also raise consumption tax? Is public finance sustainable in the long term? (1)
 - 8 Public finance in Japan -- can we control spending and also raise consumption tax? Is public finance sustainable in the long term? (2)
 - 9 Enhancing economic growth -- what is the mechanism of economic growth? Labor, capital and productivity (1)
 - 10 Enhancing economic growth -- what is the mechanism of economic growth? Labor, capital and productivity (2)
 - 11 Review, exercise and discussion (1)
 - 12 Review, exercise and discussion (2)
 - 13 Review, exercise and discussion (3)
 - 14 Review, exercise and discussion (4)
- Other Guidance for presentation, office hours

Method of Evaluation:

- Regular attendance and weekly short essays
- Final Examination if relevant [in that case approximate weight will be 20%]

Lecturer's Comments to Students :

Students are encouraged to participate in interactive discussion in the class, which is likely to benefit themselves.

CONTEMPORARY JAPANESE ECONOMY B: 2 Credits (Spring Semester 2nd Half)

Growth strategy of our own making

Lecturer: Akira KAWAMOTO

Course Description :

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.

Is large-scale monetary expansion by "Abenomics" working? What are the prospects for public finance after consumption tax rise in 2014? What exactly are the strength and weakness of Japanese economy? Can we find ways to enhance growth sufficiently to maintain social security needs?

These are urgent and crucial issues of our day. Drawing on lecturer's experiences at government, international organization 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.

This course follows "Contemporary Japanese Economy a", lectured earlier in this semester. It is recommended to take both a and b for the comprehensive understanding of Japanese economy, but it is possible to take one of them.

Course Plan:

- 1 Introduction
 - 2 Growth strategy that Japan truly needs
 - 3 Trade agreements and TPP -- economic benefits and costs, political economy of trade agreements (1)
 - 4 Trade agreements and TPP -- economic benefits and costs, political economy of trade agreements (2)
 - 5 Labor market reform -- productivity, job security and broadening labor participation (1)
 - 6 Labor market reform -- productivity, job security and broadening labor participation (2)
 - 7 Corporate sector reform -- profitability, governance and role of investors
 - 8 Corporate mergers -- can we measure benefits and costs for society?
 - 9 Activating infrastructure (1) -- restructuring electricity sector
 - 10 Activating infrastructure (2) -- privatization of public services
 - 11 Innovation -- how to encourage start-ups and finance technology ventures in Japan?
 - 12 Global warming -- can we balance environment sustainability and economic growth?
 - 13 Review, exercise and discussion
 - 14 Review, exercise and discussion
- Other Guidance for presentation, office hours

Method of Evaluation:

- Regular attendance and weekly short essays [approximate weight; 80%]
- Final Examination [approximate weight; 20%]

Lecturer's Comments to Students :

Students are encouraged to participate in interactive discussion in the class, which is likely to benefit themselves.

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

Lecturer: Joong-ho KOOK

Course Description:

The course of Public Finance aims to understand the basic theory of public finance and 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 study the issues of provision of public goods, externality, optimal size of local authorities, fiscal decision-making at central and local levels, and some topics 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), Externality
- 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
- Other Review and Final exam (or quiz)

Method of Evaluation:

Term paper and Brief exam:

- 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)

Textbooks:

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

Reference Books:

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

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

Auerbach, Alan J. and Martin Feldstein, Hnadbook of Public Economics, North-Holland, 2002.

Lecturer's Comments to Students:

We will talk about your backgrounds of economics and course requirements. It may help to proceed the course smoothly.

Questions/Comments:

Feel free to ask questions about the course.

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

Asian Financial Market and Institutions Asian Financial Market and Institutions

Lecturer: Naoyuki YOSHINO / Farhad TAGHIZADEH-HESARY

Course Description:

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
- Other Ageing population of Japan and Pension management

Method of Evaluation:

Final examination and short test at the end of each class

Textbooks:

- 1) Hometown Investment Trust Funds, Yoshino and Kaji, Springer
- 2) Postal Saving and Fiscal Investment in Japan, Cargill and Yoshino, Oxford University Press

Reference Books:

- 1) "Postal Savings and Fiscal Investment in Japan" (Oxford University Press, Cargill and Yoshino)
- 2) "Small Savings Mobilization and Asian Economic Development" (M.E. Sharpe, Scher and Yoshino)
- 3) "Basket peg, Dollar peg and Floating Exchange Rate System" Journal of Japanese and International Economies, 2004 (Yoshino, Kaji and Suzuki)
- 4) Japan's Bubble Economy and Its Implications to China. International Economic Review, Chinese Academy of Social Sciences, No.2, 2009. PP28-30 (In Chinese)
- 5) "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).
- 6) "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).
- 7) "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.
- 8) "Procyclicality of The Basel Capital Requirement Ratio and Its Impact on Banks" Asian Economic Papers, MIT Press, 2011, Vol.10, No.2.
- 9) "Euro's Struggle and Its Lessons to Asian Region" APEC SME Crisis Monitor, APEC SME Crisis Management Center SCMS, October, No15, 2011.
- 10) "Macroeconomic Volatility Under High Accumulation of Government Debt: Lessons from Japan" Advanced in Complex Systems, Vol. 15, No. 2, 2012 (with Paul McNelis)
- 11) "Global imbalances and the development of capital flows among Asian countries", OECD journal, Financial Market Trend, Vol11, 2012.
- 12) Yoshino and Kaji, Hometown Investment Trust Funds, Springer, 2013.
- 13) Yoshino and Taghizadeh-Hesary (2014). "An Analysis of Challenges Faced by Japan's Economy and Abenomics". The Japanese Political Economy, 40: 37-62, 2014.
- 14) Yoshino and Taghizadeh-Hesary. (2015). "Analysis of Credit Risk for Small and Medium-Sized Enterprises: Evidence from Asia". Asian Development Review (ADR). Vol. 32 No. 2.: 18-37, MIT Press.
- 15) Yoshino and F. Taghizadeh-Hesary (2015) "Effectiveness of the Easing of Monetary Policy in the Japanese Economy, Incorporating Energy Prices". Journal of Comparative Asian Development. 14(2): 1-22.
- 16) Yoshino and Taghizadeh-Hesary (2016). 'Causes and Remedies of the Japan's Long-lasting Recession:

Lessons for China'. *China & World Economy* / 2016 (forthcoming)

Lecturer's Comments to Students:

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

Questions/Comments:

Students are encouraged to ask questions in each class.

JAPANESE FINANCIAL MARKETS AND INSTITUTIONS (PCP): 2 Credits (Autumn Semester)

Lecturer: Naoyuki YOSHINO / Shunichiro BESSHO

Course Description:

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*, Vol11, 2012.
- "Choices of Optimal Monetary Policy Instruments Under the Floating and the Basket-Peg Regimes" *Singapore Economic Review*, 2012 (with Kaji and Asonuma)
- "Dynamic Transition of Exchange Rate Regime in China" *China & World Economy*, Vol22, No.3, 2014
- "Monetary Policy and oil price fluctuations following the subprime mortgage crisis", *International Journal of Monetary Economics and Finance*, Vol.7, No3, 2014

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
- Other Sub Prime loan crisis and its impact to Asian economy.

Method of 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.

Textbooks:

YOSHINO, Naoyuki "Postwar Japanese Economy (Eigo De Manabu Nihon Keizai)" Yuhihaku publishing company 2010.

YOSHINO and Kaji "Hometown Investment Trust Funds" Springer 2013.

Reference Books:

In each class, related works and papers will be explained.

Lecturer's Comments to Students:

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

Questions/Comments:

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

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

Lecturer: Takuji ARAI

Course Description:

Non-PCP students can also register for this class.

The course is composed of three sections, which are a basic concept of a probability theory, a modern portfolio theory and a basic option pricing theory. In the first section, 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.

Course Plan:

- 1 Randomness and random variable
- 2 Expectation and variance

- 3 Exercise
 - 4 Overview and 1st exam
 - 5 Utility function and indifference curve
 - 6 Mean-variance portfolio analysis
 - 7 CAPM
 - 8 Exercise
 - 9 Overview and 2nd exam
 - 10 Introduction to one-period binomial model in option pricing theory
 - 11 Replicating portfolio and arbitrage
 - 12 Martingale probability
 - 13 Exercise
 - 14 Overview and 3rd exam
- Other Exercise

Method of Evaluation:

1st exam 30%, 2nd exam 30%, 3rd exam 30%, Assignment 10%

Reference Books:

Luenberger, Investment Science, Oxford University.

Elton et al., Modern Portfolio Theory and Investment Analysis, Wiley. Shreve, Stochastic Calculus for Finance I, Springer.

Questions/Comments:

By E-mail.

FINANCIAL MANAGEMENT AND CORPORATE GOVERNANCE (PCP):

2 Credits (Spring Semester-intensive)

Lecturer: Toshihiro OKUBO/ Alexander F. WAGNER

Course Description:

What is the subject of this course?

Why do some companies succeed while others fail? The efficient use of resources in organizations and the harmonization and alignment of various interests broadly define the topic of “corporate governance.” To shed some light on conceptual as well as practical issues in this area, this course first covers some aspects of financial management, with a particular focus on valuation and value-based management. After this, the main focus will be on discussing how the governance of a corporation can be set up in order to enhance the value creation in the company. The course is based on some theoretical, conceptual material as well as on case studies.

Who can/should take this course?

The course is an elective for 3rd or 4th year PCP students at Keio University as well as for Masters students. Knowledge of basic corporate finance and microeconomics is required.

Course Plan:

1 Thursday, June 23 (Time slot 4)

Topic: Introduction and overview of issues in financial management and corporate governance

Reading: Slide set #1 (pages 1-17)

2 Thursday, June 23 (Time slot 5)

Topic: Review of basics of corporate finance: What creates value in a company

Text: Review your own existing corporate finance notes

3 Thursday, June 23 (Time slot 6)

Topic: Continuation of review of basics of corporate finance

Main issues in corporate governance

Reading: Slide set #1 and #2

4 Thursday, June 30 (Time slot 4)

P1: Examples of corporate governance systems in Europe, Japan, and the US
("P" indicates that the session is planned as presentations by students.)

5 Thursday, June 30 (Time slot 5)

P2: Differences in project valuation methods

Case: Tokyo Disneyland and the Disneysea Park

6 Thursday, June 30 (Time slot 6)

Topic: Managerial compensation

P3: Examples of managerial compensation in Europe, Japan, and the US

Reading: Slide set #3

7 TBD: Coaching of groups

Private session

("TBD" indicates "To be determined": These are small group meetings with me that constitute class time. We will flexibly set a time and date convenient to each group.)

8 Thursday, July 7 (slot 4)

Discussion and review

9 Thursday, July 7 (slot 5)

Topic: Accounting, auditors, boards of directors

Case: Olympus

Reading: Slide set #4

10 Thursday, July 7 (slot 6)

P4: Examples of boards of directors in Europe, Japan, and the US

Boards of directors, institutional investors and activist investors

Reading: Slide set #4 (continued)

11 TBD:Coaching of groups

Private session

12 Thursday, July 14 (slot 4)

P5: Restructuring; hedge-funds; sum-of-parts valuation

Case: NEC Electronics

13 Thursday, July 14 (slot 5)

P6: Shareholder rights; institutional investors; proxy advisors

Case: Qualcomm

14 Thursday, July 14 (slot 6)

Topics: Governance in non-profits

Corporate citizenship

Research in corporate governance

Case: Real Madrid

Reading: Slide set #5

Other TBD:Coaching of groups

Private session

Method of Evaluation:

What are the requirements for passing the course?

1. Active **reading** of assigned materials. You have to read the assigned materials before the class and come to class prepared.
2. Class **attendance** and active participation in class (including participation in the discussion of case

- studies presented by other students) as well as in small-group coaching sessions with the instructor.
3. Group **presentation** of a case study. See the timetable below for the topics and the timing.
 4. Optional bonus assignment: Details will be explained in class.

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

Lecturer: Yasuo MAEDA

Course Description:

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, 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 section covers the presentation of Mathematica implementation of the model used in Finance such as the mean-variance portfolio analysis and the CAPM, and of the model used in Microeconomics such as two-period model.

To register this class, basic knowledge about microeconomics, accounting, and finance is 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 Basics of Mathematica
- 9 Basics of Dataset access by Mathematica
- 10 Portfolio analysis by Mathematica
- 11 CAPM by Mathematica
- 12 Savings and Interest Rates in Two-Period Model
- 13 Determination of Interest Rates by Mathematica
- 14 Overview and Final Exam

Other Review

Method of Evaluation:

Midterm Exam 35%, Final Exam 35%, Assignment 30%

Textbooks:

The first part: Handout will be distributed. The second part: Handout will be distributed.

Reference Books:

Reading materials will be suggested in the first lecture.

Questions/Comments

By E-mail.

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

Lecturer: Shunichiro UEMATSU

Course Description:

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 bond pricing, duration analysis and immunization. Next, we deal with various derivative products and then discuss in detail option pricing problems by using binomial lattice models. Finally, we derive the Black-Scholes option pricing formulas and discuss additional related topics.

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 Asset Dynamics in Discrete-time
- 10 Mid-term Exam and Review
- 11 Black-Scholes Option Pricing Formulas
- 12 Asset Dynamics in Continuous-time
- 13 Black-Scholes Equation and Replication
- 14 Final Exam and Review

Other Homework

Method of Evaluation:

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

Textbooks:

Luenberger, David G. Investment Science. 2nd ed. Oxford University Press, 2013.

Reference Books:

Hull, John C. Options, Futures and Other Derivatives. 9th ed. Prentice Hall, 2014.

Questions/Comments: By E-mail

MACROECONOMICS (PCP): 2 Credits (Spring Semester)

Lecturer: Yoshimasa SHIRAI

Course Description:

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

This class covers standard topics in macroeconomics. Students are partitioned into presentation and discussion groups. Each group is assigned to make a presentation either on a chapter of textbook or on a short research paper. Most of short research 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 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 sessions. A session consists of a presentation by one group and a discussion by another group. Papers assigned to each group will be announced at the first class and will be posted on the following website.

<http://web.econ.keio.ac.jp/staff/yshirai/pcp/2016/2016pcpmacro.htm>

In the last class, all students must submit a research proposal (maximum two pages) which consists of (1) motivation of research, (2) research questions, (3) method, and (4) expected results.

Course Plan:

- 1 Measuring Macroeconomy (Ch. 1 and 2)
 - 2 Long-Run Economic Growth and A Model of Production (Ch. 3 and 4)
 - 3 Growth Models (Ch. 5 and 6)
 - 4 The Labor Market, Wages and Unemployment (Ch7)
 - 5 Inflation (Ch. 8)
 - 6 An Introduction to Short-Run (Ch. 9) and The Great Recession (Ch. 10)
 - 7 The IS Curve (Ch. 11)
 - 8 Monetary Policy and the Phillips Curve (Ch. 12)
 - 9 Stabilization Policy and the AS/AD Framework (Ch. 13)
 - 10 The Great Recession and the Short-Run Model (Ch. 14)
 - 11 Consumption (Ch. 16)
 - 12 Investment (Ch. 17)
 - 13 Government Spending and Revenue (Ch. 18)
 - 14 International Trade (Ch. 19)
- Other Research Proposal

Method of Evaluation:

Evaluation will be made based on the results of weekly quiz, group presentation and discussion, and a research proposal.

Textbooks:

Charles Jones (2014), *Macroeconomics* Third Edition, Norton

MICROECONOMICS (PCP): 2 Credits (Spring Semester)

Lecturer: Masahiro WATABE

Course Description:

This class is open to PCP students, (selected) exchange students and Masters' course students only. The purpose of this course is to explore the foundations of microeconomic theory at an intermediate level. The course sequence addresses the broad methodological topics of consumer theory, producer theory, market structure, introduction to game theory, and uncertainty.

Prerequisites for this course: introductory microeconomics and differentiation of functions of one variable.

Course Plan:

- 1 Theory of the Consumer (1): Preferences and Utility (Chapter 2)
 - 2 Theory of the Consumer (2): The Budget Constraint and the Consumer's Optimal Choice (Chapter 3)
 - 3 Theory of the Consumer (3): Welfare Economics 1: The One-Person Case (Chapter 6)
 - 4 Theory of the Producer (1): The Single-Input Model (Chapter 8)
 - 5 Theory of the Producer (2): The Multiple-Input Model (Chapters 9 and 10)
 - 6 Market Structure (1): Perfectly Competitive Markets (Chapter 11)
 - 7 Midterm Exam and Review
 - 8 Market Structure (2): Monopoly (Chapter 12)
 - 9 Market Structure (3): Duopoly (Chapter 13)
 - 10 Introduction to Game Theory (1): (Chapter 14)
 - 11 Introduction to Game Theory (2): (Chapter 14)
 - 12 Uncertainty (1): Expected Utility (Chapter 19)
 - 13 Uncertainty (2): Adverse Selection (Chapter 20)
 - 14 Uncertainty (3): Moral Hazard (Chapter 20)
- Other Final Exam and Review

Method of Evaluation:

There will be two exams, a midterm and a final. All exams are closed book, meaning that you may not consult any material. Basically, the exams will not be cumulative. In addition, there will be a short quiz over the topics discussed during the previous week at the end of class. Your grades will be determined on the basis of performance on in-class exercises and two exams as the following weighted average:

In-Class Exercises (20%), Midterm (40%), and Final (40%)

Textbooks:

Serrano, R., and A. M., Feldman (2013): A Short Course in Intermediate Microeconomics with Calculus. Cambridge University Press.

Reference Books:

Students seeking a math supplement may consult Essential Mathematics for Economic Analysis, 4th edition, by Sydsaeter, K., P. Hammond, and A. Strom (2012), Prentice Hall.

Lecturer's Comments to Students :

Regular attendance is essential to the successful completion of this course. You are welcome to ask questions during the class. I will distribute problem sets, more or less weekly, with solutions. Students are expected to spend substantial out-of-class time working on problem sets. Exam questions will resemble class notes and problem set questions. I strongly recommend that you read the textbook after each session.

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

Lecturer: Colin R. McKENZIE

Course Description:

This course is open to PCP students, (selected) exchange students and Masters' 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 socio- economic 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 following two 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 t- 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 10 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.
- Other 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.

Method of 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)

Textbooks:

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

Reference Books:

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
- ・Wooldridge, J.M., Introductory Econometrics: A Modern Approach, South-Western College Publishing, USA., 2000

Lecturer's Comments to Students:

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.

Questions/Comments:

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

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

Lecturer: Sahoko KAJI/ Fukunari KIMURA/ Kiichiro FUKASAKU

Course Description:

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)
- Other Students' presentations (unless replaced by a lecture by a guest speaker)

Method of 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.

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

Lecturer: Sahoko KAJI/ Kiichiro FUKASAKU/ Farhad TAGHIZADEH-HESARY

Course Description:

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
- Other Student presentations

Method of 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.

ACADEMIC WRITING (PCP): 2 Credits (Spring Semester)

Lecturer: Miyuki NAKATSUGAWA

Course Description:

This class is open to PCP students, Master's level graduate students and (selected) exchange students only. The goal of this course is to help students improve their academic writing, especially of research papers. The course will introduce fundamental concepts of academic writing including audience, purpose, organization, style, flow, and presentation, with a special focus on helping students construct research papers. The course will first cover common types of academic writing and then shift focus to specific elements of a research paper. Outside the classroom, students will work on the proposal for their Independent Study research in the Fall Semester by: (1) exploring topics of interest, (2) searching for relevant literature from scholarly sources, (3) reading the literature to narrow the focus of investigation and summarize key concepts and empirical findings, (4) craft a research question, (5) prepare a draft proposal, and (6) revise the proposal based on peer/instructor feedback.

Course Plan:

- 1 Session 1
Introduction to the course: Overview of the research process and the final research paper
- 2 Session 2
Writing general-to-specific texts
- 3 Session 3
Writing problem-to-solution texts
- 4 Session 4
Writing summaries
- 5 Session 5
Writing critiques
- 6 Session 6
Writing data-commentaries
- 7 Session 7
Proposal of research topic & questions
- 8 Session 8
Writing an introduction section
- 9 Session 9
Writing a methodology section
- 10 Session 10
Writing a results section
- 11 Session 11
Writing a discussion section
- 12 Session 12
The final touch: Title, abstract, formatting & referencing
- 13 Session 13

Proposal presentation

14 Session 14

Peer-review and submission of final proposal

Other Students will carry out an individual literature search to prepare for the independent study proposal.

Method of Evaluation:

1. Attendance & participation 20%
2. Completion of weekly assignments 30%
3. Final paper 50%

Textbooks:

Swales, J. M., & Feak, C. B. (2012). *Academic writing for graduate students* 3rd edition. Michigan: University of Michigan Press.

Reference Books:

American Psychological Association. (2010). *Publication Manual of the American Psychological Association*, 6th Edition. Washington, D.C.: American Psychological Association.

Lecturer's Comments to Students:

Students in this class are expected to have experience in writing long essays and research reports in previous courses, together with a basic understanding of academic writing conventions. The course will build up on these conventions to develop a solid foundation for the Independent Study in the Fall Semester.

Students are expected to complete all assignments in a timely manner and participate actively in class discussions.

Questions/Comments:

Questions will be answered before/after class or via email.