MBAD-6310
Sports Economics
Spring 2013

Class Room: City Center Building
Instructor: Dr. Craig A. Depken II
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Class Meets: T 5:30-8:15pm
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Web page: belkcollege.uncc.edu/cdepken
Office Hours: M,W 1-2PM; 3:14-4:30PM & by appointment

Course Objective: This course will apply economics to professional and amateur sports. The topics covered include franchise decision making, league structure and policies, professional and amateur labor markets, the role and impact of sports on campus, and the economic impact of sporting franchises and events on local and regional economies.

Texts: The Economics of Sports, 4th edition by Michael Leeds and Peter von Allmen (LVA) is the suggested textbook for this course. The first or second edition of Leeds and von Allmen is a reasonable substitute text, as is Rodney Fort’s book Sports Economics. Additional papers from the peer-reviewed literature will be posted at the course’s moodle page; students are responsible for printing or otherwise accessing the papers (many through the Atkins Library).

Course Web Page: The course web page is at www.belkcollege.uncc.edu/cdepken.

Grading: Grading will proceed in the following manner.

• Five Out-of-Class Projects worth 100 points
• 1 Midterm Exam worth 100 points
• 1 Final Exam worth 100 points
• 1 Term Paper worth 100 points

THE FINAL EXAM IS REQUIRED. NO EXCEPTIONS!!!

Out of the possible 400 points in the class, the grades will follow as such:

    A 400-360  B 359-320  C 319-280  D 279-240  F 239-0

Test scores are NOT rounded up. Rounding of final course scores follows standard practice: only .5 or above will be rounded up to the next whole number.

Extra Credit: Individual extra credit projects are not offered in this class.
**Academic Honesty**: Please note that academic misconduct (cheating) will NOT be tolerated. In addition, students have the responsibility to know and observe the requirements of The UNC Charlotte Code of Student Academic Integrity. This code forbids cheating, fabrication or falsification of information, multiple submission of academic work, plagiarism, abuse of academic materials, and complicity in academic dishonesty. Academic evaluations in this course include a judgment that the students work is free from academic dishonesty of any type; and grades in this course therefore should be and will be adversely affected by academic dishonesty. Students who violate the code can be expelled from UNC Charlotte. The normal penalty for a first offense is zero credit on the work involving dishonesty and further substantial reduction of the course grade. In almost all cases, the course grade is reduced to F. Copies of the code can be obtained from the Dean of Students Office. Standards of academic integrity will be enforced in this course. Students are expected to report cases of academic dishonesty to the course instructor.

**Make-up Exams and Tardy Projects**: Make-up exams are generally not offered. Make-up exams will be offered if you miss an exam while officially representing the University at an off-campus event. If you miss an in-class exam, without prior consultation with the teacher of record, you will be given a zero (0) for that exam, and the weight of the missed exam may be placed on the final exam. Any out-of-class project (other than the term paper, see below) turned in late can earn a maximum of 75% of the project’s original value.

**ADA Compliance**: As a faculty member, I am required by law to provide “reasonable accommodation” to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing faculty at the beginning of the semester and in providing authorized documentation through designated administrative channels.

**Cell Phones**: All beepers, pagers and cell phones must either be turned off prior to class starting or placed in silent mode. The proliferation of cell phones and other communication devices has increased the negative externalities imposed on others when they activate during class.

**Statement on Diversity**: The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

**Some important dates**:

- Classes begin: January 9
- First Day of Class: January 12
- MLK, Jr. Day: Monday, January 21
- Spring Break: March 4-March 9 (No Class)
- Classes End: Tuesday, April 30
- Last Class: Tuesday, April 30
- Midterm Exam: Tuesday, March 19 (subject to change to, possibly, March 12)
- Final Exam: Tuesday May 7 (5:30PM-8:15PM) [subject to change: see university exam schedule]
- Term papers due: Tuesday May 7 (or before)
Homework

I plan five out-of-class assignments which will address one or more topics we discuss in class. You will often be asked to undertake analysis of existing data or data that you gather on your own or as a member of a team. Data analysis, specifically regression analysis will be undertaken in this class using MS-Excel and the Data Analysis ToolPak and Data Analysis ToolPak VBA add-ins. You can access these add-ins using computers in the Belk College of Business or by obtaining a copy of Microsoft Excel at the Atkins Library.

Term Paper Guidelines

Assignment: Write an original research paper concerning one or more topics covered in the class. The paper should be between 8-15 pages double spaced 12 point Times New Roman type with 1 in. margins (left, right, top and bottom).

Possible Topics: There are almost a limitless number of topics that could be undertaken for the term paper. You can choose an empirical analysis that uses regression analysis to investigate a particular question or hypothesis we discuss in class (or that you find elsewhere), you can choose to review the existing literature in a particular area of sports economics (a minimum of six papers), you can undertake a more descriptive research project in which you address some qualitative aspect of sports in the context of the topics we discuss in class.

Some possible topics:

2. Salary determination in your favorite sport.
3. The impact of salary disparity in your favorite sport.
4. Issues surrounding the values of sports sponsorship.
5. The impact of Title IX in college sports.
6. Economic aspects of the Olympics or the World Cup

Due Date: The paper is due by the beginning of class on the day of the final exam Tuesday, May 7, 2013.

Late Papers: Papers handed in after the May 7, 2013, deadline can earn a maximum of 90% of the original project’s value, including any penalties for failing to participate in class discussion.

Importance to Grade: The numeric score on this assignment makes up 25% of the overall grade.

General Information: The following points may be obvious, but they will be mentioned anyway. The score you earn on the term paper will depend on the accuracy of the paper’s content, the appropriateness of the analysis, the quality of the writing and organization of the paper, and the completeness of any pertinent literature review. I recommend writing the paper in a somewhat conversational tone so that it can be understood by an intelligent person who has not taken this class, although you should explain any “jargon” used in the discussion. Feel free to discuss your paper idea with your classmates, family and friends, co-workers, and your professor. You often learn as much about a topic by talking with others as you do reading articles and books. However, the paper you hand in must consist solely of your own work. Any indication that you collaborated with another person concerning the material content of your paper will result in a minimum 50% reduction in the grade you can obtain on the term paper portion of the class.
Abbreviated Course Outline (Subject to Change)

1. Introduction
   - Economics Review (LVA Ch 1 and 2)
   - Introduction to Regression (handouts)

2. The Franchises
   - Profitability I: Ticket and concession pricing (LVA Ch. 3)
   - Profitability II: Team Quality (LVA Ch. 3)

3. The Leagues
   - The role of leagues (“The Peculiar Economics of Professional Sports”, LVA Ch. 4)
   - Competitive balance (LVA Ch. 5)
   - League rules, institutions, and incentives (handouts)

4. The Managers and the Referees
   - Managerial quality and team performance (handouts)
   - Why hire or fire the coach? (handouts)
   - What’s up with the referees?

5. The Players
   - Ethics of Professional Sports Salaries (handouts)
   - The Market for Sports Labor (“The Baseball Player’s Labor Market,” LVA Ch. 8)
   - Player value and salary determination (LVA Ch. 9, handouts)
   - The Impact of the Reserve Clause (handouts)
   - Wage inequality (handouts)
   - Strike and Lockouts (LVA Ch. 9)
   - Steroids and performance enhancing drugs (handouts)
   - Age and race in sports labor markets (LVA Ch. 10, handouts)

6. Amateur Sports (LVA Ch.11)
   - Role of sports on campus
   - The economics of the NCAA
   - Is Paying players a viable option?

7. The Cities
   - Stadium economics (LVA Ch. 6 and 7, handouts)
   - Economic impacts of franchises and events (LVA Ch. 7)

8. Additional topics (time permitting)
   - PGA: Tiger Effect, tradeoff between distance and accuracy (handouts)
   - NASCAR: effects of teammates, driving multiple series, driver owners (handouts)
   - Soccer – Referee Bias in the FIFA world cup, Impact of World Cup on World Economy (handouts)
   - Performance under pressure: Soccer, NHL, NCAA, NFL (handouts)