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. A particular emphasis is placed on the application of macroeconomic theory to understanding a series of economic events in Japan that are of relevance to other countries.

Readings: Articles on e-reserve (password is “econ262”). You should keep up with the required reading every week.

Course Grading: There will be 5 important factors that determine your final grade: 1 midterm exam (20%), 6 homework assignments (15%), group project (15% for paper & 5% for presentation), class participation (5%), and cumulative final exam (40%). The weights given to these components are in parenthesis.

Problem sets: There will be 7 problem sets consisting of analytical questions and short essays. The questions are designed to reinforce your basic understanding of economic tools, rather than about the Japanese economy. You are encouraged to work with your classmates but must turn in your own answers. If you work with your classmates, write down the names of those people. Matt Conley, my CA, will hold review sessions from 7:30-9 pm on 2/6, 2/20, 3/27, 4/3, 4/10, and 4/17 in PAC421 to answer your questions.

Exams: Midterm exam is in class on Wednesday, March 5th. Cumulative final exam is on Tuesday, May 13th, from 9 am - noon. There will be no make-up exams. If you cannot take an exam in the case of medical emergency, you must give me a written proof; otherwise, you will receive zero for the missed exam.

Class Participation: I consider 3 factors to be important. First, class attendance is important, without which you cannot participate in class. Second, I highly value questions. There are no such things as dumb questions. Do not let unresolved questions linger too long. I will do my best to resolve them in class. Second, I ask some questions every now and then in class. I appreciate any students who try their best to come up with reasonable answer in class. I consider both quality and quantity of class participation for final grades. If you know that you will have to be late and/or leave early, please let me know in advance.

Group Project: You will be working in a group of 3-5 students, write a research paper (due on Friday, April 25), and then present it in class in the last two weeks of the semester. In the group project, you pick a topic that is not covered in class and undertake an in-depth research on it. I will give more details later, but I strongly encourage you to start finding your group members early.
Course Outline and Readings

Week 1 (1/27 – 1/29): Meiji Restoration
  • Flath, Chapter 2

Week 2 (2/3 – 2/5): Macroeconomic Stabilization
  • **Problem Set #1 due on 2/7**

Week 3 (2/10 – 2/12): Hyperinflation and Stabilization during Meiji Period
  • Flath, Chapter 3

Week 4 (2/17 – 2/19): Keynesian Economics
  • Mankiw, Chapters 10 and 11
  • **Problem Set #2 due on 2/21**

Week 5 (2/24 – 3/26): Interwar Instability
  • Flath, Chapter 3

Week 6 (3/3 – 3/5): Post-WWII Growth
  • Flath, Chapter 4
  • **Midterm on 3/5**
Week 7 (3/24 – 3/26): Post-WWII Macroeconomic Policy
  - Flath, Chapter 6
  - **Problem Set #3 due on 3/28**

  - Flath, Chapter 13
  - **Problem Set #4 due on 4/4**

Week 9 (4/7 – 4/9): Monetary Policy
  - **Problem Set #5 due on 4/11**

Week 10 (4/14 – 4/16): Fiscal Policy
  - **Problem Set #6 due on 4/18**

Week 11 (4/21 – 4/23):
  - TBD
  - **Paper due on 4/25**

Week 12 (4/28 – 4/30): Group Presentation

Week 13 (5/5 – 5/7): Group Presentation

**Final Exam, Tuesday, May 13 (9:00 – noon)**