

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) 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
- 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); 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

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 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) Modernizing NAFTA
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); and Krugman, Obstfeld and Melitz (2014), International Economics, 10th Edition, Pearson Education Limited (<http://www.mypearsonstore.com/bookstore/international-economics-theory-and-policyplusnew-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 (Fall Semester Intensive)

Economics of Globalisation

Guest Associate Professor (Part-time) YAMASHITA, Nobuaki

◆Class Schedule◆

November 27: 4- 5 period

December 4: 4- 5 period

December 11: 4- 5 period

December 18: 4- 5 period

December 25: 4- 5 period

January 8: 4- 5 period

January 15: 4- 5 period

◆Classroom◆ Room 471

Course Description:

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 the distribution of income: the Heckscher-Ohlin model-Part 1
 5. Trade 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 the laptops in class.

APPLIED FINANCE

2 Credits (Fall 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 Q&A
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:

Final Exam 100 %.

Textbooks:

Slides / handouts will be provided on the instructor's website at
<https://sites.google.com/site/gregorweiss1981/home/teaching-1>

Textbooks:

1. Copeland/Weston/Shastri: Financial Theory and Corporate Policy:
Pearson New International Edition, ISBN-13: 978-1292021584
2. Brealey/Myers/Allen: Principles of Corporate Finance, ISBN-13: 978-1259253331.

Lecturer's Comments to Students:

I look forward to teaching students who are interested in any area of finance.
Previous knowledge of Excel/ R /MatLab is not required.

Questions/Comments:

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

MACROECONOMICS OF OPEN ECONOMIES A

2 Credits (Fall Semester)

Lecturer HAMANO, Masashige

MACROECONOMICS OF OPEN ECONOMIES B

2 Credits (Spring Semester)

Lecturer SAIKI, Ayako

◆Class Schedule◆

Every 1 period on Monday, Wednesday and Friday between August 2nd to 8th and August 17th to September 11th.

◆Classroom◆

August 2nd - September 9th: 475
September 11th: 522

Course Description:

This is a continuation of Open Macroeconomics (a).
This course covers Chapter 7-9 of the textbook (International Finance, Krugman/Obstfeld/Melitz 11th edition (Chapter 18-22 of International Economics, K/O/M/ 11th edition)

Course Plan:

1. Summary of the Fall Semester
2. Fixed exchange rate and foreign intervention (1) - Chapter 7
3. Fixed exchange rate and foreign intervention (2) - Chapter 7
4. International Monetary System - Chapter 8
5. Financial Globalization (1) - Chapter 9
6. Financial Globalization (2) - Chapter 9, Rey (2013)
7. Exchange Rate Regimes (1) - Frankel (1999)
8. Exchange Rate Regimes (2) - Frankel (1999)
9. Optimal Currency Area and Euro (1) Chapter 10
10. Optimal Currency Area and Euro (2) Chapter 10, Krugman (2012)
11. Developing Countries Chapter 11
12. Developing Countries Chapter 11
13. Original Sin Eichengreen et al. (2013)
14. Review Session for Final Exam

Other If you have a learning disability, please see me immediately so that appropriate accommodation can be made. Office hours are by appointment only.

Method of Evaluation:

Exam: 60% (closed book, no laptops, no cellphones, etc.)

Homework: 20% x 2 =40% (hand in your own work; can talk and assist each other)

Textbooks:

International Finance, Krugman/Obstfeld/Melitz 11th edition. Available from the library to download;
OR International Economics, Krugman/ Obstfeld/Melitz 11th edition. Available from the library to download/

Reference Books:

Required Readings

- 1) Jeffrey Frankel, 1999. No Single Currency Regime is Right for All Countries or at All Times, Available to download from [https:// www.nber.org/papers/w7338](https://www.nber.org/papers/w7338)
 - 2) Hélène Rey, 2013. Dilemma not Trilemma: The global financial cycle and monetary policy independence, VOXEU, [https://voxeu.org/ article/dilemma-not-trilemma-global-financial-cycle-and-monetary-policyindependence](https://voxeu.org/article/dilemma-not-trilemma-global-financial-cycle-and-monetary-policyindependence)
 - 3) Paul Krugman, 2012. Revenge of Optimal Currency Area, Downloadable from [https://krugman.blogs.nytimes.com/2012/06/24/ revenge-of-the-optimum-currency-area/](https://krugman.blogs.nytimes.com/2012/06/24/revenge-of-the-optimum-currency-area/)
 - 4) Barry Eichengreen et al. 2003. Currency Mismatches, Debt Intolerance and Original Sin: Why They Are Not the Same and Why it Matters, downloadable from <https://www.nber.org/papers/w10036>
- Lecturer's Comments to Students : Please note that your grade will not be provided until after September 10th.

You are expected to be honest in all of your academic work. Sanctions for academic dishonesty (cheating in the exam, plagiarism in homework (will be checked using a software)) can include failing grades and/or suspension from the university.

Questions/Comments:

Question can be sent to the Email of the instructor. Office hours: upon request.

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: The Meaning of Development
 - (I-1) Comparative Economic Development in a Multipolar World
3. (I-2) Human Development and Sustainable Development Goals
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
 - (II-4) Group Discussions: Happiness and Development
8. 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?
12. 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
 - (IV-3) Strengthening Social Safety Nets
- Other Revisiting Sustainability Questions in Economic Development

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 LAW AND ECONOMY

2 Credits (Spring Semester)

Professor KIMURA, Fukunari

Course Description:

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 trade agreements (RTAs). The text of some RTAs 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).

ENVIRONMENTAL ECONOMIC POLICY

2 Credits (Fall Semester)

Global Economic Environmental Policy

Project Professor McDONALD, Anne

Course Description:

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)

Lecturer CHOY, Yee Keong

Course Description:

This course is opened to PCP (selected) exchange students and Master course students only.

The aim of the course is not just only to impart course contents or discipline-specific knowledge to students but also, to enable them to develop economic methods and tools, and cross-disciplinary analytical as well as proper modes of problem-solving skills in evaluating real world development and environmental issues. With this end in view, the course is structured into three parts as follows:

(a) The first part of the course comprises a series of lectures as shown in the course plan section.

(b) The second part of the course is designed to apply course knowledge into practice in order to enable students to better understand course concepts in association with real world problems. It basically involves the discussion of real-world environmental issues such as deforestation, biodiversity loss, greenhouse gas emissions and climate change, among others, premised on the theories and concepts explained throughout the first part of the course. This may be done in 2 lectures

(c) The last part of the course is a "from theory to practice" group project. It is basically an interactive class conducted by using real world development and environmental issues and case studies including those from the Harvard Business Review. After learning the basic environmental economic theories and concepts, students are required to apply them to articulate the assigned case studies used in class discussions. Students will firstly form into a small group of 3 to 5 persons as a lead group to prepare for a presentation in class. After presentation, the rest of the students are required to assume the role of policy makers, corporate executive officers, environmentalists, NGO representatives or ordinary citizens as the case deems fit, to create, present and rebut arguments based on evidence, concepts and theories, and to suggest mitigating measures or proper modes of policy design. All students are compulsorily required to participate actively in class. Students will be evaluated based on how well they are able to conceptualize, articulate and apply the concepts and theories learned throughout the course.

Course Plan:

1. Introduction: What is environmental economics? The economic view of the environment (scarcity,

- external cost, society well-being, values and circular flow of the economy and the environment, among others). The distinction between environmental economics and ecological economics
2. Natural resources: – definition, properties and scope
 3. How market works – supply and demand, market failures and externality
 4. Cost-benefit analysis in environmental policy making: some basic theories
 5. Ecosystem services, environmental values and environmental valuation
 6. Values, utility and social well-being: basic theories and relationship
 7. Environmental regulation: command-and-control regulation, marketbased-approaches and behavioral intervention
 8. Others: Economic growth, economic development, sustainable development and environmental management
 9. Lecture on real-life relevance of concepts and theories learned in class (deforestation, habitat destruction, biodiversity loss and environmental management)
 10. Lecture on real-life relevance of concepts and theories learned in class (greenhouse gas emissions, climate change and environmental management)
 11. Interactive course works, discussions and debates on real world development and environmental issues
 12. Interactive course works, discussions and debates on real world development and environmental issues
 13. Interactive course works, discussions and debates on real world development and environmental issues
 14. Interactive course works, discussions and debates on real world development and environmental issues.

Other Slight adjustment may be made to the above course structure as the case deems fit.

Method of Evaluation:

Homework assignments: 20%

Mid-term exam:20%

Final-term exam:30%

Class participation especially in the group project:30%

Textbooks:

No particular textbook is required. Lecture notes will be prepared by the instructor and reading assignments will be distributed to students one week before each lesson.

Reference Books:

Charles D. Kolstard. 2000. Environmental Economics. New York, Oxford: Oxford University Press

Jeroen C.J.M. van den Bergh (ed.). 1999. Handbook of Environmental and Resource Economics. Cheltenham, UK; Northampton, MA, USA: Edward Elgar

Ahmed Hussen. 2013. Principles of Environmental Economics and Sustainability. (3rd edition). London and New York: Routledge

John C. Love and David G. Ockwell (eds.). A Handbook of Environmental Management. Cheltenham, UK; Northampton, MA, USA: Edward Elgar

Sara Hsu (ed.). 2018. Routledge Handbook of Sustainable Development. London and New York: Routledge

Lecturer's Comments to Students:

Home assignments delivered after the predetermined deadline for submission will not be accepted or graded. The specific details of these assignments will be explained in class lecture. Attendance will be marked and students will have to shoulder the responsibility for skipping classes.

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%

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., Yoshino, N., Abdoli, G. and Farzinvash, 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
2. 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>
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. Yoshino, N. 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
5. 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.
6. Taghizadeh-Hesary, F., N. Yoshino and E. Rasoulinezhad (2017). Impact of Fukushima Nuclear Disaster on Oil-Consuming Sectors of Japan. *Journal of Comparative Asian Development*. 16:2, 113-134, DOI: 10.1080/15339114.2017.1298457
7. Taghizadeh-Hesary, F. N. Yoshino and Y. Inagaki. (2018). Empirical Analysis of Factors Influencing the Price of Solar Modules. *International Journal of Energy Sector Management*, <https://doi.org/10.1108/IJESM-05-2018-0005>

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 renewable energy resources? And how can we achieve sustainable economic growth using these resources?
- 4- What are the determinants of renewable energy prices (solar, wind, geothermal and etc.)
- 5-What are the impacts of higher energy prices on various economies, including emerging and developed economies?
- 6- What are the impacts of economic factors on energy prices?

LECTURE SERIES ON LONGEVITY STUDIES

2 Credits (Fall Semester)

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 and the Faculty of Management, Economics and Social Sciences at Cologne University
 3. Session 3: Presentation by the Faculty of Medicine at Keio and Cologne Universities
 4. Session 4: Presentation by the Faculty of Medicine at Keio and Cologne Universities
 5. Session 5: Presentation by the Faculty of Economics at Keio University and Faculty of Management, Economics and Social Sciences at Cologne University
 6. Session 6: Presentation by the Faculty of Economics at Keio University and Faculty of Management, Economics and Social Sciences at Cologne University
 7. Session 7: Presentation by the Faculty of Medicine at Keio and Cologne Universities
 8. Session 8: Presentation by the Graduate School of Medicine at Keio and Cologne Universities
 9. Session 9: Presentation by the Faculty of Economics and the Faculty of Management, Economics and Social Sciences at Cologne University
 10. Session 10: Presentation by the Faculty of Economics at Keio University and the Faculty of Management, Economics and Social Sciences at Cologne University
 11. Session 11: Presentation by the Faculty of Medicine at Keio and Cologne Universities
 12. Session 12: Presentation by the Graduate School of Medicine at Keio and Cologne Universities
 13. Session 13: Presentation by the Faculty of Economics at Keio University and Faculty of Management, Economics and Social Sciences at Cologne University
 14. Session 14: Presentation by the Faculty of Economics at Keio University and Faculty of Management, Economics and Social Sciences at Cologne University
- Other Not applicable

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.

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.

The course website for 2018 lecture series is found here: [https:// www.portal.uni-koeln.de/keio_cologne_lecture_series.html](https://www.portal.uni-koeln.de/keio_cologne_lecture_series.html)

ECONOMY AND ENVIRONMENTAL LAW

2 Credits (Spring Semester Intensive)

Lecturer HASE, Noriko

◆Class Schedule◆

July 6: 1 - 5 period

July 13: 1 - 5 period

July 20: 1 - 5 period

◆Classroom◆ Room 475

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 submit short essays before the first class, and make at least one presentation before during the course.

Non-PCP students can also register for the course.

Course Plan:

1. Introduction and Overview of the course
2. Preparation for presentation
3. Environment and economic development – legal case study
4. International cooperation for environment (1)
5. Environment and economic development – legal case study
6. Climate change and pollution – legal case study
7. Climate change – science and environment/ economic policy
8. Environment and law – rights of nature – legal case study
9. Climate change –human and natural systems – legal case study
10. Comment paper writing (1)
11. Comment paper writing (2)
12. Nuclear accident and compensation
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 necessary documents will be available at the class support system (授業支援システム) of “keio.jp” before the course starts.

Reference Books:

Reference articles 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.

The topics and documents for the essays, which is required to be submitted in advance to the course, will be available at the class support system (授業支援システム) of “keio.ac” by no later than 7th June 2019. Please contact the PCP program office (pcpoffice@pcp.econ.keio.ac.jp) for any further inquiry.

EU COMPETITION LAW

2 Credits (Fall Semester)

Law and Economics

Lecturer ICHIKAWA, Yoshiharu

Course Description:

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 (1)
12. American and European Perspective on Antitrust – Comparative perspective (1)
13. Case Studies – Latest developments (like cases on GAFA)
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。)

SEMINAR IN SPECIAL TOPICS

1 Credits (Fall Semester)

Make government work better

Project Professor KAWAMOTO, Akira

Course Description:

Non-PCP students can also register for this class.

The contents of this class are not different from the lecture-style class I taught until last year. Starting

from this year, the style resembles that of a seminar, with reading of materials written in this field, students' presentation, discussion and deeper analysis towards the final paper.

Economic theories analyze cases and offer policy solutions when the market does not deliver socially optimal outcomes (often called "market failure"). 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 are 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. In fact, the aim of this course is to reach beyond the issues of reforms to include the overall relationship between economics and policymaking in general. From my long-time experiences in the public sector (Japanese Government and OECD), I can assure you that economics is a great tool for doing the job.

Course Plan:

1. Introduction
 2. Externality; theory
 3. Environmental protection such as global warming prevention; is regulation the best way to harmonize economic efficiency and environmental protection?
 4. Social welfare impact of corporate mergers
 5. Merger control by government; is it working?
 6. Economic regulation; why does over-regulation persist to restrain new entry and competition?
 7. Disruptive new entrants; ex.)should we welcome digital platform firms to disrupt traditional businesses such as taxis and hostels?
 8. Monopoly; theory
 9. Emerging new monopolies; Are "GAFA" new monopolists in modern age?
 10. Restructuring of network industry such as electricity sector; how can we make it work?
 11. Public ownership and privatization; theory
 12. Conditions for successful privatization; ex.) are a range of public service, from postal delivery, airport management, to water supply better to be privatized?
 13. Innovation and intellectual property system; theory
 14. Appropriate level of protection; ex.) are creators discouraged by increasing piracy of copyrights?
- Other Coursework and Assignments/Makeup Class/Office Hours/Seminar Camp/Visit to Facilities etc.

Method of Evaluation:

Participation in class such as exercises, discussion and presentation, and Writing a final paper will be the major source of evaluation.

Textbooks:

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

Reference Books:

"Trillion Dollar Economists:How Economists and Their Ideas have Transformed Business" Robert Litan

(2014)

"The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies" Erik Brynjolfsson & Andrew MacAfee (2016)

"Adaptive Markets: Financial Evolution at the Speed of Thought" Andrew Lo (2017)

- Other reading materials as suggested during the course

Lecturer's Comments to Students:

Concepts from economics have helped the world prosper. I have experienced that in my professional career in public/private sector. I wish to share those experiences with you, and hopefully to enable you to use economics better in your life!

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 continued to grow through 2018, with low unemployment rate and high level of corporate profitability. However, the growth record under "Abenomics" for past 5 years, while better than that during the previous half a decade, has been disappointing; it failed to assure the need to finance social security against the underlying trend of aging population.

Globally, we are living in the turbulent age. Popular discontent among advanced economies and the rise of state "capitalism" of China have destabilized the global governance to the extent unseen since the end of WWII. This is taking place just as digital innovations such as AI and Big Data are transforming the economy. Time after time, we are witnessing established business models disrupted by new forces often led by powerful tech-centered giants.

These observations force us to ask a lot of questions for Japanese economy. What is the consequence and prospects from years of great monetary expansion? How can we manage public finance? While consumption tax rise seems to be inevitable, do we have reliable and coherent economic-fiscal scenario in the mid-long term? There is no robust growth without vigorous private sector, but are Japanese corporations ready to transform themselves to the new era, or are start-ups promising enough to break the old mold? Can government help through significant system reform of regulations or labor market? 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 mid-long term economic-fiscal strategy should we pursue?(1)

8. Public finance in Japan -- Is public finance sustainable in the long term? How can we minimize negative shocks from tax increase? What mid-long term economic-discal strategy should we pursue?(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**-- is life-long employment, dominant feature in Japanese labor market, sustainable? How can women workforce 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 30%.

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 continued to grow through 2018, with low unemployment rate and high level of corporate profitability. However, the growth record under “Abenomics” for past 5 years, while better than that during the previous half a decade, has been disappointing; it failed to assure the need to finance social security against the underlying trend of aging population.

Globally, we are living in the turbulent age. Popular discontent among advanced economies and the rise of state “capitalism” of China have destabilized the global governance to the extent unseen since the end of WWII. This is taking place just as digital innovations such as AI and Big Data are transforming the economy. Time after time, we are witnessing established business models disrupted by new forces often led by powerful tech-centered giants.

These observations force us to ask a lot of questions for Japanese economy. What is the consequence and prospects from years of great monetary expansion? How can we manage public finance? While consumption tax rise seems to be inevitable, do we have reliable and coherent economic-fiscal scenario in the mid-long term? There is no robust growth without vigorous private sector, but are Japanese corporations ready to transform themselves to the new era, or are start-ups promising enough to break the old mold? Can government help through significant system reform of regulations or labor market?

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 30%.

MACROECONOMICS OF EU ECONOMIC INTEGRATION

2 Credits (Fall Semester)

Professor OKUBO, Toshihiro

Course Description:

This is an intensive special course which provides an introduction into key concepts international macroeconomics and finance in terms of European Economic Integration. Students will learn overview of European Economic Integration and several issues on international macroeconomics, finance and EU regional economy. The course is aimed mainly at undergraduate students in their third/fourth year of study as well as graduate students, including PCP, PEARL DD(double degree program) students.

Course Plan:

1. Introduction
2. Overview of European Economic Integration
3. International Parity Conditions
4. Exchange Rate Determination in the Short-Run and the Long-Run

5. Monetary and Fiscal Policies in Open Economies, Optimum Currency Area Theory 1
 6. Monetary and Fiscal Policies in Open Economies, Optimum Currency Area Theory 2
 7. Financial integration, risk sharing and crises 1
 8. Financial integration, risk sharing and crises 2
 9. International Capital Flows, Current Account Dynamics and Macroeconomic Fluctuations 1
 10. International Capital Flows, Current Account Dynamics and Macroeconomic Fluctuations 2
 11. Looking back: some history of International Capital Flows and the International Financial System
 12. Dynamic aspects of Fiscal Policy, fiscal arithmetic, fiscal crises and financial repression
 13. Turning to the Japanese Economy--"Lost Decades" and macroeconomy
 14. European Economic Integration and implications to Japanese economy--what should we learn from European Economic Integration
- Other Student presentation

Method of Evaluation:

Exam and term report(s) (or student presentation)

PUBLIC FINANCE

2 Credits (Spring Semester)

Public Finance

Project Professor KOOK, Joong-ho

Course Description:

There are the two criteria of efficiency and equity in economics or public finance. 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 governments, related to efficiency and equity criteria. We study the issues of provision of public goods, externality, income (re)distribution, economic effects of taxation, some topics of intergovernmental fiscal relations, and other some fiscal decisionmakings of central and local levels. While we mainly use the framework of traditional public finance theory, if necessary, we introduce public choice approach.

Course Plan:

1. Introduction: Overview of the Course
 2. Fiscal Features in Japan and Main Functions of Governments
 3. The Concept of Pareto optimality
 4. Social Welfare and Equity
 5. Provision of Public goods
 6. Externality
 7. Income Redistribution and Social Insurance
 8. Central and Local Tax Structure
 9. Taxation and Income Distribution: Tax Incidence etc.
 10. Taxation and Efficiency: Excess Burden etc.
 11. Local Public Finance: Decentralization Theorem etc.
 12. Local Public Finance: Tiebout Hypothesis etc.
 13. Intergovernmental Fiscal Relations
 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
- 2) Brief Exam(or Quiz)

Textbooks:

Cullis, John and Philip Jones, Public Finance and Public Choice, 3 rd edition, Oxford Press, 2009. (Main).
Rosen, Harvey S. and Ted Gayer, Public Finance, 10th ed. McGraw-Hill, 2014.
(Some chapters and parts will be selected.)

Reference Books:

Rosen, Harvey S. and Ted Gayer, Public Finance, 10th ed. McGraw-Hill, 2014.
Musgrave, R. A and P. B. Musgrave, Public Finance in Theory and Practice, McGraw-Hill, 5th Edition, 1989.
Atkinson, Anthony. B. and Josept 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.
Handouts of Fiscal and Tax Data and Issues.
National Tax Agency, Japanese Tax Systems.
Other Handouts related to Public Finance etc.

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 or public finance.

FINANCIAL MANAGEMENT AND CORPORATE GOVERNANCE

2 Credits (Spring Semester Intensive)

Professor OKUBO, Toshihiro

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

◆Class Schedule◆

Week 1: Thursday, April 11 (Period 4,5)
Saturday, April 13 (Period 3,4)
Week 2: Thursday, April 18 (Period 4,5,6)
Saturday, April 20 (Period 3,4,5)
Week 3: Thursday, April 25 (Period 4,5)

◆Classroom◆ Room 475

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)

Opening pricing theory for discrete time models

Professor ARAI, Takuji

Course Description:

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 one-period models to multi-period models. In particular, we discuss pricing of American options. In the last section, we study general one-period models. The aim of this part is to show the fundamental theorems of option pricing using some results on linear algebra. This class will be carried out following the lecture note uploaded on [http:// web.econ.keio.ac.jp/staff/arai/](http://web.econ.keio.ac.jp/staff/arai/) 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. Multi-period binomial models #1
 7. Multi-period binomial models #2
 8. Multi-period binomial models #3
 9. Multi-period binomial models #4
 10. General one-period models #1
 11. General one-period models #2
 12. General one-period models #3
 13. General one-period models #4
 14. Examination and Exercise
- Other Exercise

Method of Evaluation:

Final exam 90%, Assignment 10%

Textbooks:

The lecture note uploaded on <http://web.econ.keio.ac.jp/staff/arai/>

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

AID AND DEVELOPMENT

2 Credits (Spring Semester)

Professor YAMADA, Hiroyuki

Course Description:

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, based on the practical experience of the lecturer in developing countries and at international organizations. We go over findings on various topics obtained in many academic papers.

Course Plan:

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

Method of Evaluation:

1. Attendance
2. Participation and contribution to class discussion
3. Mid-term report
4. Final report

Textbooks:

There is no text book for this course. The reading list and handouts will be distributed via keio.jp. 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.

The detail of the course, reports, and students' presentations will be explained in the first class (Introduction session).

Questions/Comments:

By email.

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.

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 or an A.

INDEPENDENT STUDY

2 Credits (Fall Semester)

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

three times 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 or an A.

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) crafting a research question, (5) preparing a

draft proposal, and (6) revising 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.