

## **INTERNATIONAL TRADE A**

2 Credits (Fall Semester)  
Theories and Extensions

Project Professor FUKASAKU, Kiichiro

### **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
  3. (I-2) The Ricardian Model of Comparative Advantage
  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) Testing the H-O Model
    - (II-5) Group Discussions: Long-term Trends in World Trade and Implications for Trade Theory
  9. Part III: Post H-O Theories and Extensions
    - (III-1) Explaining the Pattern of Trade in Manufactures beyond the HO Model
    - (III-2) Intra-industry Trade, Intra-firm Trade and MNEs
    - (III-3) Trade in Services
    - (III-4) Trade in Value Added and Global Supply Chains
    - (III-5) International Capital Movements and Foreign Direct Investment
    - (III-6) Economic Growth and International Trade
- Other Linking Theory and Policy

### **Method of Evaluation:**

Evaluation is based on (1) your attendance, (2) submission and quality of your term paper, and (3) your presentation of a selected article in class discussions.

### **Textbooks:**

Appleyard and Field (2014), *International Economics*, 8th Edition, McGraw-Hill Irwin ([www.mhhe.com/appleyard8e](http://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. 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 (Fall Semester)

Trade Policy Issues

Project Professor FUKASAKU, Kiichiro

**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 political tensions that often surface on the occasions of mega-FTA negotiations in Asia and the Pacific, such as TPP 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

**Course Plan:**

1. Introduction and Overview (presenting the course work 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: Trade, Technology and Jobs
8. (IV-7) Special Topic: U.S. Trade Policy under the Trump Administration
9. Part V: Regional Economic Integration - Theory and Practice
  - (V-1) Theory of Regional Economic Integration
10. (V-2) Regional Economic Integration in Practice

11. (V-3) NAFTA and Beyond
  12. (V-4) Group Discussions: Regional Integration and GVCs
  13. (V-5) Economic Integration in Asia and the Pacific
  14. (V-6) European Economic Integration and the Brexit
- Other Feedback from Policy to Theory

**Method of Evaluation:**

Evaluation is based on (1) your attendance, (2) submission and quality of your term paper, and (3) your presentation of a selected article in class discussions.

**Textbooks:**

Appleyard and Field (2014), *International Economics*, 8th Edition, McGraw-Hill Irwin ([www.mhhe.com/appleyard8e](http://www.mhhe.com/appleyard8e)); and Krugman, Obstfeld and Melitz (2014), *International Economics*, 10<sup>th</sup> Edition, Pearson Education Limited (<http://www.mypearsonstore.com/bookstore/international-economics-theory-and-policyplusnew-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.

## ECONOMICS OF GLOBALISATION

2 Credits (Fall Semester Intensive)

Economics of Globalisation

Guest Associate Professor (Part-time) YAMASHITA, Nobuaki

**Course Description:**

Non-PCP students can also register for this class.

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

11. Trade, income inequality and poverty
  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 in class.

## APPLIED FINANCE

2 Credits (Spring Semester Intensive)

Guest Professor (Part-time) WEISS, Gregor

**Course Description:**

The course covers basic concepts of finance and exemplifies them by using real data. After each section in which the theoretical background has been discussed, real financial data samples will be analyzed in Excel, R, and/or MatLab/Octave. Topics covered in this section include

1. Aims of corporate finance and financial management
2. Present values, annuities, and bond valuation
3. Stock valuation and NPVs
4. Portfolio theory and CAPM
5. Arbitrage Pricing Theory

6. Financial statement analysis
7. Efficient capital markets and behavioral finance
8. Capital structure theory
9. Equity and debt financing
10. Financial risk management
11. Mergers & acquisitions

Students will learn the principles of corporate finance and tools to apply this theoretical knowledge on real-life problems. They will be enabled to solve problems from business settings that involve finance.

**Course Plan:**

1. Introduction to the course, e-learning support, aims of corporate finance and financial management.
2. Present values, annuities, and bond valuation
3. Stock valuation and NPVs
4. Portfolio theory
5. CAPM
6. Arbitrage Pricing Theory
7. Review and Midterm Exam
8. Financial statement analysis
9. Efficient capital markets and behavioral finance
10. Capital structure theory
11. Equity and debt financing
12. Financial risk management and financial derivatives
13. Mergers & acquisitions
14. Course summary, review and exam.

Other Question hour, resit.

**Method of Evaluation:**

15. Midterm Exam 50 %, Final Exam 50 %.

**Textbooks:**

16. Slides / handouts will be provided on the instructor's website at
17. <https://sites.google.com/site/gregorweiss1981/home/teaching-1>
18. Textbooks:
19. 1. Copeland/Weston/Shastri: Financial Theory and Corporate Policy:
20. Pearson New International Edition, ISBN-13: 978-1292021584
21. 2. Brealey/Myers/Allen: Principles of Corporate Finance, ISBN-13:
22. 978-1259253331.

**Lecturer's Comments to Students:**

23. I look forward to teaching students who are interested in any area of
24. finance.

**Questions/Comments:**

25. I will be available for students before and after class for questions and
26. consultation.
27. Questions and consultation are offered via e-mail and Skype.

## MACROECONOMICS OF OPEN ECONOMIES A

2 Credits (Fall Semester)

Professor OGAKI, Masao

### Course Description:

In this course, we aim to build a solid understanding of theoretical tools to grasp the international dimensions of macroeconomic policies of open economies. We will focus on theoretical models which help us understand the basic structure of the international financial market and international dimension of monetary and fiscal policy.

### Course Plan:

1. Introduction
2. National income accounting and the balance of payments (1)
3. National income accounting and the balance of payments (2)
4. National income accounting and the balance of payments (3)
5. Exchange rates and the foreign exchange market: an asset approach (1)
6. Exchange rates and the foreign exchange market: an asset approach (2)
7. Exchange rates and the foreign exchange market: an asset approach (3)
8. Money, interest rates, and exchange rates (1)
9. Money, interest rates, and exchange rates (2)
10. Money, interest rates, and exchange rates (3)
11. Price levels and the exchange rate in the long run (1)
12. Price levels and the exchange rate in the long run (2)
13. Fixed exchange rates and foreign exchange intervention (1)
14. Fixed exchange rates and foreign exchange intervention (2)

Other Office hour

### Method of Evaluation:

Examination and homework

### Textbooks:

Krugman, Paul R., Maurice Obstfeld, and Marc Melitz, 2018.

International Economics: Theory and Policy (11th Edition). Pearson.

ISBN: 1292214872

### Lecturer's Comments to Students:

The lecturer's teaching principle is based on the Bible: as the leader of the class, the lecturer is to serve each student for the purpose of the class's mission of learning.

### Questions/Comments:

Office hour and e-mail

## ECONOMIC DEVELOPMENT A

2 Credits (Spring Semester)  
Development Economics

Project Professor FUKASAKU, Kiichiro

### 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 in the post-war years. 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: Classical Theory of Trade
  - (I-1) Globalization, Mercantilism and Domestic Economic Policy
  - (I-2) The Ricardian Model of Comparative Advantage
3. 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) Testing the H-O Model
  - (II-5) Group Discussions: Long-term Trends in World Trade and Implications for Trade Theory
4. Part III: Post H-O Theories and Extensions
  - (III-1) Explaining the Pattern of Trade in Manufactures beyond the HO 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
5. Other Linking Theory and Policy

### Method of Evaluation:

Evaluation is based on (1) your attendance, (2) submission and quality of

your term paper, and (3) your presentation of a selected article in class discussions.

**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. 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.

## **INTERNATIONAL TRADE**

2 Credits (Fall Semester)

Lecturer, KATO, Hayato

**Course Description:**

This is an advanced-level international trade course, aiming at helping students learn about the research frontier of the field. Most of the course is devoted to the two pillars of current research on international trade, the Ricardian model and the heterogeneous firm model. Although the course puts emphasis on theoretical aspects, it covers their empirical implications as well.

Students are assumed to be familiar with graduate-level microeconomics and econometrics.

The topics covered in the course and its order may be subject to change.

Grade evaluation is based on (i) presentation and (ii) summary report of research papers.

**Course Plan:**

1. Ricardian model #1: Dornbusch, Fischer, and Samuelson (1977)
2. Ricardian model #2: Eaton and Kortum (2002)
3. Ricardian model #3: Eaton and Kortum (2002)
4. Ricardian model #4: Extension of EK
5. Ricardian model #5: Extension of EK
6. Increasing returns and imperfect competition
7. Heterogeneous firm model #1: Melitz (2003)
8. Heterogeneous firm model #2: Melitz (2003)
9. Heterogeneous firm model #3: Extension of Melitz
10. Heterogeneous firm model #4: Extension of Melitz
11. Students presentation #1
12. Students presentation #2
13. Students presentation #3

14. Students presentation #4  
Other Summary report of a research paper

**Method of Evaluation:**

- (i) Giving a presentation in class on a research paper.
- (ii) Writing a report that summarizes a research paper.

The list of research papers will be notified in class.

**Textbooks:**

The lecture is mostly based on slides uploaded on the web, which will be announced in class.

**Reference Books:**

Advanced International Trade: Theory and Evidence 2nd edition, by Robert C. Feenstra, Princeton University Press, 2015.

## ENVIRONMENTAL ECONOMIC POLICY

2 Credits (Fall Semester)

Global Economic Environmental Policy

Project Professor McDONALD, Anne

**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

2 Credits (Fall Semester)

Professor HOSODA, Eiji

### Course Description:

This class is open to PCP students, qualified 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**

2 Credits (Spring Semester)

Lecturer TAGHIZADEH-HESARY, Farhad

### **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](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?

**LECTURE SERIES ON LONGEVITY STUDIES**

2 Credits (Fall Semester)

Professor McKENZIE, Colin R.  
Associate Professor IBUKA, Yoko

**Course Description:**

This course aims to expose students to the problems of an ageing society and longevity from a multi-disciplinary perspective, in particular, economic and medical perspectives. It will be offered in co-operation with the Graduate School of Medicine at Keio University and the Faculties of Medicine and Management, Economics and Social Sciences at Cologne University in Germany. Students from the Graduate School of Medicine at Keio University and the Faculties of Medicine and Management, Economics and Social Sciences at Cologne University will also participate in the course through four way distant learning using the internet. The course will be run on an “omnibus” basis, so that each lecture will be presented by a different lecturer. Some lectures will be presented by international pairs of lecturers, one from Keio and one from Cologne.

**Course Plan:**

1. (The ordering of the lectures and the allocation between the four institutions involved is subject to change depending on the availability of the lecturers)  
Session 1: Introduction to the course by the organizers of the course from Keio University and Cologne University
2. Session 2: Presentation by the Faculty of Economics at Keio University
3. Session 3: Presentation by the Faculty of Medicine at Cologne University
4. Session 4: Presentation by the Graduate School of Medicine at Keio University
5. Session 5: Presentation by the Faculty of Management, Economics and Social Sciences at Cologne University
6. Session 6: Presentation by the Faculty of Economics at Keio University
7. Session 7: Presentation by the Faculty of Medicine at Cologne University
8. Session 8: Presentation by the Graduate School of Medicine at Keio University
9. Session 9: Presentation by the Faculty of Management, Economics and Social Sciences at Cologne University
10. Session 10: Presentation by the Faculty of Economics at Keio University
11. Session 11: Presentation by the Faculty of Medicine at Cologne University
12. Session 12: Presentation by the Graduate School of Medicine at Keio University
13. Session 13: Presentation by the Faculty of Management, Economics and Social Sciences at Cologne University
14. Session 14: Presentation by the Faculty of Economics at Keio University
- Other Session 15: Presentation by the Faculty of Economics at Keio University

**Method of Evaluation:**

Students will be evaluated on their class attendance and an essay to be submitted around the end of the semester. In order to be granted a passing grade, students must attend a minimum of 10 classes.

**Textbooks:**

There will be no designated textbook for the course.

**Reference Books:**

A list of references will be handed out in the first class, and as the course proceeds.

**Lecturer's Comments to Students:**

Ageing is a problem that Japan will be facing for many years. Anyone going to work in the public sector and private sector needs to have some idea of the problems that ageing will create.

**Questions/Comments:**

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

## ECONOMY AND ENVIRONMENTAL LAW

2 Credits (Spring Semester Intensive)

Lecturer HASE, Noriko

**Course Description:**

This course aims to explore a relationship between environment and socioeconomic activities from an aspect of law and its enforcement. The topics will be climate change (reduction of Greenhouse Gases and adaptation to the impacts), nature conservancy, nuclear power (compensation issues) and international cooperation on the environment issues. The related policies, projects and legal cases will be introduced for the discussion. Participants are required to prepare a presentation before the first class. Non-PCP students can also register for the course.

**Course Plan:**

1. Introduction and Overview of the course
2. Environment and economic development – legal case study (1)
3. Environment and economic development – legal case study (2)
4. Environment and law – rights of nature – legal case study
5. Climate change - International law and negotiation
6. Climate change – science and environment/ economic policy (1)
7. Climate change – science and environment/ economic policy (2)
8. Climate change –human and natural systems – legal case study (1)
9. Climate change – human and natural systems legal case study (2)
10. Nuclear accident and compensation (1)
11. Nuclear accident and compensation (2)
12. International cooperation for environment (1)
13. International cooperation for environment (2)
14. Wrap-up discussion

Other Review and Final Exam

(\* This course plan will be subject to change. The updated plan will be distributed at the first class)

**Method of Evaluation:**

Class attendance: 25%

Presentation of a selected topic: 25%

Discussion and comment paper (required on each topic): 20%

Exam: 30%

**Textbooks:**

The topics and documents, including guidance for the presentation, will be available at the PCP program office or by e-mail (pcpoffice@pcp.econ.keio.ac.jp) by no later than 30th July 2018.

**Reference Books:**

Reference books or papers will be indicated during the course.

**Lecturer's Comments to Students:**

This course is about law and legal cases, however is open to the students who are not familiar with the legal arguments. Guest speakers might be invited depending on their availability. Preparation for at least one presentation is required before the course starts. Please contact at the same e-mail address indicated at "course material" for further detail.

## EU COMPETITION LAW

2 Credits (Fall Semester)

Law and Economics

Lecturer ICHIKAWA, Yoshiharu

**Course Description:**

This class is open to PCP students, qualified 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.

**Textbooks:**

**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.

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

## ECONOMICS OF REGULATORY REFORM

2 Credits (Fall Semester)

Learning to use economics for policymaking

Project Professor KAWAMOTO, Akira

**Course Description:**

Non-PCP students can also register for this class.

Economic theories analyze cases when market will not deliver socially optimal outcomes (often called “market failure”) and offer policy solutions to them. Government interventions such as regulation and other legal measures, as well as public ownership, are intended to solve those market failures.

However, such policy measures can become quickly obsolete under changing economic environment

and rapid technological progress. In other cases, political pressures from vested interests, or inertia caused by monopolies or bureaucracies often frustrate even reasonable reform recommendations. As a result, unnecessary government measures often persist and more efficient alternatives left untried for a long time.

This course is about making government work better. Considering complexities of real world and difficulties in coordinating multitude of stakeholders, theoretical foundations of reforms are all the more important. From my long-time experiences in public sector, I can assure you that economics is a great tool for doing the job.

Its analysis provides policymakers with critical information and it helps make progressive policy recommendations. Drawing on the lecturer's experiences in Japanese government, international organization (OECD) as well as business, we are looking at concrete examples and considering best policy response. Issues include, among others, environment regulation such as response to global warming, policy review on corporate mergers, various sector reforms such as in electricity, telecommunication, transportation, financial and other services, privatization of various public services and appropriate IPR regime for promoting innovation.

### **Course Plan:**

1. Introduction
2. Environmental regulation; do we really need regulation in order to protect environment? What is the best way to achieve economic efficiency and environmental protection?
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 are new entry and innovation often frustrated? Is it right to restrain IT-based new competitors because they often disrupt traditional business models?
5. Natural monopoly; how best can natural monopoly, such as telecommunication or electricity be regulated in order to maximize social welfare?
6. Restructuring of network industry ; do "unbundling" and other structural reforms in network industry such as in 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 best can we balance between incentives for innovation and welfare loss from monopoly?
9. Financial regulation; from what perspectives should financial industries such as banks be regulated? Can we avoid the repetition of global crisis? Should innovative businesses often called "Fin Tech" be regulated?
10. Safety regulation; do manufactures and other firms have sufficient incentives to provide safe products?
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 In the later stage of the course we organize group presentation and discussion based on theoretical work we do in the earlier stage.

Guidance for presentation will be offered by the lecturer.

### **Method of Evaluation:**

-Regular attendance and participation in the class including presentation and discussion in the class

will be the most important.

-There will be weekly assignments.

-Final examination, if relevant. In that case, the weight should be approximately 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 weekly assignments in the earlier stage of the course and will usefully guide our discussion henceforth.

Interactive participation in the class is very much appreciated.

## CONTEMPORARY JAPANESE ECONOMY A

2 Credits (Spring Semester)

Risks and challenges

Project Professor KAWAMOTO, Akira

\*Spring Semester 1st half

**Course Description:**

Non-PCP students can also register for this class.

Japanese economy is at crossroads. It must grow sufficiently if social security is to be maintained against the underlying trend of aging population, but the growth record under "Abenomics" for past 5 years, while better than the previous 5 ones, has still fallen short of that need.

**We are living in the age both ever more exciting and riskier.** Impact from digital innovations such as AI and Big Data is increasingly visible and accelerating disruption of established business models. On the other hand, popular discontent among advanced economies has led to unprecedented level of political risks after WWII over the global economy, such as rise of protectionism or sudden outbreak of disastrous military conflicts.

Japanese economy did rather well in 2017, evidenced by low unemployment rate and high level of corporate profitability, but faced with abovementioned, we are forced to ask ourselves a lot of questions.

**What are the consequence and prospects from years of great monetary expansion? What is the future of public finance, considering recent budget making for FY 2018 and expected consumption tax rise in 2019? What exactly are the strength and weakness of Japanese economy? Are big corporations ready to transform themselves to the new era, or are start-ups promising enough to break the old mold? After all, can we find ways to enhance growth sufficiently to finance ever-increasing social security such as pension and healthcare?**

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 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 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(2)
5. **Monetary policy in Japan** -- did it work and will it? Its goal, achievement and future (1)
6. Monetary policy in Japan -- did it work and will it? Its goal, achievement and future (2)
7. **Public finance in Japan** --Is public finance sustainable in the long term? How can we minimize negative shocks from tax increase? What should we do now?(1)
8. Public finance in Japan -- Is public finance sustainable in the long term? How can we minimize negative shocks from tax increase? What should we do now?(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. **Labor market reform and growth**--how women workforce can contribute to economy furthermore? Does Japan need immigration?(1)
12. Labor market reform and growth --how women workforce can contribute to economy furthermore? Does Japan need immigration?(2)
13. Review, exercise and discussion (1)
14. Review, exercise and discussion (2)

Other Guidance will be offered when group presentations are organized.

#### **Method of Evaluation:**

- Regular attendance at the class and participation in the discussion is the most important.
- There will be weekly short essays.
- If relevant, there will be final examination or in-class test. In that case the approximate weight will be 20%.

## **CONTEMPORARY JAPANESE ECONOMY B**

2 Credits (Spring Semester)

Growth strategy of our own making

Project Professor KAWAMOTO, Akira

\*Spring Semester 2nd half

#### **Course Description:**

Non-PCP students can also register for this class.

Japanese economy is at crossroads. It must grow sufficiently if social security is to be maintained against the underlying trend of aging population, but the growth record under "Abenomics" for past 5 years, while better than the previous 5 ones, has still fallen short of that need.

**We are living in the age both ever more exciting and riskier.** Impact from digital innovations such as AI and Big Data is increasingly visible and accelerating disruption of established business models. On the other hand, popular discontent among advanced economies has led to unprecedented level of political risks after WWII over the global economy, such as rise of protectionism or sudden outbreak of disastrous military conflicts.

Japanese economy did rather well in 2017, evidenced by low unemployment rate and high level of corporate profitability, but faced with abovementioned, we are forced to ask ourselves a lot of questions.

**What are the consequence and prospects from years of great monetary expansion? What is the future of public finance, considering recent budget making for FY 2018 and expected consumption tax rise in 2019? What exactly are the strength and weakness of Japanese economy? Are big corporations ready to transform themselves to the new era, or are start-ups promising enough to break the old**

**mold? After all, can we find ways to enhance growth sufficiently to finance ever-increasing social security costs such as pension and healthcare?**

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 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. **Open economy and growth** -- political economy of globalization, how should we deal with the rise of protectionism? (1)
4. **Open economy and growth** -- political economy of globalization, how should we deal with the rise of protectionism? (2)
5. **Principles for growth strategy-- Government and market**-- what is the optimal "division of labor" between market and government in order to maximize growth? (1)
6. **Principles for growth strategy-- Government and market**-- what is the optimal "division of labor" between market and government in order to maximize growth? (2)
7. **Regulatory reform** -- theory, strategy and results (1)
8. **Regulatory reform** -- theory, strategy and results (2)
9. **Corporate reform** -- profitability, governance, role of investors and human resources (1)
10. **Corporate reform** -- profitability, governance, role of investors and human resources (2)
11. **Investment needed for growth** -- financing and venture capital, innovation and privatization (1)
12. **Investment needed for growth** -- financing and venture capital, innovation and privatization (2)
13. Review, exercise and discussion
14. Review, exercise and discussion

Other Group presentation/discussion may be organized in the form of "mini conference on growth strategy". Guidance will be offered in that case.

**Method of Evaluation:**

- Regular attendance at the class and participation in the discussion is the most important.
- There will be weekly short essays.
- If relevant, there will be final examination or in-class test. In that case the approximate weight will be 20%.

**PUBLIC FINANCE**

2 Credits (Fall Semester)

Public Finance

Project Professor KOOK, Joong-ho

**Course Description:**

This class is open to PCP students, qualified exchange students and Masters' course students only. This course introduces main functions of governments, and explains some features of central and local governments in Japan. The course of Public Finance aims to understand the basic theory of public finance and the fiscal activities of central

and local governments. We study the issues of provision of public goods, externality, optimal size of local authorities, fiscal decision-making of 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. Main Characteristics of governments in Japan
3. Functions of Governments, Provision of Public goods
4. Decentralization Theorem
5. Optimal Size of Local Government and Optimal Number of Residents
6. Tiebout Hypothesis (How individuals choose local authorities)
7. Government Revenue and Expenditure
8. Central and Local Tax Structure
9. Non-tax Revenue (User Charges)
10. Externality
11. Intergovernmental Fiscal Relations (1)
12. Intergovernmental Fiscal Relations (2)
13. Economic Policy and Government
14. Presentation of assignment (or essay) (1), Review and Summary
- Other Presentation of assignment (or essay) (2) 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, 2009. (Some chapters and parts will be selected, e.g. Fiscal Federalism.)

**Reference Books:**

Atkinson, Anthony. B. and Joseph E. Stiglitz, Lectures on Public Economics, Princeton Univ. Press, 2015.

Auerbach, Alan J., Raj Chetty, Martin Feldstein, and Emmanuel Saez, Handbook of Public Economics, North-Holland, 2013.

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, Handbook of Public Economics, North-Holland, 2002.

**Lecturer's Comments to Students:**

Let me know your backgrounds of economics and course requirements. It may help to proceed the course smoothly.

**Questions/Comments:**

Feel free to ask questions about the basic concepts of economics and the course.

## FINANCIAL MANAGEMENT AND CORPORATE GOVERNANCE

2 Credits (Spring Semester Intensive)

Professor OKUBO, Toshihiro

Guest Associate Professor (Part-time) WAGNER, Alexander F.

### 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?

Non-PCP students can also register for this class. Knowledge of basic corporate finance and microeconomics is required.

### Course Plan:

1. Introduction and overview of issues in financial management and corporate governance
2. Review of basics of corporate finance: What creates value in a company
3. Continuation of review of basics of corporate finance and main issues in corporate governance
4. Continuation of review of basics of corporate finance and main issues in corporate governance
5. P1: Examples of corporate governance systems in Europe, Japan, and the US
6. P2: Differences in project valuation methods
7. Coaching of groups
8. Managerial compensation  
P3: Examples of managerial compensation in Europe, Japan, and the US
9. Accounting, auditors, boards of directors
10. P4: Examples of boards of directors in Europe, Japan, and the US Boards of directors, institutional investors and activist investors
11. Coaching of groups
12. P5: Restructuring; hedge-funds; sum-of-parts valuation
13. P6: Shareholder rights; institutional investors; proxy advisors
14. Governance in non-profits Corporate citizenship  
Research in corporate governance

Other “P” indicates that the session is planned as presentations by students.

Group P1: Examples of corporate governance systems in Europe, Japan, and the US

Group P2: Case study: Tokyo Disneyland and the Disneysea Park

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

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

Group P5: Case study NEC Electronics

Group P6: Case study: Say-on-Pay at Qualcomm

### 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.

**Textbooks:**

Reading

1. There will be a casebook available at the PCP program office. Please pick up the casebook there, also **before the first class**. This book also contains slide set #1 for the first lecture. In the slides, you also find some questions for preparation. It would be helpful if you have thought about these questions before attending the first class.
2. A good textbook is: *Kim / Nofsinger / Mohr: Corporate Governance: International Edition, 3/E, 2010*. Unfortunately, this book is currently out of print, but if you can find a used copy, this can provide you with some useful background information
3. If you need to read up on basics of corporate finance before the class starts, I recommend books such as:  
Brealey / Allen / Myers: Principles of Corporate Finance  
Berk / DeMarzo: Corporate Finance

**Lecturer's Comments to Students:**

**General rules – please read these carefully:**

1. Please prepare the presentation in PowerPoint or save it as a PDF. Also, please bring the presentation on a USB stick on the day of your presentation.
2. You have to send me your presentation as a PowerPoint AND as a PDF at the latest by 8 p.m. on the day before your presentation by email to: alexander.wagner@bf.uzh.ch.
3. Your email has to state who did what on the presentation. The simplest statement is: “All members of the group contributed equally to the presentation.” The email has to be “signed” by all group members (and all group members have to be in cc).
4. In preparing your presentations, you are allowed and encouraged to use all sources of information at your disposal (books, journals, internet source etc.). It is very important that you cite exactly and provide correct references for all facts and opinions of others that you use in your presentations.
5. Concentrate on the key points in your presentation. You should have at most 15-20 PowerPoint slides. You can prepare some backup slides as additional material in case the discussion centers on something
6. Importantly, all the other students in the class should then ask questions and participate in the discussion. That is, the idea is that for each session one group (the one who is presenting) has the lead, but everybody else should also participate. In order to do so, all students – also those who are not presenting on a given day – should read the case assigned for that day and should at least broadly think about the assignment questions. Only the group assigned to each case has to prepare a formal presentation, but everybody should be prepared to discuss that presentation.
7. Each member in the group will generally receive the same grade (though if it is clear that contributions to the ultimate outcome were unequal, I may adjust the grade accordingly).

## INTRODUCTION TO FINANCE

2 Credits (Fall Semester)

Professor ARAI, Takuji

**Course Description:**

Non-PCP students can also register for this class.

We discuss discrete time option pricing models in a mathematical way.

The course is composed of three sections. In the first section, one-period binomial models are discussed. In particular, we study how to price options, and the meaning of some important terminologies in option pricing theory, say arbitrage, replicating strategy, market completeness and so forth. Next, we extend binomial models to general one-period models in the second section. The aim of this part is to

show the fundamental theorems of option pricing using some results on linear algebra. In the last section, we study multi-period models as a generalization of one-period models.

All students in this class are supposed to be familiar with calculus, linear algebra and the basic of probability theory.

**Course Plan:**

1. Introduction
2. One-period binomial models #1
3. One-period binomial models #2
4. One-period binomial models #3
5. One-period binomial models #4
6. General one-period models #1
7. General one-period models #2
8. General one-period models #3
9. General one-period models #4
10. General one-period models #5
11. Multi-period models #1
12. Multi-period models #2
13. Multi-period models #3
14. Multi-period models #4

Other Exercise

**Method of Evaluation:**

Final exam 90%, Assignment 10%

**Reference Books:**

Shreve, Stochastic Calculus for Finance I, Springer.

**Questions/Comments:**

By E-mail

## ADVANCED FINANCE

2 Credits (Spring Semester)

Lecturer UEMATSU, Shunichiro

**Course Description:**

Non-PCP students can also register for this class.

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

## FINANCE, POLICY AND THE GLOBAL ECONOMY

2 Credits (Fall Semester)

Professor KAJI, Sahoko  
Professor KIMURA, Fukunari  
Project Professor FUKASAKU, Kiichiro

**Course Description:**

This class is open to PCP students, Master's level graduate students and qualified 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.

**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 B 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 S.

## INDEPENDENT STUDY

2 Credits (Fall Semester)

Professor KAJI, SAhoko  
Guest Associate Professor (Part-time) YAMASHITA, Nobuaki  
Project Professor FUKASAKU, Kiichiro  
Lecturer TAGHIZADEH-HESARY, Farhad

**Course Description:**

This class is open to PCP students, Master's level graduate students and qualified 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.

#### **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 B 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 S.

## **ACADEMIC WRITING**

2 Credits (Spring Semester)

Lecturer NAKATSUGAWA, Miyuki

#### **Course Description:**

This class is open to PCP students, Master's level graduate students and qualified 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.