Economics 262: Economy of Japan  
Fall 2010 (PAC 107, MW 1:10-2:30)

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Purpose: This course covers Japan's economic history, structure, policy, and performance from the mid-19th century to the present. We will use economic tools to analyze topics such as the industrialization of Japan, prewar instability, postwar recovery, and Heisei Recession, etc.

Readings:
Articles in reserve

Course Grading: There will be 4 important factors that determine your final grade: 4 problem sets, 1 midterm, final exam (cumulative), and class participation. The weights given to these components are:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Problem Sets</td>
<td>25%</td>
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<tr>
<td>Midterm</td>
<td>25%</td>
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<tr>
<td>Final Exam</td>
<td>40%</td>
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<tr>
<td>Class Participation</td>
<td>10%</td>
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Problem Sets: There will be 5 problem sets. The questions are designed to reinforce your basic understanding of economic tools, rather than about the Japanese economy.

Review Sessions: Review sessions are held on 10/10, 10/31, and 11/21 in PAC107 to answer your questions on the problem sets

Exams: Exams are scheduled as follows: Midterm 1 in class on Wednesday, October 13 and final exam (cumulative) on Wednesday, December 15 (9:00 a.m. – noon). There will be no make-up exams. If you cannot take a midterm in the case of medical emergency, I will assign 65 % of your total grade to final exam provided that you give me a written proof. I will reschedule final exam only in the case of serious emergency.

Lecture: Note that class participation is a huge part of your grade, and it is impossible to participate in class without attending. Please come to class and rigorously participate in discussion; I would not have much fun if I am the only one talking! If you know that you will have to be late and/or leave early, please let me know in advance.

Other Important Dates: You must go to the Annual Freeman Lecture at Freeman Center (East Asian Study) by Edward Lincoln on 11/11.

Problem set #3 asks you summarize his lecture. Because this lecture is required, I will NOT hold lecture on Wednesday, November 10.
**Course Outline and Readings**

Week 1 (9/6 – 9/8): Economic Well-being of Japanese  
Flath, Chapter 1  
The World Factbook (CIA)  

Week 2 (9/13 – 9/15): Meiji Restoration  
Flath, Chapter 2

Week 3 (9/20 – 9/22): Hyperinflation  

**Problem Set #1 due on 9/27**

Week 4 (9/27 – 9/29): Hyperinflation and Stabilization during Meiji Period  
Flath, Chapter 3  

Week 5 (10/4 – 10/6) Keynesian Economics  
Mankiw, Chapters 10 and 11

**Problem Set #2 due on 10/11**

Week 6 (10/11 – 10/13) Interwar Instability  
Flath, Chapter 3  

**Midterm on 10/13**

Week 7 (10/20 – 10/25) Macroeconomics  
Flath, Chapter 6
Week 8 (10/27 – 11/1) Heisei Recession – Fiscal & Monetary Policy

Problem Set #3 due on 11/1

Week 9 (11/3 – 11/8) Heisei Recession – Banking Crisis

Week 10 (11/10 – 11/15) Solow Growth Model
Flath, Chapter 4

Problem Set #4 due on 11/12

There is no class on Friday, 11/10. However, you must go to Edward Lincoln’s lecture at 8:00 p.m. on Thursday (11/11) at the Mansfield Freeman Center for East Asian Studies.

Week 11 (11/17 – 11/22) Postwar Recovery

Problem Set #5 due on 11/22

Week 12 (11/29 – 12/1) Saving
Flath, Chapter 5

Week 13 (12/6 – 12/8) TBD & Reviews