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:
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Articles in reserve


Course Grading: There will be 4 important factors that determine your final grade: 5 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 2/19, 3/4, 4/1, 4/15, and 4/22 in PAC125 to answer your questions on the problem sets

Exams: Exams are scheduled as follows: Midterm in class on Thursday, March 8 and final exam (cumulative) on Thursday, May 17 (2:00 – 5:00). 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 Takeo Hoshi on 4/19. Problem set #3 asks you summarize his lecture.
Course Outline and Readings

Week 1 (1/31 – 2/2): Meiji Restoration and Technological Modernization

Flath, Chapter 2


Week 2 (2/7 – 2/9): Sovereign Risk during Meiji Period


Week 3 (2/14 – 2/16): Budget Deficit and Hyperinflation


Problem Set #1 due on 2/20

Week 4 (2/21 – 2/23): Hyperinflation and Stabilization during Meiji Period

Flath, Chapter 3


Week 5 (2/28 – 3/1) Keynesian Economics

Mankiw, Chapters 10 and 11
Problem Set #2 due on 3/5

Week 6 (3/6 – 3/8) Interwar Instability

Flath, Chapter 3


Midterm on 3/8

Week 7 (3/27 – 3/29) Heisei Recession – Banking Crisis

Chapters 1-5: *Japan's Financial Crisis and Its Parallels to US Experience*


Problem Set #3 due on 4/2

Week 8 (4/3 – 4/5) Heisei Recession – Monetary Policy

Chapters 6-9: *Japan's Financial Crisis and Its Parallels to US Experience*

Week 9 (4/10 – 4/12) Fiscal Policy


Problem Set #4 due on 4/16

Week 10 (4/17 – 4/19) Solow Growth Model

Takeo Hoshi’s lecture at 8:00 p.m. on Thursday (4/19) at the Mansfield Freeman Center for East Asian Studies.

**Problem Set #5 due on 4/23**

Week 11 (4/24 – 4/26) Postwar Recovery


Week 12 (5/1 – 5/3) Income Inequality


Week 13 (5/8– 5/10) TBD & Reviews

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*** Final Exam, Thursday, May 17 (2:00 – 5:00) ***************